

IMPACTS OF THE NEW IFRS 17 STANDARD

Press release

Paris, 11 May 2023

Societe Generale publishes today new series of 2022 quarterly results following the application since 1 January 2023 of IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments”¹ for its insurance activities, with retrospective effect from 1 January 2022.

While the application of IFRS 17 and IFRS 9 does not modify the profitability of insurance contracts over the duration of the life of the contracts, it does however impact the following:

- group net income, mainly due to the change in the pace of P&L recognition and a modification of the presentation of operating expenses relating to the execution of insurance contracts, now deducted from net banking income;
- consolidated shareholders' equity, due to changes in valuation methodology for the relevant assets and liabilities under the new IFRS 17 standard, as well as for assets and liabilities subject to the IFRS 9 standard.

At Societe Generale group level, the first-time application of these standards on 1 January 2023 impacted the financial statements in the following ways:

- a EUR 193 million decrease in 2022 reported Group net income due to the change in pace of P&L recognition (see Appendix 1);
- a EUR 519 million net increase in Group shareholders' equity from the date on which the standards first applied, i.e. 1 January 2023.

The series of 2022 quarterly results have been adjusted consequently and are available on the Societe Generale website.

(The figures included in this press release are unaudited.)

¹ The application of IFRS 9 on insurance subsidiaries could be deferred pursuant to the criteria allowed under the amendments to IFRS 17 and IFRS 4 published by the IASB on 25 June 2020 and extended by EU Regulations 2017/1988 and 2020/2097 of the European Commission.

Appendix 1: Financial impacts following the application of the IFRS 17 and 9 standards on 2022 net income

In EUR m	Group			French Retail Banking		
	Published	Published	Gap	Published	Published	Gap
	11.05.23	08.02.23		11.05.23	08.02.23	
Net Banking Income	27,155	28,059	(904)	8,706	8,839	(133)
Operating expenses	(17,994)	(18,630)	636	(6,403)	(6,473)	70
Gross operating income	9,161	9,429	(268)	2,303	2,366	(63)
Group net income	1,825	2,018	(193)	1,399	1,445	(46)

In EUR m	International Retail Banking and Financial Services			Global Banking & Investor Solutions			Corporate Centre		
	Published	Published	Gap	Published	Published	Gap	Published	Published	Gap
	11.05.23	08.02.23		11.05.23	08.02.23		11.05.23	08.02.23	
Net Banking Income	8,595	9,122	(527)	10,082	10,082	0	(228)	16	(244)
Operating expenses	(4,009)	(4,334)	325	(6,634)	(6,634)	0	(948)	(1,189)	241
Gross operating income	4,586	4,788	(202)	3,448	3,448	(0)	(1,176)	(1,173)	(3)
Group net income	2,226	2,376	(150)	2,427	2,427	(0)	(4,227)	(4,230)	3

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Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** with the SG bank, resulting from the merger of the two Societe Generale and Crédit du Nord networks, and Boursorama. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services**, with networks in Africa, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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