

REMINDER OF THE MAIN ELEMENTS COMMUNICATED AND MACROECONOMIC ENVIRONMENT OF Q4 24

Information note

Paris, January 7, 2025

Societe Generale publishes today, before entering into quiet period on January 9, 2025 (close of business), an information note recalling the main elements communicated before or during the fourth quarter 2024.

Main communications made during Q4 24:

- On October 31, 2024, publication of the third quarter 2024 results
- On October 31, 2024, publication of the third amendment to the Universal Registration Document that was filed on March 11 under number D.24-0094
- On December 11, 2024, disclosure of regulatory capital requirements effective from 1st January 2025

Main perimeter changes in Q4 24 vs. 2023:

- The disposals of the activities in Congo and Chad are effective since December 2023 and January 2024 respectively. The two entities generated a total NBI of around EUR 60 million in 2023, including around EUR 10 million in Q4 23
- The Bernstein joint venture was officially launched on April 2, 2024
- The disposals of Société Générale Marocaine de Banques and its subsidiaries¹ and La Marocaine Vie are effective since December 2024. These entities generated a total NBI of around EUR 550 million in 2023, including around EUR 140 million in Q4 23
- The disposal of Société Générale Madagasikara in Madagascar is effective since Decembre 2024. This subsidiary generated a total NBI of around EUR 90 million in 2023, including around EUR 20 million in Q4 23

¹ Main entities in Morocco included in the scope of the disposal: Société Générale Marocaine de Banques whose brand is Société Générale Maroc, Société d'équipement Domestique et Ménager "EQDOM" (Specialised Financing), La Marocaine Vie (Insurance), Société Générale de Leasing au Maroc (Specialised Financing), Investima SA (Bank), Sogecapital Gestion (Financial Company), Sogecapital Placement (Portfolio Company), Sogecapital Bourse (Stock market intermediation).

Macroeconomic environment of the quarter:

- Overall, the economic environment remained uncertain and quiet during the fourth quarter, notably in Europe

Latest publications of the main economic indices and forecasts:

- ✓ the eurozone's preliminary composite purchasing managers' index (PMI) is 49.6 in December after reaching in November its lowest level for the past 10 months at 48.3
 - ✓ in its December 2024 interim report, the OECD anticipates annual growth of 0.8% in 2024 for the euro area, with a growth of 1.1% expected in France and a stagnation in Germany, still penalised by weak investment and industrial production, particularly in the automotive sector
 - ✓ more specifically, the Banque de France expects a stable GDP in France in the fourth quarter 2024
- In this economic context, and with inflation declining in 2024 towards target levels, central banks have continued the downward trend in key policy rates:
 - ✓ after rate cuts in June, September and October 2024, the ECB lowered the deposit facility rate by another 25 basis points in December to 3.0%
 - ✓ similarly, the US Federal Reserve cut its fed funds rates by 25 basis points in November 2024 to 4.50%-4.75%

Main financial highlights communicated:

Net banking income:

- At the end of the first 9 months of 2024, the Group published revenues up +5.3%² at Group level compared to the first 9 months of 2023. In 2024, revenue growth is expected to be greater or equal to +5% compared to 2023
- On October 31, 2024, at Q3 24 results publication, the Group notably communicated the following elements:
 - ✓ in the third quarter, the share of interest-bearing deposits continued to slowly increase while the loan environment remained still wait-and-see and competitive. In this context, the net interest income for French Retail, Private Banking and Insurance was around EUR 2.8 billion for the first 9 months of 2024, as expected. Based on the latest assumptions, it is expected at around EUR 3.8 billion for 2024, according to our latest estimates
 - ✓ in a context of an efficient and well-monitored client onboarding, the client acquisition pace remained strong at BoursoBank with more than 300k new clients over the quarter, most of the acquisition costs are deducted from service fees
 - ✓ market activities generated revenues of around EUR 4.6 billion in the first 9 months of 2024. Taking into consideration the usual seasonal effects in the fourth quarter and under normal market circumstances, market activities revenue could reach or exceed the high-end of the indicative range of the 2024 revenue target, between 4.8 and EUR 5.4 billion
 - ✓ Ayvens average used car sales results continued its normalisation to reach EUR 1,420 per vehicle³ in Q3 24 (vs. EUR 1,480 per vehicle in Q2 24), in line with the target of EUR 1,100 to EUR 1,600 per vehicle³ on average in 2024
 - ✓ Q3 24 revenues of the Corporate Centre include an exceptional amount of around EUR 0.3 billion

² +3.8% excluding an exceptional amount booked in the Corporate Centre (EUR 0.3 bn)

³ Excluding the impact of reduction in depreciation costs and Purchase Price Allocation

Operating expenses :

- At the end of the third quarter 2024, the Group published a cost/income ratio of 68.8%⁴ for the first 9 months. For 2024, the cost/income ratio is expected to be below 71%
- On October 31, 2024, at Q3 24 results publication, it was mentioned that transformation charges amounted to around EUR 540 million in the first 9 months out of a total EUR 650 million to EUR 700 million expected in 2024
- As a reminder, Societe Generale signed on December 4, 2023, an agreement with social partners as part of the Mandatory Annual Negotiation (NAO) in France. This includes collective and individual measures leading notably to an increase in the Gross Annual Remuneration (RAGB) of employees that took effect on 1 April 2024:

Collective measures:

- ✓ +2.5% for RAGB up to EUR 45,000
- ✓ +1.5% for RAGB above EUR 45,000 and up to EUR 60,000
- ✓ +1% for RAGB above EUR 60,000 and up to EUR 80,000

Individual Measures:

- ✓ an increase of around +2% of Societe Generale France's payroll, and of at least +2.5% in French retail banking in the context of its transformation

Cost of risk:

- At the end of the third quarter 2024, the Group published a net cost of risk of 27 basis points for the first 9 months. For 2024, the net cost of risk is expected to be between 25 and 30 basis points

Profitability:

- At the end of the third quarter 2024, the Group published a profitability (ROTE) of 7.1%⁵ for the first 9 months. For 2024, the Group's profitability (ROTE) is expected to exceed 6%

Capital :

- On October 31, 2024, at Q3 24 results publication, it was specified that the CET1 ratio, which stood at 13.2% at the end of September 2024, is expected to be above 13% at the end of 2024. On top of organic capital generation through earnings, it includes notably:
 - ✓ a potential organic growth in business RWAs consistent with the annual target of an increase of less than 1% compared to 2023 (i.e. a maximum impact of around -15 basis points over the entire year). As a reminder, business organic RWA remained overall stable during the first 9 months of 2024
 - ✓ the positive impact of the disposal of Société Générale Marocaine de Banques⁶, and La Marocaine Vie, for a total impact estimated at around 15 basis points
 - ✓ residual regulatory impacts of around -15 basis points, out of -35 basis points minimum expected this year regarding residual regulatory impacts initially expected in 2023.

⁴ 69.8% excluding an exceptional amount in the Corporate Centre (EUR 0.3 billion)

⁵ 6.5% excluding an exceptional amount in the Corporate Centre (EUR 0.3 billion)

⁶ Main entities in Morocco included in the scope of the disposal: Société Générale Marocaine de Banques whose brand name is *Société Générale Maroc*, *Société d'équipement Domestique et Ménager "EQDOM"* (Specialized Financing), *La Marocaine Vie* (Insurance), *Société Générale de Leasing au Maroc* (Specialized Financing), *Investima SA* (Bank), *Sogecapital Gestion* (Financial Company), *Sogecapital Placement* (Portfolio Company), *Sogecapital Bourse* (Stock Exchange Intermediation).

Calendar :

January 9, 2025	Beginning of the quiet period
February 6, 2025	Fourth quarter and 2024 results
April 30, 2025	First quarter 2025 results
May 20, 2025	Combined General Meeting