# Societe Generale International Limited (SGIL)

**31.12.2024** Annual Report and Financial Statements

# COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2024

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| **DIRECTORS** | |
| | Calvert Cheston BURKHART[1]<br>Thierry D'ARGENT[2]<br>Lionel Thomas Marcel BIGNONE<br>Nicole COLL[3]<br>Alexandre FLEURY<br>Florence HILLAIRE[4]<br>David Michael LAWTON<br>Keith MCARDLE[5]<br>Diane Elizabeth MOORE[6]<br>Hatem MUSTAPHA[7]<br>Michael Peter NEWMAN[8]<br>Jurrien REINDERS<br>Frank SPAHR[9]<br>Stephen Paul SWIFT[10] |
| **COMPANY SECRETARY** | Thomas SEIFERT |
| **REGISTERED OFFICE** | One Bank Street<br>Canary Wharf<br>London<br>United Kingdom<br>E14 4SG |
| **REGISTERED NUMBER** | 05407520 (England and Wales) |
| **INDEPENDENT AUDITORS** | PricewaterhouseCoopers LLP<br>7 More London Riverside<br>London<br>SE1 2RT |

[1] Appointed to the Board on 24 May 2024, subject to FCA approval. Approved by the FCA on 13 September 2024.
[2] Appointed to the Board on 21 December 2023, subject to FCA notification. On 24 January 2024 the appointment was notified to the FCA.
[3] Appointed to the Board on 1 July 2024, subject to regulatory approval. Regulatory approval was obtained on 10 January 2025.
[4] Appointed to the Board on 21 December 2023, subject to FCA notification. On 24 June 2024 the appointment was notified to the FCA.
[5] Resigned on 29 March 2024.
[6] Resigned on 31 March 2025
[7] Appointed to the Board on 27 March 2024, subject to FCA approval. Approved by the FCA on 22 August 2024
[8] Appointed on 21 December 2023, subject to regulatory approval. Approval was obtained on 5 April 2024.
[9] Appointed to the Board on 27 September 2024, subject to notification to the PRA and the FCA. The notification process was completed on 28 November 2024.
[10] Resigned on 31 March 2024.

# STRATEGIC REPORT

The Directors of Societe Generale International Limited (SGIL or defined as 'the Company', 'the Firm' or 'the Entity') present their Strategic Report for the year ended 31 December 2024.

## 1. GOVERNANCE STRUCTURE

The Board of Directors ('Board') provides strategic oversight of the business and its operations. The Board is ultimately responsible for the risks within the Company and approves the risk appetite and the framework to adhere to that appetite.

The composition of the Board provides the requisite levels of skills and expertise to allow for appropriate challenge in the oversight of the Company and its activities. The Board comprises Executive Directors, Non-Executive Directors (NED) and Independent Non-Executive Directors (INED). The NEDs and INEDs provide challenge and independent oversight over the Company's strategy and operations. The successive Chairpersons of the Board throughout the reporting period were INEDs. Please see Section 5.2 of the Directors' report for further information on Board Composition.

Senior Management have executive responsibility for the day-to-day management of the Company.

The Board and the Executive Committee structures are aligned to ensure effective oversight:

- At the Board level, the Board of Directors and the technical committees of the Board of Directors have been established, including the Board Risk Committee and Board Audit Committee; and
- At the Executive level, the Executive Committee and its sub-committees have been established, including the Risk Committees and the ERC.

The Senior Managers and Certification Regime continues to be the framework setting the required standards of accountability, conduct and competence of all SGIL employees and Senior Management.

The Directors seek to apply relevant principles set out in the Wates Corporate Governance Principles for Large Private Companies as the basis for SGIL's Corporate Governance Code. Further commentary relating to how the Company has applied the Wates Principles can be found in the Directors Report.

## 2. BUSINESS MODEL

SGIL is a 100% wholly owned subsidiary of Société Générale SA (SG SA) which is incorporated in France. Copies of the Group financial statements of SG SA are available from the registered office at 29, Boulevard Haussmann, 75009 Paris, France.

SGIL is part of Société Générale's global coverage platform for Execution, Clearing, Settlement, and Reporting services, which are provided across a broad range of asset classes such as equities, fixed income, foreign exchange, and commodity products covering both listed and Over the Counter (OTC) markets around the world.

Within SG Group, SGIL is part of the Prime Services & Clearing (PSC) business line within Equity Derivatives Business Unit (MARK/EQD or EQD) under the Global Market Business Unit (hereinafter MARK).
SGIL runs as a standalone entity with dedicated governance forums and subject to specific regulatory requirements.

Within SGIL, PSC conducts four main activities:

- Listed Execution business (ETD): Agency execution services for clients
- Clearing (CLR): Clearing in listed options, futures and cleared over the counter derivatives as well as securities Prime Brokerage for bonds and equities, for Financial Institutions.
- Corporate Coverage and Execution (COR): full-service commodities listed derivatives brokerage services (execution and clearing) on energy, metals and agricultural exchange-traded commodity derivatives for corporate clients.
- Clearing Collateral Management (CCM): Management of cash and collateral in relation to margin received from PSC agency clients.

As part of these activities, SGIL holds the general clearing memberships of several CCPs globally and holds client accounts for both CASS segregated and non-CASS segregated clients.

SGIL's core earnings from its business model come from trading and/or clearing commissions and interest from financing of client portfolios.

In September 2024 SGIL became dual regulated under the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) as a 'designated investment firm' (being the PRA for prudential matters and FCA for conduct related matters). As a result, it is subject to the CRR section of the PRA Rulebook and PRA Supervisory Statements including SS 5/21 "International banks: The PRA's approach to branch and subsidiary supervision".

The PRA's rationale for designation was based on two factors: a) the size of SGIL's Balance Sheet, being in excess of a £15 billion threshold set by the PRA; and b) the materiality of SGIL's clearing activity on several UK CCPs and the associated systemic risk SGIL could pose to the UK financial system in the event of a default or failure.

## 3. BUSINESS AND STRATEGY UPDATE

During the year under review, the Company made a profit after tax of £118.3m (2023 profit: £153.2m). Total shareholders' funds for the year ended 31 December 2024 were £1,442.3m (2023: £1,480.3m). Net banking income has decreased year on year, primarily within the Corporate Coverage and Execution clients, and reflecting the reduction from exceptionally high client balances and volatility in the energy markets in Q1 2023 and reduced associated opportunities for repo optimisation. Costs increased primarily resulting from project costs associated with the transition to regulation under the PRA to ensure SGIL's regulatory compliance under UK CRR.

### 3.1. Strategy update

SGIL has continued to make significant progress on its strategy of simplifying its business model into an efficient prime service and clearing offerings within the SG Group Prime Services & Clearing (PSC) business. This strategy has three main objectives, namely:

- Simplification of the activities within SGIL to focus on SGIL's core activity of Listed Derivatives, Cleared OTC and securities Prime Brokerage (PB);
- Continued transformation of SGIL's operational and IT platform, as part of Global PSC Transformation roadmap, to increase automation, improve service, and reduce operational risk and costs; and
- The focused improvement of SGIL's client offering, by optimizing the range of products and services it provides out of the full suite available to SG Global PSC's client base.

With its securities PB capabilities, SGIL is supporting PSC's global push in EMEA for Fixed Income Products and in Asia for Equity Clearing. SGIL is also an enabler to SGUK in the maintaining of deep UK financial institution client relationships locally with its range of products.

SGIL's business strategy is fully aligned with MARK strategy, with a diversified, stable and recurring revenue base, primarily being made up of execution and clearing commissions, financing fees and interest revenues, as well as revenues from (short-term) optimisations of client margins.

Supported by these key transformation programmes and initiatives, SGIL aims to continue to improve profitability, irrespective of market conditions, by optimising resource utilisation (capital, liquidity and balance sheet).

Additionally, aligned with the SG Code, SGIL will:
- Not engage in jurisdictions or business relationships presenting an unacceptable level of risk, as defined by
- the Compliance, Financial Crime Unit (FCU) and Risk guidelines from SGIL risk management policies;
- Ensure that all employees have the right level of knowledge and understanding of SGIL's cultural values and
- principles, and that proper operational processes and controls are in place to mitigate the risk of fraud and regulatory breaches;
- Protect the data of its clients;
- Ensure that conduct risk policies and training are in place to ensure that conflicts of interests are avoided and
- that clients are treated fairly;
- Continually monitor the risk profile of the Company to ensure adherence to its risk appetite, as documented
- in the SGIL Risk Appetite Statement (RAS);
- Ensure ongoing compliance with all laws and regulation governing the activity of SGIL;
- Ensure that effective and appropriate governance is maintained across the entity in order to keep senior
- management and the SGIL Board apprised of all relevant matters;
- Maintain open and collaborative relationships with all Regulators of SGIL both in the UK and globally; and
- Ensure collaboration and ongoing engagement with Exchanges and Central Clearing Counterparties ('CCPs')
- where SGIL holds memberships.

Based on the trend during the year, the Board expects that the Company will remain profitable and continue to be fully operational and meet its strategic targets which will ultimately enhance the services provided to its stakeholders.

### 3.2. 2024 achievements

SGIL made significant progress on its strategic objectives in 2024.

Client offering and booking centralisation

In 2024, SGIL concluded its project to simplify and refocus the entity as a Client Booking location for certain UK-originated clients, principally UK asset managers or clients requiring Client Asset Segregation (CASS). SGIL is not expected to book Corporate clients, including from outside the UK, unless by exception. Client origination and client facing teams, along with all associated operations, IT and all support functions, remain in SGIL. Due to this project, there will be a reduction in the balance sheet, as clients and the related balances are moved off of the SGIL balance sheet.

IT transformation

As part of the continued transformation of the global Prime Services and Clearing platform, in partnership with other entities and regions, SGIL continues with its ambitious global IT transformation programme. SGIL has invested significantly in the redesign of its infrastructure and architecture, leveraging new technologies such as cloud-based solutions and developing new service offerings. Its new inhouse vendor tool for ETD Clearing was rolled out for Asian markets in 2023 and significant progress on EMEA and North American markets has been made in 2024 with the target to complete in 2025. Completion of the wider transformation will not only materially upgrade SGIL's IT infrastructure, but also allows for significant cost savings for the platform, improving overall profitability for the Company.

## 4. REGULATORY DEVELOPMENTS

As part of transition to being regulated by the PRA for prudential purposes, SGIL produced an Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) in 2024 and implemented the relevant metrics under the Capital Requirements Regulation (Regulation of the European Parliament and of the Council 575/2013EU on prudential requirements for credit institutions) as applied in the UK in accordance with the European Union (Withdrawal) Act 2018 and as amended (UK CRR).

From a CCP recognition perspective, UK CCPs are covered by the temporary recognition of UK CCPs as third country CCPs under the European Market Infrastructure Regulation (EMIR), extended in January 2025 until June 2028, as announced by the European Commission. Any future change in this recognition would have an impact on the service offering to clients from SG SA which would be assessed in advance.

SG SA is a Global Systemically Important Bank (G-SIB), incorporated in France, and subject to regulation by the European Commission (EC), the European Central Bank (ECB) in its capacity as prudential supervisor, and the European Banking Authority (EBA). There are certain implications which flow from this for SGIL, such as, coverage in meetings of the College of Regulators.

Prior to 30 September 2024, under IFPR, SGIL was designated as a large non-SNI (Small and non-interconnected FCA investment firm) and a significant SYSC firm and subject to the Prudential Sourcebook for MiFID Investment Firms (MIFIDPRU). As a result of this designation, SGIL was also classified as an Enhanced firm for the purposes of the Senior Managers and Certification Regime (SMCR).

SGIL is classified under the FCA Client Assets Sourcebook (CASS) as a CASS Large Firm due to the amount of client money held being greater than £1 billion.

Current Tax

In December 2023, the government of France, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024 including a Qualified Domestic Minimum Top-Up Tax rule. Under the legislation, the parent company will be required to pay top up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%.

Pillar Two legislation has been enacted in the UK. The legislation was effective for the Company's financial year beginning 1 January 2024. The Company has assessed its potential exposure to Pillar Two income taxes. This assessment is based on the most recent tax filings, financial statements and financial information available regarding the financial performance of the Company. Based on the assessment performed, the Pillar Two effective tax rate is above 15% and management is not currently aware of any circumstances under which this might change. Therefore, the Company does not expect a material exposure to Pillar Two top-up taxes.

## 5. SUBSEQUENT EVENTS

To the best knowledge of the management of SGIL, other than as disclosed in Note 22 Subsequent Events there are no subsequent events to highlight in the financial statements.

## 6. KEY PERFORMANCE INDICATORS

The Directors of the Company use a range of measures to monitor the ongoing performance of the Company. These include the following Key Performance Indicators, presented to provide an understanding of the development, performance or position of the Company's business:

| **Criteria** | **2024** | **2023** |
|---|---|---|
| | £'000 | £'000 |
| Gross profit | 400,696 | 380,020 |
| Profit before tax | 157,749 | 198,457 |
| Cost/income ratio (Administrative Expenses/Gross Profit) | 30% | 30% |
| Tier 1 capital ratio | 45% | 35% |
| Total capital ratio | 50% | 39% |

The movement in the financial KPIs reflects the ongoing implementation of the business strategy and activities as described above. Management reference to these KPI's for the purpose of monitoring the business and key decisions. The metrics form the basis for management oversight over SGIL.

Tier 1 capital ratio and Total capital ratio are closely monitored to ensure the relevant UK CRR metrics are satisfied.

## 7. STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

Under section 172(1) of the Companies Act 2006, the Directors are required to engage with a broad range of stakeholders when performing their duty to promote the success of the Company.

The SGIL Board of Directors consider that they have performed their duties under section 172 (1), by acting in the way they believe, in good faith, would be mostly likely to promote the success and sustainability of the Company for the benefit of the members as a whole. In doing so, the Directors have had regard, amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interests of SGIL's employees;
- The need to foster SGIL's business relationships with suppliers, clients and others;
- The impact of SGIL's operations on the community and the environment;
- The desirability of SGIL maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

### 7.1. Stakeholder engagement

SG SA's corporate purpose is 'Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions'. Guided by this purpose, SGIL promotes respectful, responsible and sustainable relationships with all its stakeholders and the wider community, in line with SG's vision and values.

Clients

SG Group's priorities include enhancing its commercial performance, improving operational efficiency, and maintaining pace when rolling out its ESG initiatives and ambitions. Aligned to this, SGIL focuses on quality of service, added value and innovation to ensure client satisfaction. The ongoing objective is to be a trusted partner and assist SGIL clients in order to provide the right service at the right time, acting always in the best interest of the client, securing and protecting client interests, assets and data. The Directors receive regular business updates from relevant business heads and senior SGIL Executive Management with insights on clients' issues and needs. Client focus is at the forefront of SGIL's priorities and is monitored and overseen through various internal governance committees and numerous qualitative and quantitative metrics communicated regularly by support functions and client-facing teams to ensure that all client related matters are duly addressed by SGIL management.

Employees

SGIL management engages with employees through regular communication and feedback sessions, a structured evaluation and appraisal process, and through annual employee surveys. The surveys assist management to be closely informed and kept up to date on levels of morale and engagement as well as to understand which policies and practices employees value and what changes they would like to see implemented. Survey results allow SGIL management to identify and understand the success of various initiatives as well as to provide clarity on areas for improvement. Management provides the Board with regular updates on this activity.

Mental and physical wellbeing of SGIL employees continues to be a key priority with specific programmes related to mental health and well-being being promoted to all employees such as the Employee Assistance Programme (EAP) as well as access to the Unmind technology application. SGIL has formally adopted a hybrid working model in line with SG Group and this provides flexible working through a social contract which ensures the needs of the business are met whilst assisting employees in managing work and family/personal priorities and feedback from employees is positive. SGIL also offers employees the opportunity for flexible working as set out in the SG UK Flexible Working Policy.

Directors further review a suite of KPIs which act as indirect employee engagement metrics, and which provides an overview of the impact of SGIL's environment and incentives on the staff. These KPIs include ESG metrics and form part of the wider Conduct & Culture Dashboard presented to the Board Risk Committee on a quarterly basis.

Suppliers

SG SA seeks to build long-term and fair relationships with its suppliers based on trust and transparency. Additionally, the SG Group has set out a Sustainable Sourcing Charter to set out the Group's CSR commitments, obligations and expectations with respect to its suppliers. SG SA standards are applied to its subsidiaries and, as such, SGIL follows the same approach.

SGIL also has many Outsourcing and Non-Outsourcing Third Party arrangements in place that are material to its day-to-day operations. Some of these services are determined to be material (as per the Prudential Regulation Authority (PRA) designation) or Critical and Important Outsourced Services (CIOS) (as per European Banking Authority (EBA) designation) to the performance and functioning of the organisation. There is an established framework in place to ensure they are appropriately managed and monitored. SGIL's third party risk management meets the applicable regulatory requirements. In order to standardize the Third-Party Risk Management framework across the UK platform, SGIL's Executive Committee took the decision that it would also comply with these requirements. For outsourced services to third parties, on-going assessments are performed via a dedicated SGIL Service Management Committee ensuring that outsourcing arrangements are within SGIL risk appetite set by the SGIL Board of Directors and in line with the Financial Conduct Authority and Prudential Regulation Authority Outsourcing rule books. All material and/or strategic outsourcing decisions are presented by SGIL Executive Management to the Board Risk Committee for review as appropriate.

Regulators

The culture of SGIL requires that the high standards of conduct are promoted within the Company and with all external parties. In particular, the Directors of the Company are committed to ensuring that safety, soundness and adherence to all relevant aspects of regulation are central to the business model. Directors and relevant staff maintain awareness of regulatory requirements through engagement with regulators, industry bodies and specialist advisors, including regulatory seminars, round table events and relevant online forums. Additionally, SGIL Executive Management maintains open dialogue with its regulators and meets with the PRA and FCA on a regular basis to keep them abreast of developments within the business, provide relevant market updates and discuss business strategy. In 2024, the key areas of engagement with the PRA were related to SGIL's long-term strategy and transition to PRA regulation.

The Firm's Risk Appetite Framework guides SGIL's risk management process, to ensure strong risk management is embedded in the management of the Firm. The Firm produced an ICAAP and ILAAP in 2024.

This work has allowed the Board to maintain oversight of increasing regulatory requirements and ensure the business operates to the standard required. SGIL has further strengthened and improved its risk management processes as part of the transition in 2024 to being subject to the relevant metrics under the Capital Requirements Regulation (Regulation of the European Parliament and of the Council 575/2013EU on prudential requirements for credit institutions) as applied in the UK in accordance with the European Union (Withdrawal) Act 2018 and as amended (UK CRR).

In line with the Company's commitment to maintaining its reputation for high standards of business conduct for all employees and external parties, SGIL maintains a firm-wide Risk Culture programme. The objective of this programme is to: (i) improve the performance of the Company and individuals; (ii) further align SGIL behaviours to its regulatory responsibilities; (iii) better embed risk culture; and finally (iv) understand how individuals engage with it. The positive outcome of this programme has been observed through proactive identification, understanding, escalation and mitigation of potential risks. The Directors and senior managers also maintain a high level of awareness of the regulatory framework via technical training, dedicated sessions with employees with strong regulatory expertise, and their own business networks. All of this allows the Directors to ensure that the Company discharges its regulatory obligations appropriately.

SG Group

SGIL is wholly owned by SG SA and the close relationship between SGIL and SG SA is reflected in several ways. One of the Non-Executive Directors of the Company is the Co-Head of GBIS (Global Banking and Investor Solutions) of SG Group and who provides insights on the business strategy of the corporate and investment banking division and its impact, where relevant, on SGIL. In addition, one of the Non-Executive Directors of the Company's Board is the Chief Country Officer for the UK, providing alignment of strategy within the UK. The Group's view is further reinforced with the input of the European Head of the Prime Clearing Services Business Line who is also a Non-Executive Director of SGIL. In addition to this, the Global Head of MARK sits on the board of SGIL.

In addition, SGIL's governance framework and matrix management provides for key functional links between the Company and Group, with senior management having Group functional reporting lines and attending Group committees relevant to their areas of responsibility, thus allowing the Company to have the relevant influence and representation at Group level.

### 7.2. Environmental, Social and Governance (ESG)

SG SA is a leader in ESG research and advisory services, sustainable financing and sustainable investment, with well-developed Corporate Social Responsibility (CSR) and environmental impact reduction programmes.
As a subsidiary, SGIL's ESG framework is integrated within that of the Group. It is committed to a fair, environmental and socially inclusive transformation based on the core themes of the Group's ESG policies.

Environmental

SGIL follows SG SA Group guidelines regarding climate change and the associated risks. The Group has a climate strategy structured around three core priorities: managing the risks associated with climate change, proactively managing its climate impacts, and supporting clients on a path to a greener future, specifically by devising appropriate advisory and financing solutions.

In line with the Group Risk Management Frameworks, SGIL assesses the impact of Group climate change policy on desk mandates and applies the sectoral policies (e.g. oil & gas, thermal coal, nuclear, metals & mining) which forms part of the Group's Environmental & Social policies.

SGIL's office at One Bank Street is one of the most environmentally friendly buildings in the City and Canary Wharf with an 'Outstanding' BREEAM rating, providing our employees with a unique working environment & experience. Furthermore, Environmental and Social (ES) risk management across all front-office functions has been written into the SG Code of Conduct to ensure the upmost engagements from stakeholders.

SG has run a number of waste roadshows in the UK where staff can learn about the different waste disposal streams available as well as how staff can help SG to meet is environmental targets and make positive changes to their own habits to reduce waste and consumption.

In support of the wider Group's commitment to the Principles of Responsible Banking, SGIL aligns itself with Group policies and climate related voluntary commitments where relevant and material, including those linked to the UN Sustainable Development Goals, such as the Sustainable IT Charter, which helps to reduce digital waste and promotes digital inclusion.

Governance

SGIL's Board and management are committed to observe the highest standards of ethics and integrity in line with the SG Values and Code of Conduct, which ultimately align themselves to the Company's legal and regulatory obligations, including the FCA's Code of Conduct and Principles for Business with appropriate policies related to AML CFT, Market Abuse and Anti-Bribery and Corruption (ABC) including Gifts and Entertainment. Major and minor breaches to such polices are diligently monitored and subject to an agreed breach management framework and where appropriate are brought to executive and Board Committees.

SGIL continues to enhance its Operational Conduct Risk (OCR) and Culture and Conduct (C&C) monitoring, with KRIs monitored and reported to the Executive Committee and the Board at a minimum on a quarterly basis.

SGIL adheres to Group policies on data privacy and ensures its practices as a Data Controller are in line with UK requirements set out in the Data Protection Act, supported by the UK Data Protection Officer. The Employee Data Protection Policy was updated and enhanced in 2023.

Further information on the Company's governance arrangements is provided in Section 10.1 of the Strategic Report and Section 5 of the Directors Report.

Social

SGIL aligns itself and its initiatives with the Group's CSR policy. SG and the SG UK Foundation in the UK have CSR initiatives and partnerships with a particular focus on raising educational attainment and boosting the employment prospects of those in disadvantaged communities close to our offices. The Company also supports small charities and social enterprises to enable and empower them to expand their reach, capability and impact. These initiatives include:

- Young Influencers Programme: which supports students to learn new skills which will help them build a successful career in the financial services sector, and understand the positive social impact potential of banking and financial services;
- Supporting our charity partner Shelter, through various fundraising and CSR and volunteering initiatives, which includes voluntary donations from employee bonuses; and

- Various CSR activities are arranged through SG's partnership with the East London Business Alliance (ELBA), which draw on the combined skills, experience and expertise of the Company's employees to support local organisations and young people in education.

SGIL is committed to being a responsible employer and continues to develop a culture of responsibility amongst its staff with management championing the following initiatives to foster this:

- Developing skills that employees need to meet the ongoing transformation of the financial services landscape such as digital transition providing employees with access to a wide variety of professional and personal development opportunities including through participation in the Apprenticeship Levy scheme. and various talent programmes across different corporate title levels for high performing individuals, supporting the career aspirations of staff and ultimately internal mobility and talent retention;

- Developing a responsible and positive culture based on the Group's Leadership Model and Code of Conduct, which supports the annual appraisal process, with objectives being set against the SG Values ensuring that there is a balance between what is achieved and how it is achieved. SGIL continues its focus on developing and enhancing its Speak Up culture which promotes psychological safety, and our staff's confidence in the principles and practice of Speak Up. In turn this enhances the Company's risk culture alongside its whistleblowing framework;

- SGIL fosters employee commitment and team spirit through fair and appropriate remuneration processes which promote responsible and sustainable business practices and positive culture and conduct;

- SGIL's Diversity and Inclusion policy promotes an inclusive organisation in all Human Resources (HR) processes, prohibiting all forms of discrimination and supporting workforce diversity. SG is also a signatory of the HM Treasury's Women in Finance Charter. SG's target to see the representation of women in senior roles increase to 25% across the UK platform has already been achieved and has been extended to 30% by 2025. SG supports diversity and inclusion in the UK through SG employee networks and their initiatives, which include Be Me, Pride & Allies, the Gender Network and Great Minds. SG in the UK is a signatory of the Race at Work Charter, designed to improve outcomes for ethnic minority employees in the UK by increasing opportunities in the workplace. Further commentary on Board composition in relation to diversity can be found in Section 10.1 of the Directors Report; and

- Supporting a hybrid working model, the Life@Work initiative ensures the health, safety and well-being of the Company's staff is balanced against the needs of the Company, its stakeholders, including its clients, and the need to manage risk in all its forms.

- One of the core values of Societe Generale International Limited ("SGIL") is 'responsibility'. A concrete example of this is SGIL's zero tolerance to modern slavery in our business and supply chains. The Directors are committed to align with Societe Generale Group to combat slavery and human trafficking.

### 7.3. Streamlined energy and carbon reporting

Following the amendment to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Company is reporting its Greenhouse Gas Emissions (GHG emissions) and Energy usage.

The Company has followed the HM Government's Environmental Reporting Guidelines published in March 2019 in disclosing this information.

The scope includes the Gas (Scope 1) and the Electricity (Scope 2) consumed in operating the building. Fuel is excluded from the scope due to the usage being negligible. The disclosure excludes the BCP sites as it is believed that the relevant consumption is limited.

The energy and emissions are calculated on the monthly consumption of the heating and electricity based on SGIL's occupancy of One Bank Street.

The table below summarises the GHG emissions and Energy usage:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Energy (kWh) | Emissions ($tCO_2e$) | Energy (kWh) | Emissions ($tCO_2e$) |
| Emissions from combustion of gas (Scope 1 – tonnes of $CO_2e$) | 93,761 | 17.1 | 99,727 | 18.2 |
| Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of $CO_2e$)* | 464,786 | - | 466,122 | - |
| **Total gross $CO_2e$ based on above** | **558,547** | **17.1** | **565,849** | **18.2** |

Intensity ratios: Emissions per £m revenue (defined as gross profit):
Emissions from combustions of gas (Scope 1): 0.04 tonnes/£m (2023: 0.04 tonnes/£m)
Emissions from electricity for own use (Scope 2): - tonnes/£m (2023: 0.00 tonnes/£m)

Total CO2 per FTE: 0.06 tonnes/employee (2023: 0.06 tonnes/employee)

* Emissions from electricity usage has gone up with more prevalence of staff working from the office and electricity consumption of One Bank Street building increasing overall. Average desk occupancy has increased slightly between 2024 and 2023 (8% in 2023 and 8.9% in 2024).
As part of the continued enhancement of reporting on energy and emissions, we confirmed all electricity purchased at our office at One Bank Street for which Ground to 5th floor is occupied by SGIL, SG London Branch and SG Kleinwort Hambros is from 100% renewable sources and contribute zero CO2 emissions for both 2024 and 2023.

## 8. PRINCIPAL RISKS AND UNCERTAINTIES

SGIL faces a number of key risks as part of its normal day to day business. The principal risks and uncertainties faced by the Company are defined below, within the framework of the SG Group risk taxonomy. For more details, refer to Section 9, the Overview of Risk Management.

### 8.1. Operational Risk

**Operational risk** is defined as the risk of loss arising from inadequate or failed internal processes, staff and systems or from external events. Operational risk includes, in particular, risks related to low-probability but high-impact events, internal and external fraud risks and model related risks. It also incorporates compliance risk, inappropriate conduct risk, information and communication technology (ICT) and security risks (cybercrime, service failure, etc.). An Operational Risk component is sometimes also associated with other risk stripes (e.g., credit risk, model risk or market risk).

### 8.2. Liquidity and Funding Risk

**Liquidity risk** is defined as SGIL's inability to meet its financial obligations at a reasonable cost.

**Funding risk** is defined as the risk that SGIL will not be able to finance the development of its businesses at a scale consistent with its commercial goals and at a competitive cost compared to its competitors.

SGIL assesses liquidity and funding risks over various time horizons via internal stress tests, including intraday liquidity risk, and regulatory indicators, such as Liquidity Coverage Ratio and Net Stable Funding Ratio.

### 8.3. Business and Strategy Risk

**Business Risk** is the risk linked to the exposure to value loss due to fluctuations in volumes, margins, net fees and operating expenses that are not actively captured by other risk categories (such as interest rate risk in the banking book).

**Strategy Risk** is defined as the risk arising during the execution phase of a strategic initiative. SGIL's strategic initiatives are of a limited number and can be defined as being the main actions and means implemented to achieve the objectives that enable SGIL's strategy.

### 8.4. Credit Risk

**Credit Risk** (including concentration and settlement risk) is defined as the risk of losses arising from the inability of SGIL's clients, issuers or other counterparties to meet their financial commitments. Credit risk includes counterparty risk which is the risk of the deterioration of the creditworthiness or the default of the counterparty to a transaction (derivative or repo) before the final settlement of the transaction's cash flows. Counterparty Credit Risk (CCR) is a multidimensional form of risk, affected by the exposure to and the credit quality of the counterparty, both of which are sensitive to market-induced changes.

### 8.5. Market Risk

**Market Risk** is the risk of a loss of value on financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, price of securities (equities, bonds), commodities, derivatives and other assets.

The management of risk is discussed in the following section. Further discussion of liquidity risk, credit risk, and market risk can also be found at Note 19 to the Financial Statements.

### 8.6. ESG Risk

**ESG Risk** (Environmental, Social, and Governance Risk) can be defined as the negative materialisation of current or prospective ESG factors through SGIL's counterparties, invested assets or own operations. ESG risks are considered factors that can aggravate traditional risk categories (including credit risk, counterparty risk, market risk, non-financial risk, structural risk, business and strategy risk, other types of risk and other risk factors). They are likely to have an impact on SGIL's activities, results, operations and financial position in the short, medium and long term. These risk categories are closely interconnected and must be addressed as a whole. SGIL leverages the Group framework summarised below for the identification, assessment and management of ESG risk factors.

The Environmental and Social (E&S) General Principles apply to all financial and banking transactions and services provided by Societe Generale entities. They set out the framework applicable to the Group's activities, addressing the potential ESG impact of the associated product and service offerings. The sector policies, referred to as the E&S policies, define the standards that the Group agrees to apply in sectors considered potentially sensitive from an E&S or ethics perspective, based on its mapping of intrinsic E&S risks. The policies include aspects such as exclusion criteria and priority assessment criteria to enable the appropriate decision-making regarding clients, transactions, securities and services. The E&S General Principles and policies are updated in line with regulatory, scientific or societal developments, peer practices and the Group's strategy.

## 9. OVERVIEW OF RISK MANAGEMENT

Risk management is a fundamental management and control function and is vital for upholding the Company's reputation, performance and future success. It is therefore of critical importance to the Company's stakeholders that risk management processes are fit for purpose and subject to regular review and enhancement.

The SGIL Risk Management Framework (RMF) sets out the organisation and governance of SGIL's approach to risk management. It is aligned to the SG Code which contains SG's core normative documentation. The main components of the SGIL RMF include how risk (financial and non-financial) is managed and governed in the context of SGIL's organisational structure, activities, business strategy and regulatory framework; the applicability of SG's principles; and the design and operation of the three lines of defence.

Risk culture is also a key aspect of the Risk Management Framework. SGIL's risk culture is based on SG's Code of Conduct, including the shared values and leadership model. It encompasses the general awareness, attitude and behaviour of employees to risk and the management of risks within the organisation thereby promoting an effective risk management framework.

## 10. RISK GOVERNANCE AND ORGANISATION

SGIL's strategy, performance and operations are overseen by the Board of Directors. As part of its responsibilities, the Board oversees sound risk management and internal controls to enable risks to be assessed and managed.

### 10.1. Governance Structure

The Board of Directors ('Board') provides strategic oversight of the business and its operations. The Board is ultimately responsible for the risks within the Company and approves the risk appetite and the framework to adhere to that appetite. (See 1.0 Governance structure)

### 10.2. Three Lines of Defence Organisation

SGIL is organised along a Three Lines of Defence model with well defined and segregated responsibilities aligned with the SG framework as well as applicable local regulatory requirements and guidance. The Three Lines of Defence model ensures appropriate and clear responsibility for the management, challenge, and assurance of risks within SGIL.

**The First Line of Defence (LoD1)** is composed of any organisational unit or function that is accountable for one or more of SGIL's key risk types; engages in activities designed to generate revenue or reduce expenses; provides operational support or servicing to any business unit or service unit for the delivery of products or services to customers and clients; or provides technology services to any business unit or service unit. As the first line of defence, the business units ("BUs") and service units ("SUs") are accountable for current and emerging risk identification, measurement, monitoring, assessment, control, mitigation, and reporting. SGIL's LoD1 comprises of one BU – MARK and several supporting SUs including: Finance, Global Technology and Operations, Human Resources, Legal, Resources & Digital Transformation and Communication.

LoD1 controls are performed as part of operations to guarantee transaction security and quality. LoD1 controls consist of operational controls, managerial supervision, cross-functional controls, and other systems which help manage risk.

The Legal division serves as a risk mitigation function within the Group and defines the norms, standards, procedures, and controls associated with legal risk. The Legal division provides independent legal advice within the Group, and, among its roles, identifies, assesses, analyses, and mitigates legal risk issues within the Group. It also promotes a solid 'legal risk culture' throughout the Group.

**The Second Line of Defence (LoD2)** is composed of the Risk and Compliance divisions. Collectively, the LoD2 maintains an aggregate view of SGIL's risk profile. LoD2 is accountable for the independent oversight of risk-taking activities undertaken in pursuit of SGIL's strategic and business objectives. It further evaluates, oversees, and provides effective challenge to the plans and intended risk-taking and risk management actions of LoD1.

LoD2 leads the articulation of the risk appetite across all relevant scope areas and monitors and reports on LoD1's adherence to the established risk appetite and associated limits.

Included within LoD2 are the Level 2 Permanent Control teams attached to the Compliance, Finance and Risk divisions. These Permanent Control teams are responsible for carrying out independent assessments to provide an opinion on the adequacy and effectiveness of Level 1 controls.

**The Third Line of Defence (LoD3)** is provided by the General Inspection & Audit Division in accordance with the Societe Generale (SG) Group Internal Audit Charter. This Charter defines the mandate, authority, and responsibilities of IGAD to provide independent, objective, reliable and timely assurance to the Group Audit Committee, SG Group Management, and, where applicable, external auditors and regulators over the effectiveness of controls, risk management, and governance activities to mitigate risk and enhance the control culture within the Group. IGAD performs its work in compliance with the legislative and regulatory framework applicable to Internal Audit, and the professional practice standards published by the IIA (Institute of Internal Auditors).

Internal Audit findings and conclusions are reported to the different tiers of management within the Group. The Regional Chief Audit Executive provides regular updates on the main conclusions arising from audit work to SGIL management and the Board Audit Committee, and the Group's General Management and governance bodies, via the Group Head of IGAD. In accordance with regulations and professional standards, IGAD plans its coverage by performing an annual risk assessment and audit planning exercise. The output is a risk-based audit plan that takes into consideration regulatory needs, management's areas of concern, as well as placing emphasis on high-risk areas that may be subject to more frequent audit review. The annual plan also includes cyclical coverage of all SGIL activities, which are covered in an audit cycle of up to 5 years or more frequently depending on the level of risk or regulatory requirement.

### 11.3 Outsourcing services

The management of risks related to Third Parties is defined in the UK's Third Party Risk Management Policy and through the application of the Third Party Risk Management Minimum Standards, and adheres to SG Group policy. The provision of services between SGIL and external parties is managed through contractual agreements. The services rendered by the SG Group entities to SGIL are managed through Client Service Level Agreements (CSLAs), this includes any material external service provided from Group services. The oversight of these arrangements is managed by the SGIL Service Management Committee at the executive level and the Board Risk Committee at Board level.

## 11. RISK ASSESSMENT AND MEASUREMENT

### 11.1. Risk Assessment

Risk Management processes within SGIL's Risk Management Framework are designed to consider the nature and severity of identified risks, including those booked and/or originated by SGIL and enable the development of related risk management actions and strategies. A description of the key processes to identify and assess the risks SGIL is exposed to are described below.

**Risk Identification Process**

Risk identification is a cornerstone of the SG and SGIL Risk Management Framework. To identify, categorise and assess risks that SGIL is exposed to, SGIL relies on both annual and periodic / continuous processes including the Risk and Control Self Assessment (RCSA), and the Compliance Risk Assessment (CRA or COMPASS). These risk identification processes leverage on the SG Risk Taxonomy, which is reviewed annually and published in the SG Code. Both annual and continuous processes enable BUs and SUs to identify the material risks that are to be considered in key downstream risk management processes.

**ICAAP**

The ICAAP to assess the amounts, types, and distribution of capital that is considered to be adequate to cover the level and nature of the material risks to which SGIL is or might be exposed. This assessment includes all sources of material risks which impact SGIL's ability to meet its liabilities and other obligations as they fall due and incorporates stress testing and scenario analysis.

The ICAAP is the responsibility of SGIL's management body and is used as an integral part of the firm's risk management processes and decision-making processes. The ICAAP is documented and updated annually, or more frequently if there are changes in SGIL's business, strategy, nature or scale of its activities or operational environment that would suggest that the current level of capital is no longer adequate.

**ILAAP**

The ILAAP is an annual process which identifies, measures, monitors and manages liquidity and funding risks across different time horizons and stress scenarios. It is consistent with the risk appetite established by the SGIL management body.

The SGIL ILAAP presents the governance, methodologies and policies around liquidity and funding risk management, and the associated stress testing. The ILAAP also includes an assessment of SGIL's liquidity position as of the reporting date. It aims to demonstrate liquidity adequacy and includes quantitative outputs as well as qualitative self-assessments of the effectiveness of the liquidity management set-up.

### 11.2. Risk Measurement

SGIL uses various risk methods to measure the risks it is exposed to. For the major risks that SGIL is exposed to, these methods are described below:

**Operational Risk**

The principal exercise for assessing operational risk in SGIL is the Risk Control Self-Assessment (RCSA), which is performed annually by each BU and SU to identify non-financial risks and evaluate their inherent risk, the risk mitigation framework, and residual risk levels. The exercise is built on a bottom-up approach based on self-assessments. The assessments are informed by multiple sources of operational risk data (e.g. internal incidents, Key Risk Indicators (KRIs)). The RCSA outputs at local BU/SU level are reviewed and challenged by the LoD2. Using the non-financial risk taxonomy, a consolidated RCSA view of risks for SGIL is derived.

Those risks which are assessed as having 'high' / 'very high' residual risks are subject to remediation or, where this is not considered appropriate, formal risk acceptance is obtained from the business or service unit (such risk acceptance is not permitted for 'very high' risks).

In addition to this exercise, risk identification is also performed on an ongoing basis through other elements of the operational risk framework, such as:
- New Products and third-party services prior to their launch
- Risk Issue Management or Risk Acceptance during the course of an activity
- Scenario Analysis is used to identify and assess risks
- KRI monitoring
- Internal incident analysis

Beyond dedicated risk identification processes for specific areas of operational risk, risk identification also leverages activities carried out by LOD1 teams, risk reviews and other activities carried out by LoD2 and LoD3 and regulatory interaction. Furthermore, Operational Risk and its associated Scenario Analysis are integrated in the ICAAP to be comprehensive (i.e. Capital is assessed from Operational Risk perspective).

**Liquidity and Funding Risks**

SGIL's liquidity risks mainly arise from an increase in CCP margin requirement that cannot be transferred to the client (either immediately or permanently), or by clients withdrawing the collateral in excess posted on their accounts.

SGIL primarily measures its liquidity and funding risks through liquidity stress tests based on a systemic market stress, an idiosyncratic stress on the creditworthiness of the firm and a combination of both. SGIL also monitors the regulatory Liquidity Coverage Ratio and Net Stable Funding Ratio indicators which are applicable to the firm following its designation as a PRA regulated investment firm.

**Business and Strategy Risks**

SGIL plays an important role in the implementation of the UK strategy for SG and continues to positively contribute to the profitability of GBIS globally. The Business and Strategy risks are monitored by the Finance Division and reported to the SGIL Executive Committee, and the SGIL Board of Directors through the budgeting process. There is also ongoing monthly monitoring, including the performance of the sub business lines within SGIL in the SGIL Finance Committee, and quarterly to the SGIL Board Audit Committee and SGIL Board.

### Counterparty Credit Risk

The counterparty credit risk exposure (including concentration and settlement risk) faced by SGIL is largely short-term in nature due to the daily margining process and standard termination periods. The main counterparty credit risk exposure arises from the following:

- Cross margining activities;
- Margin financing activities; and
- Cash held at banks, carrying brokers, clearing houses and Group entities.

For cross margining and margin financing, SGIL would only suffer a counterparty credit risk loss if:

- the client does not pay; and,
- to close out the client's trades, SGIL realised a loss greater than the collateral that SGIL has on deposit for the client (i.e. as at the previous day).

SGIL has a diverse portfolio of clients which ranges from financial services companies and regulated funds to corporates, such as energy companies and commodity trading houses.

CCR is measured with exposure at default metrics (Potential Future Exposure), stress tests and probabilities of default. This is assessed for individual counterparties as well as at portfolio level on a regular basis. Monitoring is performed by the dedicated 'Metrics Monitoring Group' team and consolidated at a SGIL level by the SGIL Risk department, independently from the front office. Breaches are reported to the Board and Executive Committee according to the governance set in the Risk Management Framework and Risk Appetite Framework.

### Market Risk

SGIL's market risk exposure can largely be attributed to the activities on its clearing and collateral management desk. The desk is responsible for optimising return while managing the collateral positions and exchange margin requirements from listed and cleared OTC client activity. Due to this activity, the desk enters FX swaps, resulting in cross-currency basis risk, and outright bond positions, resulting in credit risk.

SGIL primarily measures its market risk through value-at-risk metrics and stress testing based on historical and hypothetical scenarios.

## 12. RISK MONITORING AND REPORTING

SGIL's risk monitoring and reporting has been designed to provide a comprehensive view of the SGIL risk profile on an ongoing basis and to ensure that the Company adheres to its defined Risk Appetite Statement. Its purpose is to enable escalation of breaches (including overruns) and to ensure the management of risks and the maintenance of risk mitigation processes. The processes to monitor and report risks are documented in the SGIL RMF, and are specific to each of the material risks that SGIL is exposed to.

SGIL produces, via its internal reports from the BUs and SUs, a number of risk metrics which constitute a measure of the risks monitored. Some of these metrics are also produced as part of the transmission of regulatory reports. These metrics concern SGIL's solvency, its profitability and its main risks.

**APPROVED AND AUTHORISED BY THE BOARD AND SIGNED ON ITS BEHALF BY:**

DocuSigned by:

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Lionel Bignone - Director

Date: 25th April 2025

## DIRECTORS' REPORT

The Directors of the Company present their report and the audited financial statements for the year ended 31 December 2024.

### 1. PROFITS AND APPROPRIATIONS

During the year under review the Company made a profit after tax of £118.3m (2023 profit: £153.2m).

Total shareholders' funds for the year ended 31 December 2024 were £1,442.3m (2023: £1,480.3m).

The Company's strategic highlights, business and future developments and principal risks and uncertainties are set out in the Strategic Report (page 2 to 17). Streamlined energy and carbon reporting is disclosed in Section 7.3 of the Strategic Report. Post balance sheet events are disclosed in Note 22.

### 2. DIRECTORS

The Directors, who served throughout the year and to the date of this report except as noted, were as follows:

Calvert Cheston BURKHART[11]
Thierry D'ARGENT[12]
Lionel Thomas Marcel BIGNONE
Nicole COLL[13]
Alexandre FLEURY
Florence HILLAIRE[14]
David Michael LAWTON
Keith MCARDLE[15]
Diane Elizabeth MOORE[16]
Hatem MUSTAPHA[17]
Michael Peter NEWMAN[18]
Jurrien REINDERS
Frank SPAHR[19]
Stephen Paul SWIFT[20]

The information relating to Directors' remuneration is disclosed in Note 4.

No Directors have any direct financial interests in the Company.

[11] Appointed to the Board on 24 May 2024, subject to FCA approval. Approved by the FCA on 13 September 2024.
[12] Appointed to the Board on 21 December 2023, subject to FCA notification. On 24 January 2024 the appointment was notified to the FCA.
[13] Appointed to the Board on 1 July 2024, subject to regulatory approval. Regulatory approval was obtained on 10 January 2025.
[14] Appointed to the Board on 21 December 2023, subject to FCA notification. On 24 June 2024 the appointment was notified to the FCA.
[15] Resigned on 29 March 2024.
[16] Resigned on 31 March 2025.
[17] Appointed to the Board on 27 March 2024, subject to FCA approval. Approved by the FCA on 22 August 2024.
[18] Appointed on 21 December 2023, subject to regulatory approval. Approval was obtained on 5 April 2024.
[19] Appointed to the Board on 27 September 2024, subject to notification to the PRA and the FCA. The notification process was completed on 28 November 2024.
[20] Resigned on 31 March 2024.

## 3. EMPLOYEE ENGAGEMENT

Employees are fundamental to the delivery of the Company's strategic plan and SGIL retains its focus on talent and the workforce being a fundamental asset of the Company, as highlighted in the Strategic Report.

As per the Group's core CSR themes, SGIL is and commits to always being a responsible employer. One of the primary considerations is ensuring the health, safety, diversity, equality, inclusion and well-being of its employees as well as ensuring the interests of staff are considered in key decisions.

The Company strongly promotes its 'Speak Up' programme and Whistleblowing policy to ensure that if employees have concerns, they are able to easily and safely raise them, and this is backed up by its Culture and Conduct programme to ensure that employees feel comfortable to challenge management and Company practices when needed.

The Board engages with a wide range of members of staff who present to it and to its committees. Additionally, individual Directors are committed to developing relationships with the most important functions of the Company.

The Board continues to engage employees, both directly and indirectly, as per Section 7.1 of the Strategic Report above.

## 4. BUSINESS RELATIONSHIPS

SGIL's business relationships with its clients, suppliers and other third parties are the cornerstone of its operational success and reputational integrity and are continuously reviewed and scrutinised.

Any issues identified which pertain to SGIL's business relationships are the subject of management updates within the SGIL governance framework, with all high-importance matters escalated to the Board for awareness and input.

During 2024, the Board was kept informed of the enhancement of the policies, controls and culture around the risks of bribery and corruption. This framework defines to a significant extent, through normative documentation, the procedures and Group tools that SGIL staff should adopt and use to document their engagement with all third parties. The Firm also continues to enhance its Sanctions and Embargo (S&E) governance to ensure that clients and products are authorised in line with existing restrictions, particularly in light of the on-going international events related to the Russia-Ukraine crisis and associated global sanctions.

Further information on Stakeholder engagement has been provided in Section 7.1 of the Strategic Report above.

## 5. CORPORATE GOVERNANCE ARRANGEMENTS

SGIL is a 100% wholly owned subsidiary of SG SA, and the Board ensures it understands the views of its shareholder through regular interactions between SGIL Directors and senior Executives of SG SA. These include the Co-Head of Global Banking & Investor Solutions, the Global Head of MARK and the European Head of Prime Clearing Services who serve as Non-Executive Directors on the SGIL Board.

Please also see Section 5.2 (Board Composition) below.

The Board uses the Wates Corporate Governance Principles for Large Private Companies as the basis for SGIL's Corporate Governance Code ('the Code') in full. Set out below is a summary of how each of the Wates six principles have been applied in the year ending 31 December 2024.

### 5.1. Purpose and Leadership

SG's Corporate Purpose, 'building together, with our clients, a better and sustainable future through responsible and innovative financial solutions', is embedded within SGIL's strategy, its goals and its approach to business. This ensures that the Company seeks value-added and sustainable solutions to meet the needs of its clients, while taking into consideration the wider needs of society, its broader stakeholders and its staff.

Building upon this purpose, SGIL operates an integrated and diversified model, centred around the Group values and leadership model which provide the basis for strong Board oversight and Executive Management, and set the tone for an innovative, inclusive, and open culture.

The Board and Executive Management work to ensure that the purpose and values are embedded within the business, operations and the wider culture of the Firm. These are described in Section 7.1 of the Strategic Report.

SGIL's Board and Board Committee Terms of Reference (ToRs) sets out the Board's leadership role and responsibilities, consistent with the corporate purpose. The Board's main responsibilities include:

- Establishing a sustainable business model for SGIL and a clear strategy consistent with that model;
- Reviewing and approving SGIL's financial reporting and controls;
- Exercising effective oversight of SGIL's corporate governance, risk management and control framework;
- Providing leadership within a framework of prudent and effective controls which enables risk to be assessed and managed; and
- Articulating and overseeing the embedding of a culture of risk awareness and ethical behaviour by Executive Management that SGIL should follow in the pursuit of its business goals.

During 2024 the Board continued to assess management plans for streamlining the operating model and the strategy as described in Section 3.1. The Board satisfied itself that the operational risks inherent in the plans were adequately catered for and that the interests of clients were fully considered through a programme of consultation and ensuring that clients retained optionality regarding the services provided.

SGIL has maintained its focus on ensuring the communication, engagement and relationship with its employees. SG holds an annual employee survey, completed in Q4 2024 to engage its staff and obtain feedback on management and the strategy of the Firm. The Company continues to build on the various initiatives offered as part of the Life@Work framework, which includes programmes and events focusing on wellbeing, diversity and inclusion, and work/life balance.

SGIL is included in the SG UK platform Team Meeting held by the Chief Country Officer, providing alignment of strategy within the UK. These provide staff with an opportunity to raise issues and feedback as part of the Q&A sessions. The UK platform also runs a series of 'In Conversation with…' sessions which enhances staff understanding of different areas of the business. In Q3 2024 the UK also hosted a Team meeting with the Group CEO, giving its staff the opportunity to gain further insight into the strategy and priorities of SG Group and its role within this.

SGIL maintains regular staff engagement via employee email communications and the Company's intranet site, covering all types of issues related to the business and business performance, employee policies, events, networks, training and engagement activities. All staff are located in One Bank Street, which further enhances collaboration across the various teams.

The Board is the ultimate sponsor of SGIL's Culture and Conduct Programme and receives regular updates from the CEO on this topic. Further oversight and monitoring is undertaken via Operational and Conduct Risks (OCR) and Conduct and Culture monitoring and reporting which includes various KPIs and indicators designed to provide insight into key conduct risk and conduct & culture. This is presented to the Board on a quarterly basis.

SGIL's Whistleblowing Policy is reviewed annually and approved by the Board. The Policy sets out the principles and framework for staff to raise reportable concerns in accordance with relevant regulatory and legal requirements of good practice in the UK. Diane Moore, SGIL's Senior Independent Non-Executive Director, acts as the Board's whistleblowing champion. In addition to the normal internal escalation mechanisms in SGIL, a reportable concern can also be raised through a confidential whistleblowing tool which is externally hosted, guaranteeing protection of staff and confidentiality of matters raised. An annual report is made to the Board of the number of cases raised through this tool.

As outlined in Section 7.2 of the Strategic Report under *Social,* SGIL and the wider SG UK platform senior management actively promote and supports a wider culture of openness and transparency by promoting a strong Speak Up culture, through creating and maintaining an environment of psychological safety which encourages staff to raise concerns. The benefits and strength of promoting this type of culture ensures that staff concerns are addressed at inception, which can work to reduce risk and prevent issues from maturing into legitimate whistleblowing events.

### 5.2. Board Composition

Currently the composition of the SGIL Board of Directors is made up of five Independent Non-Executive Directors (INEDs), six Non-Executive Directors (NEDs), and one Executive Director. Mike Newman, an INED, was appointed Interim Chair from 1st January 2024 until the appointment of Calvert Cheston Burkhart on 13th September 2024. Lionel Bignone has held the role of Chief Executive Officer throughout the year. The respective roles of Board Chair and CEO are clearly articulated in the ToRs and their respective appointment letters.

Board composition is reviewed at least annually by the Nomination and Governance Committee, having regard to the appropriate combination of skills, backgrounds, diversity, experience and knowledge that promotes accountability and constructive challenge in support of effective decision-making. At the end of 2024 the Board was comprised of 25% female and 75% male members.

The effectiveness of the Board and each Board Committee is self-assessed annually with the results presented and discussed at the Board. Periodically these reviews are conducted by an external advisor.

The Boards ongoing development is fostered through Board and individual training programmes. Over the course of 2024 the Board and/or its committees has undertaken the following training aimed at improving the overall knowledge and skills of the Board, and ultimately its effectiveness:

- ICAAP
- Operational Risk Model
- Climate Change and Impact on Disclosures
- RSCA deep dive
- ILAAP
- Recovery and Resolution
- Cybersecurity
- SG Code

### 5.3. Directors' Responsibilities

The general, fiduciary and statutory duties of UK directors are set out in The Companies Act 2006, and are supplemented by the Company Articles, the Board ToRs and those of its sub-committees, the relevant letters of appointment and the regulatory expectations and guidance set out by the UK regulators, including that of the SMCR. The Board and Board Committee ToRs are reviewed at least annually, and Directors' appointment letters which are updated as required. With this in mind, the Board, Board Committees and individual Directors have a clear understanding of their accountability and responsibilities.

In order to discharge these duties appropriately the Directors rely on the effectiveness and appropriateness of the Company's governance structure to allow them to oversee the proper functioning of the Firm and its activities while holding the Executive Management to account.

The Board and its Directors are supported by the following Board level committees:

- The Board Audit Committee (BAC);
- The Board Risk Committee (BR);
- The Board Nomination and Governance Committee (NGC); and
- The Board Remuneration Committee (RemCo).

The role and responsibilities of these committees, their chairs and their members/attendees are clearly set out in the individual ToRs, ensuring that there are clear lines of accountability, with the Board retaining the responsibility for final decisions in matters specifically reserved for the Board. The responsibilities set out in the individual ToRs also align themselves with the principles of the SMCR, ensuring that SMFs retain accountability in line with their respective responsibilities, as set out in their Statement of Responsibilities.

The Board ensures that systems and controls are operating effectively by reviewing key performance and risk indicators as well as providing constructive challenge to Executive Management. It receives regular reports from the BAC on the work conducted by both internal and external audit. Together this allows the Board to assess the quality and integrity of information provided to it, enabling the directors to monitor and challenge the performance of the Company, and make informed decisions.

The major risks of the Company along with action plans and potential emerging risks are reviewed on a monthly basis and formally validated during the year through the RCC and the BRC. The Board continues to assess the risk to the business and this assessment was fully integrated with SGIL's risk appetite framework. The Board was responsible for approving the results of the ICAAP and ILAAP in 2024. The Board is responsible for approval of the Company's Risk Appetite Statement, material risk polices and risk tolerance statements and limits, as well as the annual AML and Compliance programmes. Prior to submission and validation by the Board, and in line with the terms of reference, the relevant risk assessments are reviewed and challenged by the RCC and ALCO (Asset Liability Committee).

As per the self-assessment, the Board Chair is satisfied that there is an appropriate level of effective governance, ensuring that the Board can execute its authority with independence and therefore properly discharge its duties. The Chair is also satisfied that there is an adequate level of understanding across the Board collectively, and individually by both Executive and Non-Executive members, of the role, responsibilities and duties expected and required as Directors of the company.

Further information on how the Directors have discharged their duties under S.172 of the Companies Act 2006 is provided in Section 7 of the Strategic Report above, with Risk Governance set out in Section 10.

### 5.4. Opportunity and Risk

The BRC ensures oversight of the risk and compliance functions and focuses on the risk management, risk appetite, capital and liquidity adequacy assessment. The BRC, through the review of the current and future risk appetite and risk management framework oversees the implementation of that strategy by the Executive Management and provides challenge to the day-to-day risk management and oversight arrangements. This includes developing the overall risk appetite, tolerances and metrics used to measure the company's appetite and making recommendations where material developments impact the company's overall risk profile, as well as oversight of the internal control framework with respect to current and emerging risks inherent in the business.
The BAC ensures the effectiveness of the internal control framework through its oversight of the internal audit function, which is responsible for independently evaluating and providing assurance to the Board on the adequacy, appropriateness and effectiveness of SGIL's risk management and compliance framework, including the control framework implemented by the First Line of Defence. Internal Audit reports quarterly to the BAC on their findings on the control framework, identifying control deficiencies and remediation actions, which are reviewed and challenged by the BAC. The BAC is also responsible for reviewing the financial, capital and liquidity performance of the company. The SGIL Board oversees both Board sub-committees and promotes the long-term sustainable success of SGIL by reviewing opportunities raised by the business units and ensuring the creation and preservation of value by reviewing the budget, the strategy and the planning of scarce resources.

Further information on the key risks and opportunities have been set out in the Strategic Report, including Section 8 and 11.

### 5.5. Remuneration

The main purpose of the SGIL Remuneration Committee is to satisfy itself that the remuneration policy of SGIL complies with relevant financial services industry standards, its shareholder's policy globally, and regulatory requirements, including the requirement to ensure that SGIL's remuneration policies, procedures and practices (a) are consistent with and promote sound and effective risk management, (b) are in line with the business strategy, objectives, values and long-term interests of SGIL, (c) address broader societal factors including diversity and corporate social responsibility, (d) fulfil all requirements under the FCA Remuneration Code, inclusive of those relating to Material Risk Takers; and (e) are compliant with PRA remuneration requirements.

The Committee ensures that the implementation of the Company's remuneration policies are subject to, at least annually, a review by internal audit for compliance with the policies and procedures for remuneration adopted by the Board, and for compliance with applicable regulatory requirements.

The Remuneration Committee of the Company also ensures that remuneration practices are aligned with the Company's employee engagement strategy, which is evidenced, for example, in the Company's Gender Pay Gap reports which also highlight some of the Company's diversity initiatives.

### 5.6. Stakeholder Relationships and Engagement

The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions. Examples of employee engagement during 2024 include: employee surveys, the promotion of employee inclusion networks, and presentation of the UK roadmap through UK Team Meetings. SGIL's CSR ambitions are aligned to those of SG Group and further information on the Group's CSR ambitions may be found in the Société Générale Group's Universal Registration Document 2024. As a subsidiary, SGIL aligns its ESG framework to that of the Group and is committed to a fair, environmental and socially inclusive transformation based on the core themes of the Group's CSR policy described in section 7.2. Further information on stakeholder relationship and engagement can be found in Section 7.1 of the Strategic Report. Emissions details relating to ESG are also shown in section 7.3 of the Strategic Report.

## 6. EMPLOYMENT POLICIES

The Company's employment policies summarised in the Employee Handbook and expanded through further HR policies available to staff through the 'UK Policy Hub'. These policies are developed and monitored to ensure they fulfil the Company's legal obligations but also to demonstrate best practice in terms of both HR policies and organizational culture.

Its employee policies, benefits and working environment underpin equal opportunities for all employees and its Life@Work and Culture and Conduct frameworks are in place to support all employees to thrive in their roles and be their best in the workplace. The Company has a wide ranging and inclusive training curriculum to support employees' professional and personal skills development in partnership with their managers and the HR department. Its open culture is fostered by employee networks and diversity initiatives including those outlined in its Gender Pay Report and its commitments under the Women in Finance Charter. Its employee benefits package 'Choices' allows permanent employees to utilise a benefits allowance to focus on what works for them and their families. Diversity Policy included in the Staff Handbook (Section IV/2) covers our commitment to diversity and includes definitions of Discrimination (direct and indirect) and sets out our Zero Tolerance (Section IV/2.7) approach to any employee being subjected to harm, threats of harm, bullying and harassment, discrimination, or any inappropriate behaviour or language in the workplace. In particular, this behaviour is expressly prohibited (but is not limited to) if it is on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (which can include gender identity or gender expression), and sexual orientation. All policies are legally compliant, SGIL does not discriminate against those with a disability and has a fair recruitment procedure which ensures an equal process for all.

Societe Generale treats applicants, employees and former employees fairly and equitably and no one receives less favourable treatment due to any protected characteristic. Societe Generale provides fair opportunities for employment, training and promotion based solely on merit; as well as making decisions about recruitment, promotion and training, and allowing access to benefits, facilities and services which are fair and equitable and based solely on merit.

## 7. DIRECTORS' INDEMNITIES AND INSURANCE

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report. In addition, the Company maintains liability insurance for its Directors and officers.

## 8. GOING CONCERN

The Directors have assessed the Company's ability to continue as a going concern and are satisfied that the conditions are met.

In assessing the Company's ability to continue as a going concern the Directors have had regard to its financial forecasts that forms an integral part of its capital and liquidity planning. As a PRA-regulated investment firm subject to the Capital Requirement Regulation (CRR), the Directors have assessed the potential impact on the Firm's ability to comply with the capital and liquidity requirements under UK CRR. The adequacy of capital resources under a period of stress has been considered and Directors were satisfied that the level of capital surplus held would allow sufficient coverage of requirements under stress.
Accordingly, the Directors believe that preparing the financial statements on a going concern basis is appropriate.

## 9. DIRECTORS' DISCLOSURE TO AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

## 10. INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP was appointed as SGIL's auditors in office from 26th June 2024, with Deloitte LLP resigning following the signing of the 2023 financial statements at the end of their permitted term acting for the Firm, in line with the Group rotation guidelines.

**APPROVED AND AUTHORISED BY THE BOARD AND SIGNED ON ITS BEHALF BY:**

DocuSigned by:

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Lionel Bignone – Director

Date: 25th April 2025

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOCIETE GENERALE INTERNATIONAL LIMITED

**Report on the audit of the financial statements**
**Opinion**

In our opinion, Societe Generale International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of financial position as at 31 December 2024; the Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

**Conclusions relating to going concern**
Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting.
- Evaluating the company's current financial position and financial forecasts, including the substantiation of the financial resources available to the company at the financial reporting date.
- Understanding and evaluating the company's current capital and liquidity position and reviewing the results of stress testing performed by management on liquidity and regulatory capital, including the severity of the stress scenarios that were used.
- Reading and evaluating the adequacy of the disclosures made in the financial statements relating to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

**Strategic report and the Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' Report.

**Responsibilities for the financial statements and the audit**

**Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to rules of the Financial Conduct Authority ('FCA') and Prudential Regulation Authority ('PRA), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and corporate tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Obtaining independent confirmations from third parties to confirm the existence of a sample of balances;
- Reviewing key correspondence with regulatory authorities (the FCA and the PRA);
- Identifying and testing selected journal entries, in particular journal entries with certain descriptions, those posted and approved by the same user and those posted by unexpected users; and
- Review of internal audit reports in so far as they related to the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
  the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

MikeWall

Mike Wallace (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25-04-2025

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

| | Notes | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **Profit and loss from continuing operations:** | | | |
| Revenue | 2 | 3,442,566 | 2,956,933 |
| Operating costs | 2 | (3,041,870) | (2,576,913) |
| Gross profit | 2 | 400,696 | 380,020 |
| Administrative expenses | 3, 4, 5 | (121,853) | (112,425) |
| Operating profit | | 278,843 | 267,595 |
| Dividend income | 5 | - | 15,738 |
| Interest income | 6 | 38,969 | 103,948 |
| Interest expense | 6 | (160,063) | (188,824) |
| Profit before taxation | | 157,749 | 198,457 |
| Tax on profit on ordinary activities | 7 | (39,456) | (45,217) |
| **PROFIT FOR THE YEAR** | | **118,293** | **153,240** |
| **Other comprehensive income/expense:** | | | |
| Items that may be subsequently reclassified to profit and loss: | | | |
| Gains on FVTOCI investments | | 1,798 | 7,309 |
| Deferred tax on gains on FVTOCI investments | 7 | (394) | (1,837) |
| Other comprehensive income net of tax | | 1,404 | 5,472 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **119,697** | **158,712** |
| **Profit attributable to:** | | | |
| Equity shareholder of the Company | | **118,293** | **153,240** |
| **Total comprehensive income attributable to:** | | | |
| Equity shareholder of the Company | | **119,697** | **158,712** |

All profits for the current financial year are from continuing activities.

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| | Notes | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **ASSETS** | | | |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 8 | 237 | 237 |
| Financial assets at fair value through P&L | 10 | 30,751 | 26,394 |
| Trade and other receivables | 11 | 1,002,000 | 996,700 |
| Deferred tax assets | 7 | 2,890 | 2,890 |
| | | 1,035,878 | 1,026,221 |
| CURRENT ASSETS | | | |
| Investments at fair value through OCI | 9 | 329,043 | 381,652 |
| Financial assets at fair value through P&L | 10 | 72,810 | 131,510 |
| Trade and other receivables | 11 | 12,841,331 | 17,528,555 |
| Cash and cash equivalents | | 2,247,257 | 8,484,257 |
| | | 15,490,440 | 26,525,974 |
| **TOTAL ASSETS** | | **16,526,319** | **27,552,194** |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Financial liabilities at fair value through P&L | 12 | (4,025) | (195,665) |
| Trade creditors and other payables | 13 | (14,928,132) | (25,725,072) |
| | | (14,932,157) | (25,920,737) |
| NON-CURRENT LIABILITIES | | | |
| Subordinated debt | 14 | (150,000) | (150,000) |
| Provisions | 15 | (1,829) | (1,130) |
| | | (151,829) | (151,130) |
| **TOTAL LIABILITIES** | | **(15,083,986)** | **(26,071,867)** |
| **NET ASSETS** | | **1,442,333** | **1,480,327** |
| **EQUITY** | | | |
| Share capital | 16 | 1,150,000 | 1,150,000 |
| Other reserves | | (5,235) | (6,639) |
| Retained earnings | | 297,568 | 336,966 |
| **TOTAL EQUITY** | | **1,442,333** | **1,480,327** |

The financial statements on pages 29 to 64 were approved by the Board of Directors on 25th April 2025 and signed on its behalf by:

DocuSigned by:

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Lionel Bignone - Director

SOCIETE GENERALE

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

| | Notes | Share Capital £'000 | Other reserves £'000 | Retained Earnings £'000 | Totals £'000 |
|---|---|---|---|---|---|
| **At 1 January 2023** | | **1,150,000** | **(12,111)** | **380,849** | **1,518,738** |
| Profit for the year | | - | - | 153,240 | 153,240 |
| Other comprehensive income for the year | | - | 5,472 | - | 5,472 |
| **Total comprehensive income** | | **-** | **5,472** | **153,240** | **158,712** |
| Dividend Paid | 22 | - | - | (197,123) | (197,123) |
| **At 31 December 2023** | | **1,150,000** | **(6,639)** | **336,965** | **1,480,327** |
| Profit for the year | | - | - | 118,293 | 118,293 |
| Other comprehensive income for the year | | - | 1,404 | - | 1,404 |
| **Total comprehensive income** | | **-** | **1,404** | **118,293** | **119,697** |
| Adjustment to opening balance | | - | - | (4,450) | (4,450) |
| Dividend Paid | 22 | - | - | (153,240) | (153,240) |
| **At 31 December 2024** | | **1,150,000** | **(5,235)** | **297,568** | **1,442,333** |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

## NOTE 1: ACCOUNTING POLICIES

A summary of the material accounting policies is set out below.

**Basis of preparation**

Societe Generale International Limited is a Private Company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 16.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

**Disclosure exemptions**

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, and related party transactions. Where required, equivalent disclosures are given in the Group financial statements of SG SA. The Group financial statements of SG SA are available to the public and can be obtained as set out in Note 21.

**Revised Standards**

In the current year, the Company has reviewed and assessed any impact on the amendment to IFRS 16 Leases Sale and Leaseback, IAS 1 in relation to Current or Non-Current Asset/Liabilities with covenants, IAS 7 and IFRS 7 relating to entities' qualitative and quantitative information. As the Company has no transactions related to the above standards, the amendments do not have any impact on disclosures or on the amounts reported in these financial statements.

**Going concern**

The Directors have assessed the Company's ability to continue as a going concern and are satisfied that the conditions are met.

In assessing the Company's ability to continue as a going concern the Directors have had regard to its financial forecasts that forms an integral part of its capital and liquidity planning. As a PRA-regulated investment firm subject to the CRR, the Directors have assessed the potential impact on the Firm's ability to comply with the capital and liquidity requirements under UK CRR. The adequacy of capital resources under a period of stress has been considered and Directors were satisfied that the level of capital surplus held would allow sufficient coverage of requirements under stress.
Accordingly, the Directors believe that preparing the financial statements on a going concern basis is appropriate.

**Foreign currencies**

The Company's presentation and functional currency is British Pounds Sterling which is the currency of the primary economic environment in which the Company operates. Amounts are presented in thousands (£'000) unless otherwise stated.

Monetary assets and liabilities expressed in foreign currencies are translated into sterling spot rate at the date of the balance sheet (see section Market risk in Note 19). Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Transactions in currencies other than the functional currency are converted to sterling spot rate at the date of the transaction. All exchange rate movements are taken to the profit and loss account.

**Revenue**

Revenue comprises interest income, commission and fee income, net gains and losses on financial instruments measured at Fair Value Through Profit and Loss (FVTPL), and gains and losses on foreign exchange. Income and expenses that arise from back-to-back transactions are presented gross within revenue.

Fee and commission income results from transaction-based arrangements in which the customer is charged a fee for the execution or clearing of transactions. Such revenues primarily arise from transactions in clearing and execution. Fee and commission income are recognised on trade date when the performance obligation is satisfied.

Interest income is generated from initial margin balances held, financing, repo and reverse repo transactions, High Quality Liquid Asset (HQLA) portfolio held at FVTOCI and is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest expense is generated from the same type of activity as described above.

**Operating costs**

Operating costs represent the costs of providing brokerage services, and include settlement costs payable to other Group companies, transaction charges from exchanges and third-party brokers, and interest expense on initial margin balances held, financing, repo and reverse repo transactions.

**Interest Income and Expense with Group**

Note 6 focuses on long term loans (deposits placed/received) which are for meeting liquidity/solvency regulatory requirements around the Liquidity Coverage Ratio and Net Stable Funding Ratio. Short term loans are more for optimisation of the business included in note 2.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

These financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

A market is considered active if there are sufficient transactions on an ongoing basis to provide current pricing information for the asset or liability and the pricing information is released publicly.

**Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Classification of financial assets**

Financial instruments which are not equity instruments, that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments which are not equity instruments, that meet the following conditions are subsequently measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

(i). Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost or at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'Interest income' within the Revenue line item.

(ii). Debt instruments classified as at FVTOCI

Treasury bonds held by the Company are classified as at FVTOCI. The treasury bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these treasury bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these treasury bonds had been measured at amortised cost. All other changes in the carrying amount of these treasury bonds are recognised in other comprehensive income and accumulated under the heading of Other Reserves within Shareholder Equity. When these treasury bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii). Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Net gains and losses' within Revenue line item;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Net gains and losses' within the Revenue line item;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Net gains and losses' within the Revenue line item.

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, amounts due from clients, initial margin and default funds posted to CCPs, brokers and reverse repos, and intercompany balances. No impairment loss is recognised for investments in equity instruments, because they are recognised at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

To determine the amount of impairment or provision to be recorded at each reporting date, these exposures are split among three categories based on the increase in credit risk observed since initial recognition. An impairment or provision shall be recognised for the exposures in each category as follows:

Observed deterioration in credit risk since initial recognition of the financial asset →

| *Credit risk category* | **Stage 1**<br>Performing assets | **Stage 2**<br>Under-performing or downgraded assets | **Stage 3**<br>Credit-impaired or defaulted assets |
|---|---|---|---|
| *Transfer criteria* | Initial recognition of the instrument in stage 1<br>⇨ *Maintained if the credit risk has not increased significantly* | Credit risk on the instrument has increased significantly since initial recognition / 30 days past due | Evidence that the instrument has become credit-impaired / 90 days past due |
| *Measurement of credit risk* | 12-month expected credit losses | Lifetime expected credit losses | Lifetime expected credit losses |
| *Interest income recognition basis* | Gross carrying amount of the asset before impairment | Gross carrying amount of the asset before impairment | Net carrying amount of the asset after impairment |

Lifetime expected credit loss (ECL) represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i). Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

For loan commitments and financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Company considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due. To identify Stage 2 exposures, the Company uses all available past and forward-looking data (behavioural scores, loan to value indicators, macroeconomic forecast scenarios, etc.) to assess the counterparty's credit risk. A financial asset moves to the stage 2 exposures if its internal credit risk rating decreased by at least two notches in the last 18 months.

(ii). Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii). Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss in Net gains and losses on financial transactions. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(i). Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) held for trading, or 2) it is designated as at FVTPL.
A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the 'other gains and losses' line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.
Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

(ii). Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(iii). Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

(iv). Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in 'Net gains and losses' within the Revenue line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

(v). Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The listed derivatives held by SGIL are settled to market and these instruments are presented in the financial statements in trade and other payables and receivables on a net by currency basis.

**Hedge accounting**

The Company designates certain derivatives as hedging instruments in respect of interest rate risk in **fair value hedges** and in **cash flow hedges**.

However, similarly to SG SA Group and in accordance with the transitional measures provided by IFRS 9, the Company has elected to continue recognising hedging transactions under IAS 39 as adopted by the IASB.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Company adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

(a) Fair value Hedges (FVH)

The Company hedges the interest risk of its fixed-rate debt instruments classified under Financial Assets at FVTOCI with interest rate swaps paying fixed rate and receiving the variable rate (plain vanilla swaps). The interest rate risk is defined as the risk that the value or cash flows of an instrument will fluctuate due to variations in market interest rates.

The fair value change on qualifying hedging instruments is recognised in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value but gain or loss on the hedged item is recognised in profit or loss. Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the gain or loss on the hedging instrument.

Prospective effectiveness is assessed via a rate sensitivity ratio between the hedged and hedging instruments. Retrospective effectiveness is performed on a daily basis using the dollar offset method. For both testing, the ratio should fall within the threshold of 80-125%.

If it becomes apparent that the derivative has ceased to meet the effectiveness criteria for hedge accounting or if it is terminated or sold, hedge accounting is discontinued prospectively. Thereafter, the carrying amount of the hedged asset or liability ceases to be adjusted for changes in fair value attributable to the hedged risk and the cumulative adjustments previously recognised under hedge accounting are amortised over its remaining life. Hedge accounting is also discontinued if the hedged item is sold prior to maturity or redeemed early.

(b) Cash Flow Hedges

The Company issues to certain employees share-value linked deferred bonuses (see Note 3). The Company hedges the effect of the movement of SG SA's share price to reduce market risk with cash settled options on SG SA shares (see Note 12).

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in 'Net gains and losses' within the Revenue line item.

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

**Netting of Financial Assets and Liabilities**

In accordance with IAS32, the Company reports certain financial assets and liabilities on a net basis in the balance sheet only if there is a legally enforceable right of offset to net the recognised amounts and there is the intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Cash and Cash Equivalents**

Cash and cash equivalents include Nostro current accounts, banking client deficit balances financed by SGIL and short-term deposits at banks with a maturity less than three months. The banking client deficit balances and short-term deposits at banks form part of the Company's short-term cash management.

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

**Impairment of intangible assets**

At each balance sheet date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any) and the carrying amount of the asset is reduced to its recoverable amount.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss statement except to the extent that it relates to items recognised in Other Comprehensive Income.

**Current tax**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date, and is the expected tax payable or receivable on the taxable profit and loss for the year and any adjustment to tax payable or receivable in respect of previous years.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying temporary differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The Company has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Company neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Pension costs and other post-retirement benefits**

The Company operates a defined contribution Personal Pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge in Note 3 to the financial statements represents contributions payable by the Company to the fund.

**Share-based payment**

The Company's employees receive share-based payments from the parent Company, SG SA, the details of these can be found in Note 3.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date.

**Client Money Balances**

As required by the UK Client Assets rules in line with the Financial Services Market Act (FSMA) 2000, the Company maintains certain balances on behalf of clients with banks, exchanges, clearing houses and brokers in segregated accounts. These amounts and the related liabilities to clients, whose recourse is limited to segregated accounts, are disclosed in Note 17 to the financial statements and are not included in the Company's balance sheet as the Company is not beneficially entitled thereto. As such they are not included in the Company's balance sheet as they do not meet the criteria to be recognised as the Company's assets.

**Critical accounting judgements and estimates**

Per IAS1, significant accounting estimates are estimates used for the preparation of the financial statements where accurate, historic amounts and/or information are not available. The Directors do not believe that any critical accounting judgements or estimates are applied, and no adjustments received after the date of these financial statements will have a material impact on the reported results of the company.

## NOTE 2: GROSS PROFIT

Gross profit is attributable to the principal activities of the Company:

| | Interest income/ (expense) | Commission and fee income/ (expense) | Net gains and losses on financial instruments | **Total £'000** |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | **£'000** |
| Revenue | 1,883,891 | 1,484,635 | 74,040 | 3,442,566 |
| Operating costs | (1,735,594) | (1,306,276) | - | (3,041,870) |
| **At 31 December 2024** | **148,297** | **178,359** | **74,040** | **400,696** |
| Revenue | 2,023,606 | 901,373 | 31,954 | 2,956,933 |
| Operating costs | (1,818,413) | (758,500) | - | (2,576,913) |
| **At 31 December 2023** | **205,193** | **142,873** | **31,954** | **380,020** |

Net gains and losses on financial instruments (at fair value through profit and loss) arise from the Company's brokerage activities. This also includes foreign exchange gains and losses on principal treasury positions, and gains and losses on revaluation of monetary assets and liabilities.

Analysis of the Company's revenue remitted from geographic source:

| | **2024** £'000 | **2023** £'000 |
|---|---|---|
| United Kingdom | 209,239 | 441,554 |
| France | 230,346 | 17,318 |
| Rest of Europe | 144,655 | 194,506 |
| Americas | 719,810 | 90,358 |
| Asia-Pacific | 163,708 | 112,968 |
| Other | 16,877 | 44,668 |
| | **1,484,635** | **901,373** |

The geographical analysis of the revenue is estimated using Net Banking Income geographical proportions, which is the way management tracks geographical information. The prior year geographical split comparatives have been re-presented.

## NOTE 3: STAFF COSTS

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Wages and salaries | 32,345 | 38,448 |
| Social security costs | 12,593 | 5,061 |
| Pension and other staff costs | 4,013 | 3,887 |
| | **48,951** | **47,396** |

As at the year-end, there were no unpaid pension contributions (2023: £nil).

The average number of employees at the end of the year was as follows:

| | 2024 | 2023 |
|---|---|---|
| Management | 11 | 11 |
| Front office | 97 | 92 |
| Support | 182 | 191 |
| | **290** | **294** |

**Share-based payments**

The Company's staff participates in the following share schemes offered by SG SA:

Fidelity plan

The Company issues to certain employees share-value linked deferred bonuses. The vesting periods of these bonuses are between one and three years from the date of declaration of the award and the employees will only be entitled to these bonuses on the condition that they are still employed by the Company at the scheduled payment dates during the vesting period. These bonuses are cash-settled and from the 2015 award onwards, the Company hedges the effect of the movement of SG SA's share price to reduce market risk (see Note 12).

The indexation related to this variation in the price of SG SA shares only for the current year was a loss of £102k (2023: gain of £82k). The profit and loss recognised in the year related to the share-based plan was an expense of £2,791k (2023: £2,375k).

UK Share plan

The Share Incentive plan provides the opportunity for all employees to purchase SG SA shares out of gross pay. For every four shares bought, SG SA will match one additional share. An employee may contribute £10-£150 from gross pay each month, but no more than 10% of gross pay. Matching shares are paid by the Company on a monthly basis.

## NOTE 4: DIRECTORS' EMOLUMENTS

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Directors' remuneration | 1,720 | 1,070 |
| Pension contributions to defined contribution schemes | 15 | 17 |
| | **1,735** | **1,088** |

Remuneration of the highest paid director:

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Directors' remuneration | 640 | 428 |
| Pension contributions to defined contribution schemes | 10 | 9 |
| | **650** | **437** |

The defined contribution schemes refer to 2 directors for 2024 (2023: 1).

## NOTE 5: OPERATING PROFIT

| Operating profit is stated after charging/(crediting) the following: | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Net movement of impairment | (698) | (880) |
| Expected credit loss provision recovered | 860 | 1,125 |
| Operating rental recharges | (1,762) | (3,478) |
| Fees payable to Company's auditor for: | | |
| - The audit of the Company's annual financial statements | (1,204) | (1,273) |
| - Audit related assurance services | (515) | (295) |
| Dividend income received (refer to Note 20) | - | 15,738 |

Included in administrative expenses are amounts recharged from other SG SA Group companies for £48,525k (2023: 34,493k).

## NOTE 6: INTEREST INCOME AND EXPENSE

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Interest income from deposits with Group companies (Note 11) | 38,969 | 103,948 |

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Interest expense on borrowings with Group companies (Note 13) | 160,063 | 188,824 |

## NOTE 7: TAX ON PROFIT ON ORDINARY ACTIVITIES

The UK corporation tax was increased to 25% from 1 April 2023. The rate applicable for financial reporting is 25% (2023: average rate 23.5%).

**(a) Analysis of the tax charge / (credit) in the year:**

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| **Current tax** | | |
| UK corporation tax | 38,422 | 44,578 |
| Adjustment in respect of prior periods | 1,429 | 794 |
| Total current tax | **39,851** | **45,372** |
| **Deferred tax** | | |
| Origination and reversal of temporary differences in the current year | 14 | (28) |
| Adjustment in respect of prior periods | (388) | (125) |
| Changes in Corporation tax rate | (21) | (2) |
| Total deferred tax | **(395)** | **(155)** |
| Total taxation on profit on ordinary activities | **39,456** | **45,217** |

**(b) Factors affecting the tax charge / (credit):**

| The charge for the year can be reconciled to profit and loss as follows: | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Profit on ordinary activities before tax | 157,749 | 198,457 |
| Tax on profit on ordinary activities at standard tax rate of 25% (2023: 23.5%) | 39,437 | 46,637 |
| Effects of: | | |
| - Expenses not deductible for tax purposes | - | - |
| - Non-taxable income | (1,000) | (2,087) |
| - Adjustment in respect of prior years and other | 1,040 | 669 |
| - Changes in Corporation Tax rate | (21) | (2) |

| | | |
|---|---|---|
| | | - |
| | **39,456** | **45,217** |

(c) **Deferred tax assets/ (liabilities):**

The deferred tax included in the balance sheet is as follows:

| | **2024** £'000 | **2023** £'000 |
|---|---|---|
| Depreciation in excess of capital allowances | 310 | 373 |
| Provision for temporary differences | 864 | 456 |
| Equities at FVTP&L | (463) | (547) |
| Loss (Gain) investments at FVTOCI | 2,073 | 2,467 |
| IFRS 9 transitional adjustments | 106 | 141 |
| | **2,890** | **2,890** |

The movement in the deferred tax asset during the period is as follows:

| | **2024** £'000 | **2023** £'000 |
|---|---|---|
| Deferred tax asset at 1 January | 2,890 | 4,570 |
| Amount credited to the income statement | 14 | 28 |
| Adjustment in respect of prior periods | (388) | 127 |
| Amount credited/(charged) to other comprehensive income | 394 | (1,837) |
| Changes in Corporation Tax rate | (20) | 2 |
| **Deferred tax asset at 31 December** | **2,890** | **2,890** |

Deferred tax assets are only recognized to the extent that they are more likely than not to be recovered. The Company recognised all UK deferred tax assets and liabilities at a rate of 25% at which the deferred tax is expected to reverse.

Legislation was passed in the Finance Act 2021, to increase the main rate of corporation tax for the Financial Year 2023 from 19% to 25% with effect from 1 April 2023. The increase is taken into account in calculating the deferred tax liability disclosed in the financial statements to 31st December 2024.

## NOTE 8: INTANGIBLE ASSETS

| | Other Intangibles £'000 | **Totals £'000** |
|---|---|---|
| **COST** | | |
| At 1 January 2024 | 237 | 237 |
| Movement | - | - |
| **At 31 December 2024** | **237** | **237** |
| **AMORTISATION / IMPAIRMENT** | | |
| At 1 January 2024 | - | - |
| | - | - |
| Movement | - | - |
| Amortisation for the year | - | - |
| | | - |
| **At 31 December 2024** | - | - |
| **NET BOOK VALUE** | | |
| **At 31 December 2024** | **237** | **237** |
| At 31 December 2023 | 237 | 237 |

The above intangible asset held by SGIL represents an indefinite useful life asset, and as such there is no amortisation applied.

## NOTE 9: INVESTMENTS AT FAIR VALUE THROUGH OCI

| | **2024** Treasury notes and bonds £'000 | **2023** Treasury notes and bonds £'000 |
|---|---|---|
| At 1 January | **381,652** | **568,665** |
| Additions | - | - |
| Disposals | (53,000) | (192,328) |
| Coupon | (312) | (835) |
| (Amortisation of premium) | (490) | (1,362) |
| Revaluation (*) | 1,194 | 7,512 |
| **At 31 December** | **329,043** | **381,652** |

Investments at FVTOCI consist of investments in treasury notes and similar bonds, for which the fair values are determined using quoted prices in active markets.

(*) £4,715k (2023: £(6,334) k) of the mark to market has been recycled through profit and loss under trades that have been designated as Fair Value hedges.

## NOTE 10: FINANCIAL ASSETS AT FAIR VALUE THROUGH P&L

| | 2024 | 2023 |
|---|---|---|
| | £'000 | £'000 |
| Derivative financial instruments | 70,654 | 128,826 |
| Fidelity Plan Hedge | 275 | 23 |
| Investment in joint venture | 30,751 | 26,394 |
| Equities investment | 1,880 | 2,660 |
| | **103,560** | **157,904** |

Derivative financial instruments consist of interest rate, foreign exchange, equity contracts for which the fair value is estimated using a discounted cash flow model that includes assumptions supported by observable market prices or rates.

Altura Markets S.V. is a 50% joint venture between the Company and Banco Bilbao Vizcaya Argentaria, S.A. that is incorporated in Spain and whose principal place of business is Vía de los Poblados 3, edificio 2, planta 1, Parque Empresarial Cristalia, 28033 Madrid. In accordance with the by-laws of Altura Markets S.V., all the shares of Altura Markets S.V. have the same political and economic rights and therefore SGIL shares are ranked pari passu with those held by Banco Bilbao Vizcaya Argentaria, S.A. with the same voting rights, dividend and capital distribution rights attached to them.

The revaluation of the investment is performed a year based on the net book value. Consolidation of the investment in Altura Markets S.V. occurs at the SG SA level (The parent company is disclosed in Note 21).

The maximum credit risk that SGIL has is equal to the value of the 50% ownership they have over Altura Markets S.V. No further credit risk is evident in relation to this investment because the ownership is split 50/50 with BBVA.

Financial assets at fair value include amounts due from other SG SA, Group companies for £70,654k (2023: £128,826k).

## NOTE 11: TRADE AND OTHER RECEIVABLES

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Amounts falling due within one year: | | |
| Financial assets with brokers, exchanges and clearing houses | 3,705,727 | 7,534,158 |
| Securities purchased under resale agreements | 7,417,815 | 9,029,528 |
| Receivable from clients and banks | 1,043,238 | 627,577 |
| Settlement account on securities transactions | 48 | 47 |
| Intragroup loans | 180,754 | 150,000 |
| Trade debtors | 468,687 | 118,035 |
| Other debtors | 10,804 | 51,409 |
| VAT receivable | 19,843 | 22,245 |
| Current tax | - | 1,929 |
| | **12,846,916** | **17,534,928** |
| Allowance for impairment losses | (5,585) | (6,373) |
| | **12,841,331** | **17,528,555** |
| Amounts falling due after one year: | | |
| Intragroup loans | 1,002,000 | 996,700 |
| | **1,002,000** | **996,700** |

Included within Trade debtors are Transfer Pricing amounts for the Listed Derivatives business as part of the SG Group's Transfer Pricing Agreement.

Included within trade debtors are aged brokerage receivables which are past due, but not impaired.

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| 7-12 months | 143 | 210 |
| 13-18 months | - | - |
| 19-24 months | - | - |
| 25-36 months | - | - |
| 37-48 months | - | - |
| | **143** | **210** |

Included within receivable from clients, the impairment allocated on underlying assets is £5,585k (2023: £6,373k) inclusive of collective ECL provisioning.

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| At 1 January | (6,373) | (28,843) |
| Additional impairment charge | - | (430) |
| Write-off | - | 21,301 |

| | | |
|---|---|---|
| Recovery charge | 860 | 1,125 |
| Exchange rate movement | (72) | 474 |
| | **(5,585)** | **(6,373)** |

Trade and other receivables include amounts due from other SG SA group companies for £5,094,453k (2023: £9,360,615k).

This includes twenty-seven intragroup loans with SG SA:

| Amount 2024 £000 | Amount 2023 £000 | Value date | Time to maturity | Interest rate % p.a. | Interest type | Fair Value of the loan at 31.12.2024 £000 | Fair Value of the loan at 31.12.2023 £000 |
|---|---|---|---|---|---|---|---|
| 80,000 | 160,000 | 17-Dec-15 | 1 Years | 2.90% | Fixed | 78,875 | 157,303 |
| 80,000 | 80,000 | 17-Dec-18 | 4 Years | 2.31% | Fixed | 74,638 | 75,920 |
| 80,000 | 80,000 | 17-Dec-19 | 5Years | 1.72% | Fixed | 70,896 | 73,117 |
| 7,400 | 7,400 | 10-Oct-19 | 4Years | 2.35% | Fixed | 7,065 | 7,190 |
| 7,400 | 7,400 | 10-Oct-19 | 3 Years | 2,35% | Fixed | 7,189 | 7,273 |
| 7,400 | 7,400 | 10-Oct-19 | 2 Years | 2,35% | Fixed | 7,279 | 7,303 |
| 7,400 | 7,400 | 10-Oct-19 | 2 Years | 2,35% | Fixed | 7,401 | 7,335 |
| 7,400 | 7,400 | 10-Oct-19 | 1 Years | 2.35% | Fixed | 7,558 | 7,393 |
| - | 7,400 | 10-Oct-19 | | 2.35% | Fixed | - | 7,554 |
| 87,400 | 87,400 | 17-Dec-20 | 6Years | 0.99% | Fixed | 72,535 | 74,730 |
| 35,000 | 35,000 | 25-Mar-20 | 6Years | 1.61% | Fixed | 31,055 | 32,059 |
| 27,500 | 27,500 | 25-Mar-20 | 5Years | 1.54% | Fixed | 25,040 | 25,336 |
| 27,500 | 27,500 | 25-Mar-20 | 4Years | 1.53% | Fixed | 25,666 | 25,811 |
| 7,500 | 7,500 | 25-Mar-20 | 3Years | 1.49% | Fixed | 7,137 | 7,113 |
| 7,500 | 7,500 | 25-Mar-20 | 2Years | 1.46% | Fixed | 7,313 | 7,193 |
| 7,500 | 7,500 | 25-Mar-20 | 1Years | 1.40% | Fixed | 7,525 | 7,293 |
| | 7,500 | 25-Mar-20 | | 1.30% | Fixed | - | 7,506 |
| | 114,900 | 22-Dec-21 | | 1.39% | Fixed | - | 111,475 |
| 50,000 | 50,000 | 23-Dec-22 | 8Years | 5.10% | Fixed | 52,178 | 56,395 |
| 50,000 | 50,000 | 23-Dec-22 | 7Years | 5.05% | Fixed | 52,007 | 55,597 |
| 150,000 | 150,000 | 17-Jan-24 | 5 Years | SONIA+3.13% | Variable | 161,922 | 151,949 |
| 110,000 | 110,000 | 18-Dec-23 | 9Years | 4.88% | Fixed | 113,039 | 122,592 |
| 50,000 | 50,000 | 29-Jun-23 | 8Years | 5.95% | Fixed | 54,986 | 59,617 |
| 50,000 | 50,000 | 29-Jun-23 | 7Years | 5.97% | Fixed | 54,726 | 58,748 |
| 115,000 | - | 17-Dec-24 | 10 Years | 5.01% | Fixed | 119,550 | - |
| 15,000 | - | 17-Dec-24 | 9 Years | 4.95% | Fixed | 15,491 | - |
| 15,000 | - | 17-Dec-24 | 8 Years | 4.87% | Fixed | 15,424 | - |
| 15,000 | - | 17-Dec-24 | 7 Years | 4.83% | Fixed | 15,406 | - |
| 6,606 | - | 30-Dec-24 | 1 Years | - | - | 6,606 | - |
| 79,248 | - | 31-Dec-24 | 1 Years | 0.30% | Fixed | 79,456 | - |

Loans are recorded at amortised cost and expected to be held to maturity and subsequently the loan will be repaid by the end of the term.

For the remainder of the financial assets, the fair value has not been disclosed as the carrying amount is a reasonable approximation of the fair value of these financial assets.

## NOTE 12: FINANCIAL LIABILITIES AT FAIR VALUE THROUGH P&L

| | 2024 | 2023 |
|---|---|---|
| | £'000 | £'000 |
| Fidelity Plan Hedge | 11 | 273 |
| Derivative financial instruments | 4,014 | 195,392 |
| | **4,025** | **195,665** |

Derivatives consist of interest rate, foreign exchange and equity instruments for which the fair value is estimated using a discounted cash flow model that includes assumptions supported by observable market prices or rates.

The Group has entered into hedge contracts to protect against share price fluctuations on the settlement of share-based payment schemes. The terms of the hedge are designed to exactly match the indexation of the nominal amount of the bonus and the instalment dates and structure. The hedge will be settled in cash, and not in physical shares. The fair value of the hedge item amounts to £368k (gain) as at December 2024 (2023: £250k loss).

Financial liabilities at fair value include amounts due to other SG SA, Group companies for £4,014k (2023: £195,392k).

**Fair Value hedges**

As mentioned in SGIL Risk Management Framework (RMF), one of the risks that potentially impacts the processes and activities of the business is the structural interest risk on bonds which can have the potential alteration of the Company's net interest income and/or net asset value caused by variations in interest rates.

Hedge accounting enables SGIL to protect itself against changes in the fair value of fixed-rate bonds (hedged item) due to changes in interest rates (hedged risk).
- If rates rise, the fair value of the bond decreases while that of the swap increases;
- If rates fall, the fair value of the bond increases while that of the swap decreases.

No other risks will be hedged (e.g. credit-driven price changes).

The following tables details the hedge ineffectiveness arising from the hedging relationship and the line in profit or loss in which the hedge ineffectiveness is included:

| Hedging Instruments - Interest rate swaps contract | | | | | | | |
|---|---|---|---|---|---|---|---|
| Average Contracted fixed interest rate | | Notional Principal Amount | | Change in fair value for recognising hedge effectiveness | | Fair value of the hedging instrument (liabilities) | |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| % | % | £000 | £000 | £000 | £000 | £000 | £000 |
| 1 | 1 | £139,703 | £151,953 | £10,108 | £14,825 | £149,812 | £169,613 |

| Hedged item – Fixed rate bonds | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Nominal amount of the hedge item | | Accumulated amount of FVH adjustments on the hedge item included in the carrying amount of the hedged item: debit | | Line item in the statement of financial position (SOFP) in which the hedged item is included | Change in value used for calculating hedge effectiveness | | Accumulated amount of FVH adjustments in SOFP for hedged items that have ceased to be adjusted for hedging gains and losses | |
| 2024 £000 | 2023 £000 | 2024 £000 | 2023 £000 | | 2024 £000 | 2023 £000 | 2024 £000 | 2023 £000 |
| £139,703 | £151,953 | £129,579 | £137,115 | Financial assets at Fair value through OCI | £(10,123) | £(14,839) | £15 | £14 |

| Hedged item | | |
|---|---|---|
| Amount of hedge ineffectiveness recognised in profit or loss (P/L) | | Line item in P/L in which hedge ineffectiveness is included |
| 2024 £000 | 2023 £000 | |
| £15 | £14 | Net Gains and Losses |

Interest rate swap contracts exchanging fixed rate interest for floating rate interest are designated and effective as fair value hedges in respect of hedging the interest rate risk, effectiveness rate 2024: 100.52% (2023: 100.59%).

## NOTE 13: TRADE CREDITORS AND OTHER PAYABLES

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Securities sold under agreements to repurchase | 3,099,067 | 3,611,476 |
| Payables to clients and banks | 11,299,823 | 21,910,441 |
| Settlement accounts on securities transactions | 3,389 | 43 |
| Trade creditors | 481,663 | 176,815 |
| Other creditors | 32,793 | 23,533 |
| Current tax payable | 8,873 | 71 |
| Other tax payable and social security | 50 | 31 |
| Accrued interest on subordinated debt | 2,474 | 2,663 |
| | **14,928,132** | **25,725,072** |

Included in other creditors are amounts related to sundry creditors and employee benefits.

Securities and payables to clients and banks include amounts payable to other SG SA, Group companies for £12,377,171k (2023: £19,417,113k).

This includes £5,191,583k (2023: £5,065,217k) drawn down against a £9,105,480k (2023: £8,523,059k) facility with SG SA, in tranches that are repayable from overnight to 1 year that bear a weighted average outstanding positive interest rate of 0.37% (2023: 0.32%), the terms of which are determined by SG SA Group treasury.

## NOTE 14: SUBORDINATED DEBT

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Subordinated debt | 150,000 | 150,000 |

The subordinated loan of £150,000k maturing in January 2029 has been re-benchmarked to SONIA +3.13% per annum in 2024.
The carrying value of the subordinated debt and its fair value at 31 December 2024 are presented in Note 11.

The accrued interest payable of £2,474k (2023: £2,663k) is disclosed in Note 13.

## NOTE 15: PROVISIONS AND CONTINGENT LIABILITIES

| | Deferred Bonus<br>£'000 | Other Provisions<br>£'000 | **Totals**<br>£'000 |
|---|---|---|---|
| **At 1 January 2024** | **1,130** | **-** | **1,130** |
| Charge for period | 800 | 703 | 1,503 |
| Utilisation | (736) | - | (736) |
| Reversals | (68) | - | (68) |
| Revaluation | - | - | - |
| **At 31 December 2024** | **1,126** | **703** | **1,829** |

The deferred bonus provision is an assessment of the bonus payable to eligible employees that are deferred for up to 3 years from the date the bonus is awarded.

Other provisions include bad debt provision on brokerage receivables and severance costs.

**Contingent liabilities**

From time to time the Company is required to provide information to regulators and other government agencies as part of informal and formal enquiries or market reviews. Notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a risk of material adverse financial impact on the Company's results or net assets.

There is an on-going conversation with the FCA regarding transaction reporting which could possibly result in an economic outflow; however, the Directors do not believe this likely and as a result no provision has been made in the Financial Statements.

## NOTE 16: SHARE CAPITAL

Authorised, issued and fully paid:

| | Number | Nominal value | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|
| Share capital | 1,150,000,000 | £1 | 1,150,000 | 1,150,000 |

There have been no changes in the number of shares authorised, issued and fully paid.

In respect of the 2024 financial year, the Board have recommended no payment of a dividend on the ordinary shares (2023: £153.2).

## NOTE 17: CLIENT MONEY BALANCES

As at 31 December 2024 segregated Client Money balances held on behalf of clients with banks, exchanges, clearing houses and brokers in segregated accounts amounted to £8,758,521k (2023: £7,969,482k). These balances do not constitute part of the balance sheet of the Company.

## NOTE 18: DERIVATIVES AND OTHER FINANCIAL COMMITMENTS

| | 2024 | 2023 |
|---|---|---|
| | £'000 | £'000 |
| **Commitments granted** | | |
| Equity and index instruments | 3,503 | 2,433 |
| Foreign exchange instruments | 8,119,067 | 24,900,571 |
| Interest rate instruments | 2,080,771 | 1,930,711 |
| Forward dated Repurchase agreements | 4,329,462 | 7,516,111 |
| Securities pledged as collateral | 2,655,110 | 7,366,901 |
| **Total commitments granted** | **17,187,913** | **41,716,727** |
| **Commitments received** | | |
| Equity and index instruments | - | - |
| Foreign exchange instruments | 8,064,153 | 24,977,298 |
| Interest rate instruments | 2,080,771 | 1,930,711 |
| Forward dated Repurchase agreements | 4,671,972 | 10,328,896 |
| Securities received as collateral | 2,517,569 | 3,348,903 |
| **Total commitments received** | **17,334,465** | **40,585,808** |

SGIL may lend, pledge, re-pledge, hypothecate or re-hypothecate, on any terms, any collateral held in the customer’s account or transferred by the customer. The customer agrees that SGIL may grant a security interest over or title to margin or collateral provided by the customer to cover any obligations owed by SGIL to an intermediate broker, counterparty, exchange or clearing organisation, including obligations owed by virtue of the positions held by such entities for other clients. In terms of assets pledged or received, forward-dated repo agreements are the primary commitments. The balances concerning derivatives represent the notional amount. Derivatives are the equity and index, foreign exchange and interest rate instruments

## NOTE 19: FINANCIAL INSTRUMENTS

**Categorisation of financial assets**

| | Financial Assets at FVTPL £'000 | Financial Assets at FVTOCI £'000 | Financial assets at amortised cost £'000 | **Totals £'000** |
|---|---|---|---|---|
| Financial assets at fair value through P&L | 103,560 | - | - | 103,560 |
| Investments at fair value through OCI | - | 329,043 | - | 329,043 |
| Trade and other receivables | - | - | 13,829,073 | 13,829, 073 |
| Cash and cash equivalents | - | - | 2,247,257 | 2,247,257 |
| **At 31 December 2024** | **103,560** | **329,043** | **16,076,330** | **16,508,933** |

| | Financial Assets at FVTPL £'000 | Financial Assets at FVTOCI £'000 | Financial assets at amortised cost £'000 | **Totals £'000** |
|---|---|---|---|---|
| Financial assets at fair value through P&L | 157,904 | - | - | 157,904 |
| Investments at fair value through OCI | - | 381,652 | - | 381,652 |
| Trade and other receivables | - | - | 18,507,454 | 18,507,454 |
| Cash and cash equivalents | - | - | 8,484,257 | 8,484,257 |
| **At 31 December 2023** | **157,904** | **381,652** | **26,991,711** | **27,531,267** |

**Categorisation of financial liabilities**

| | Financial Liabilities at FVTPL £'000 | Financial liabilities amortised cost £'000 | **Totals** £'000 |
|---|---|---|---|
| Subordinated debt | - | 150,000 | 150,000 |
| Financial liabilities | 4,025 | - | 4,025 |
| Trade and other payables | - | 14,919,208 | 14,919,208 |
| **At 31 December 2024** | **4,025** | **15,069,208** | **15,073,233** |

| | Financial Liabilities at FVTPL £'000 | Financial liabilities amortised cost £'000 | **Totals** £'000 |
|---|---|---|---|
| Subordinated debt | - | 150,000 | 150,000 |
| Financial liabilities | 195,665 | - | 195,665 |
| Trade and other payables | - | 25,724,971 | 25,724,971 |
| **At 31 December 2023** | **195,665** | **25,874,971** | **26,070,636** |

Financial assets and liabilities include, but are not limited to, cash and derivative products that primarily represent the investment, trading and customer facilitation activities.

**Financial Risk Management**

The Company faces a number of risks as part of its normal day to day business. The principal risks and uncertainties faced by the Company are detailed in section 9 of the Strategic Report.

**Liquidity Risk**

**Liquidity risk** is defined as SGIL's inability to meet its financial obligations at a reasonable cost. SGIL assesses this risk over various time horizons via stress tests including intraday liquidity risk, as they fall due.

**Funding risk** is defined as the risk that SGIL will not be able to finance the development of its businesses at a scale consistent with its commercial goals and at a competitive cost compared to its competitors.

The Risk department monitors the Metrics on a daily basis and reports to the Board any breaches on a monthly basis. SGIL will always hold liquid assets to ensure compliance with the Overall Financial Adequacy Rule (OFAR). In addition, there is daily monitoring analysis sent to senior management on SGIL's liquidity positions. Given the short-term nature of SGIL's execution only prime brokerage and agency transactions, the Company considers this appropriate due to its belief that holding liquidity resources sufficient to survive in excess of 35 days would provide enough time to either outlast a stress event and / or take mitigating actions to address its impacts.

In addition to the compliance with the internal stress requirement, SGIL complies with the ILAAP communicated by the FCA on a daily basis.

**Maturity analysis of financial liabilities**

| | Overnight £'000 | 1-3 months £'000 | 3-12 months £'000 | 1-5 years £'000 | Greater than 5 years £'000 | Totals £'000 |
|---|---|---|---|---|---|---|
| Subordinated debt | - | - | - | 150,000 | - | 150,000 |
| Financial liabilities | - | 4,025 | - | - | - | 4,025 |
| Trade and other payables | 7,256,810 | 3,087,491 | 4,028,703 | 535,402 | - | 14,908,406 |
| **At 31 December 2024** | **7,256,810** | **3,091,516** | **4,028,703** | **685,402** | **-** | **15,062,431** |

| | Overnight | 1-3 months | 3-12 months | 1-5 years | Greater than 5 years | Totals |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Subordinated debt | - | - | - | - | 150,000 | 150,000 |
| Financial liabilities | - | 195,665 | - | - | - | 195,665 |
| Trade and other payables | 17,918,934 | 5,885,427 | 1,907,617 | 12,992 | - | 25,724,971 |
| **At 31 December 2023** | **17,918,934** | **6,081,092** | **1,907,617** | **12,992** | **150,000** | **26,070,636** |

The amounts above represent the undiscounted contractual maturities of financial liabilities.

**Credit Risk**

Credit Risk (including concentration risk) is defined as the risk of losses arising from the inability of SGIL's clients, issuers or other counterparties to meet their financial commitments.

The Company uses the IMR as it is a standard market metric used for listed derivatives counterparties. The counterparty credit rating of clients subject to IMR as at 31 December 2024 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Moody's/S&P or Fitch rating equivalent: | % | % |
| **Investment Grade** | **92%** | **91%** |
| Aa3/AA– and above | 1% | 0% |
| A1 to A3/A+ to A– | 78% | 72% |
| Baa1 to Baa3/BBB+ to BBB– | 13% | 19% |
| **Non - Investment Grade** | **8%** | **9%** |
| Ba1 to Ba3/BB+ to BB– | 6% | 8% |
| B1 to B3/B+ to B– | 2% | 1% |
| | **100%** | **100%** |

Exposures are largely spread across counterparty types but concentrated on Investment grade counterparties. The Non-Investment grade counterparties comes from the Hedge Funds. The proportion of Hedge Funds is 3% of all the counterparties in 2024 (2023: 5%). These counterparties are subject to enhanced counterparty risk management, notably through conservative margin parameters and regular due diligence.

Exposures with counterparties are measured at the counterparty level against a set of limits defined and monitored by the Risk Department and trading is allowed only if limits have been validated. Counterparty credit limits are reviewed annually or more often if a specific event necessitates a reassessment.

Collateral held as security is made up of High-Quality Liquid Assets (HQLA) which are an essential component of bank liquidity management, playing a crucial role in ensuring that financial institutions can meet their short-term obligations during periods of financial stress.

**Market Risk**

Although not considered one of the main risks for SGIL as mentioned in section 8.5 of the strategic report, the Market Risk is the risk of a loss of value on financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, and the price of securities (equity, bonds), commodities, derivatives and other assets.

- The Company is mainly exposed to the Euro, JPY and US dollar currencies and a 1% decrease in Sterling against all foreign currency denominated monetary assets and liabilities at 31 December 2024 would decrease the Company's profit before tax by £7,622k (2023: decrease in profit before tax of £40,636k).
- A 1% parallel change on the interest rate (holding all other variables constant) at 31 December 2024 would decrease the Company's profit before tax by £13,663k (2023: decrease by £10,449k).
- Both equity and commodity portfolios arise from fully hedged trading positions and therefore the Company faces minimal market risk exposures.

**Capital Management**

The FCA stipulates the minimum level of regulatory capital to be maintained by the Company and it is the responsibility of the Company's Board of Directors to ensure the Company maintains sufficient capitalisation.

In order to comply with the CRR and Capital Requirements Directive (CRD), which together comprise CRD IV and the FCA's IFPRU handbook which all came into force from 1 January 2014, the Company has prepared a Pillar 3 Disclosure Document. A copy of this document can be obtained from the Company Secretary, One Bank Street, London, E14 4SG or online at https://sgildisclosure.societegenerale.com/en/useful-information

Through close monitoring, Senior Management ensure that SGIL has adequate financial resources to meet its liabilities as they fall due, and that the level of capital is appropriate with respect to the risks. A Capital Contingency Plan (CaCP) has a primary focus of maintaining absolute levels of capital to protect SGIL, its clients and its reputation and ensure adherence to minimum Regulatory limits.

| | **2024** | **2023** |
|---|---|---|
| | £'000 | £'000 |
| Tier 1 capital: | | |
| - Share capital | 1,150,000 | 1,150,000 |
| - Profit and loss reserves | 292,333 | 330,327 |
| - Intangible assets | (237) | (237) |
| Tier 2 capital: | | |
| - Subordinated debt | 150,000 | 150,000 |
| Total capital resources | **1,592,096** | **1,630,090** |

**Fair value measurement of financial assets:**

The following table allocates financial assets measured at fair value to the three levels of the fair value hierarchy described in Note 1 (page 32):

| | **Level 1 £'000** | **Level 2 £'000** | **Level 3 £'000** | **Totals £'000** |
|---|---|---|---|---|
| Investments at FVTOCI | 329,042 | - | - | 329,042 |
| Financial assets at FVTPL: | | | | |
| Shares and other equity instruments | - | - | - | - |
| Derivative instruments: | | | | |
| - Interest rate derivatives | - | - | - | - |
| - Foreign exchange derivatives | - | 57,546 | - | 57,546 |
| - Equity and index derivatives | - | 275 | - | 275 |
| - Commodity derivatives | - | - | - | - |
| Investment in joint venture | - | - | 30,751 | 30,751 |
| Equity investment | - | - | 1,880 | 1,880 |
| **At 31 December 2024** | **329,042** | **57,821** | **32,631** | **419,494** |

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Totals £'000 |
|---|---|---|---|---|
| Investments at FVTOCI | 381,651 | - | - | 381,651 |
| Financial assets at FVTPL: | | | | |
| Shares and other equity instruments | - | - | - | - |
| Derivative instruments: | | | | |
| - Interest rate derivatives | - | - | - | - |
| - Foreign exchange derivatives | - | 114,001 | - | 114,001 |
| - Equity and index derivatives | - | 23 | - | 23 |
| - Commodity derivatives | - | - | - | - |
| Investment in joint venture | - | - | 26,394 | 26,394 |
| Equity investment | - | - | 2,660 | 2,660 |
| **At 31 December 2023** | **381,651** | **114,024** | **29,054** | **524,729** |

**Movements in Level 3 financial assets during the year:**

Fair value measurements categorised within Level 3 of the fair value hierarchy are the fair value of Altura Markets S.V. investment based on its net book value and LME and SWIFT shares for which the fair value is based on the latest available transactions. The fair value of these investments is sensitive to the changes in the net book value of Altura Markets S.V., as well as on whether there are recent transactions in the market for LME and SWIFT shares. Therefore, any changes to these inputs will result in higher or lower fair value measurement than initially recognised.

| | Financial assets at FVTPL £'000 | Financial Assets at FVTOCI £'000 | **Totals** £'000 |
|---|---|---|---|
| **At 1 January 2024** | 29,054 | - | 29,054 |
| Additions | - | - | - |
| Disposals | (762) | - | (762) |
| Revaluations | 4,339 | - | 4,339 |
| **At 31 December 2024** | **32,631** | **-** | **32,631** |

**Fair value measurement of financial liabilities:**

The following table allocates financial liabilities measured at fair value to the three levels of the fair value hierarchy described in Note 1 (page 32):

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | **Totals £'000** |
|---|---|---|---|---|
| **Financial liabilities at FVTPL:** | | | | |
| Derivative instruments: | | | | |
| - Interest rate derivatives | - | 732 | - | 732 |
| - Foreign exchange derivatives | - | 3,282 | - | 3,282 |
| - Equity and index derivatives | - | 11 | - | 11 |
| **At 31 December 2024** | **-** | **4,025** | **-** | **4,025** |

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | **Totals £'000** |
|---|---|---|---|---|
| **Financial liabilities at FVTPL:** | | | | |
| Derivative instruments: | | | | |
| - Interest rate derivatives | - | 75 | - | 75 |
| - Foreign exchange derivatives | - | 195,317 | - | 195,317 |
| - Equity and index derivatives | - | 273 | - | 273 |
| **At 31 December 2023** | **-** | **195,665** | **-** | **195,665** |

**Changes in value of financial instruments at fair value**

Changes in fair value recognised in the profit and loss account arising from financial assets and liabilities held at fair value (including derivative assets and liabilities – Note 10 and Note 12) are included in Net gains and losses on financial instruments presented in Note 2.
Changes in fair value recognised in other reserves in respect of financial instruments classified at FVTOCI are presented in Other Comprehensive Income (page 31). Subsequent gains or losses arising on FVTOCI realised during the year are recycled in Net gains and losses on financial instruments presented in Note 2.

**Offsetting financial assets and liabilities:**

(*)The prior year comparative of this note relating to netting applied to Financial assets and liabilities at fair value has been restated, only the applicable amounts under IAS32 netting application is disclosed.
The following table provides an analysis of the amounts that have been offset in the balance sheet:

| | Gross amounts £'000 | Amounts offset £'000 | Net amounts on Balance Sheet £'000 | Amount not offset but subject to enforceable master netting agreement £'000 |
|---|---|---|---|---|
| Financial assets at fair value | 465,892 | (33,289) | 432,603 | - |
| Trade and other receivables | 15,430,663 | (1,601,591) | 13,829,073 | - |
| Cash and cash equivalents | 2,784,058 | (536,801) | 2,247,257 | - |
| **Financial Assets at 31 December 2024** | **18,680,614** | **(2,171,681)** | **16,508,933** | - |

| | | | | |
|---|---|---|---|---|
| | 150,000 | - | 150,000 | - |
| Subordinated debt | | | | |
| Financial liabilities at fair value | 37,314 | (33,289) | 4,025 | - |
| Trade and other payables | 17,057,600 | (2,138,392) | 14,919,208 | - |
| **Financial Liabilities at 31 December 2024** | **17,244,913** | **(2,171,681)** | **15,073,233** | **-** |

| | Gross amounts £'000 | Amounts offset £'000 | Net amounts on Balance Sheet £'000 | Amount not offset but subject to enforceable master netting agreement £'000 |
|---|---|---|---|---|
| Financial assets at fair value | 10,011,703 | (9,472,147) | 539,556 | (2) |
| Trade and other receivables | 24,722,397 | (6,214,943) | 18,507,454 | (4,250,069) |
| Cash and cash equivalents | 8,484,257 | - | 8,484,257 | - |
| **Financial Assets at 31 December 2023** | **43,218,357** | **(15,687,090)** | **27,531,267** | **(4,250,071)** |
| Subordinated debt | 150,000 | - | 150,000 | - |
| Financial liabilities at fair value | 9,667,812 | (9,472,147) | 195,665 | (2) |
| Trade and other payables | 31,939,914 | (6,214,943) | 25,724,971 | (4,250,069) |
| **Financial Liabilities at 31 December 2023** | **41,757,725** | **(15,687,090)** | **26,070,636** | **(4,250,071)** |

**Offsetting trade receivables & cash**

For repos, under the applicable contractual terms the amounts payable and receivables can be offset against each other, therefore have be presented as such in the financial statements.

For balances with the client and cash, balances are netted to align with the payable and receivables with the client and banks that are settled.

## NOTE 20: RELATED PARTY TRANSACTIONS

**Related Parties**

The Company acts as clearing agent on behalf of the following Group companies:

- Altura Market, Sociedad De Valores, SA
- SG Americas Securities LLC
- SG Kleinwort Hambros Bank Limited
- SG Securities (Singapore) Pte Ltd
- SG Securities Korea, Ltd
- Société Générale - Paris
- Société Générale Capital Canada Inc
- Société Générale Securities Australia PTY LTD
- SG Securities Asia International Holdings Limited
- Société Générale Securities Japan Limit
- Societe Generale London Branch

All trading transactions with related parties are subject to standard commercial terms and conditions.

Retrocession of net income, recharges of expenses, and other transfer pricing arrangements are in place with the following Group companies:

- SG Securities Asia International Holdings Limited
- Société Générale Securities Australia PTY LTD
- Société Générale Capital Canada Inc
- Société Générale Securities Japan Limited
- SG Securities (Singapore) Pte. Ltd.
- Société Générale Global Solution Centre Private
- SG Securities Korea, Ltd
- SG Americas Securities, LLC
- SG Americas Securities Holdings, LLC
- SG Zurich
- SG Singapore
- SG London
- Head office SG - Cent Communs
- Société Générale – Paris
- Société Générale European Business Services S.A.
- SG Frankfurt
- Banco Societe Generale Brasil SA
- SG Hong Kong
- SG Amsterdam

All related parties are 100% owned subsidiaries or branches of SG SA with the exception of Altura Markets S.V. which is a 50% joint venture between the Company and Banco Bilbao Vizcaya Argentaria S.A.

The following amounts were outstanding with non-100% owned related parties at the balance sheet date. The amounts outstanding are unsecured and have no fixed date of repayment, and settlement will occur in cash. Interest is accrued on the outstanding amounts.

| | Trade and other receivables | | Trade and other payables | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Altura Markets, S.V. | 9,666 | 8,394 | 147 | 153 |
| **Total** | **9,666** | **8,394** | **147** | **153** |

During the year, the Company entered into the following trading transactions with non-100% owned related parties:

| | Trade expenses | |
|---|---|---|
| | **2024** | **2023** |
| | £'000 | £'000 |
| Altura Markets, S.V. | 31 | 121 |
| **Total** | **31** | **121** |

During 2024 no dividends were received from Altura Markets S.V (2023: €18,314k equivalent of £15,738k).

## NOTE 21: PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The Company's immediate and ultimate holding company and the controlling party of the smallest and largest group for which Group financial statements are prepared is SG SA, which is incorporated in France. Copies of the Group financial statements of SG SA are available from the registered office at 29, Boulevard Haussmann, 75009 Paris, France.

## NOTE 22: POST BALANCE-SHEET EVENTS

Markets Update:
Following the US elections and fluctuations in market interest rates, we are closely monitoring any resulting uncertainty in the markets. There has not been nor is there expected to be any significant impact on SGIL as a result of the event, however SGIL management will continue to assess the risk of escalation and the corresponding impacts on SGIL.