SOCIETE GENERALE

REMINDER OF THE MAIN ELEMENTS COMMUNICATED AND MACROECONOMIC ENVIRONMENT OF Q2 25

Information note

Paris, 3 July 2025

Societe Generale publishes today, before entering into quiet period on 10 July 2025 (close of business), this information note that summarises the main elements communicated before or during the second quarter of 2025

Main communications made during Q2 25:

- On 9 April 2025, Societe Generale announced the completion of its share buy-back programme. 22,667,515 ordinary shares, representing a total amount of EUR 872 million, were repurchased and will be cancelled
- On 30 April 2025, Societe Generale published its results for the first quarter of 2025 and the first amendment to the 2025 Universal Registration Document filed under number D.25-0088-A01
- On 20 May 2025, Societe Generale held the Combined Shareholders' Meeting and confirmed the launch of a Global Employee Share Ownership Plan
- A dividend of EUR 1.09 per share, which was approved at the Combined Shareholders' Meeting on 20 May 2025, was detached on 26 May 2025 and paid on 28 May 2025

Main perimeter changes since Q2 24:

- The disposal of Societe Generale Equipment Finance (SGEF) was effective as of 28 February 2025. In Q2 24, SGEF generated revenues of approximately EUR 105 million
- The disposals of Societe Generale Private Banking Suisse (SGPBS) and SG Kleinwort Hambros were finalised on 31 January 2025 and 31 March 2025, respectively. In 2024, these entities generated on average a net interest income of approximately EUR 35 million per quarter
- The disposals of Société Générale Marocaine de Banques and its subsidiaries[1] and La Marocaine Vie were effective in December 2024. These entities generated revenues of approximately EUR 125 million in Q2 24
- The disposal of Société Générale Madagasikara in Madagascar was effective as of December 2024. This subsidiary generated revenues of approximately EUR 25 million in Q2 24
- The disposal of Société Générale Burkina Faso was effective as of 27 June 2025. This subsidiary generated revenues of approximately EUR 10 million in Q2 24. The impact of this transaction on the Group's CET1 ratio is not material

[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:

- The latest main economic indices and forecast data points:
  - ✓ The flash eurozone composite PMI for June 2025 stands at 50.6, up from May 2025 (50.2)
  - ✓ In its June 2025 preliminary report, the OECD anticipates annual real GDP growth of +1.0% in 2025 for the euro area, with growth of +0.6% expected in France
  - ✓ According to Eurostat, the inflation rate in the euro area stood at +2.0% in June 2025 vs. +1.9% in May 2025. France's inflation rate was +0.8% in June 2025
- In this economic context, the ECB continued to reduce its key rates while the US Federal Reserve kept its rates unchanged:
  - ✓ The ECB has lowered the deposit facility rate eight times since June 2024 by 25 basis points each time. The rate has fallen from 4.0% before the first cut in June 2024 to 2.0% on 5 June 2025 following the most recent ECB monetary policy meeting
  - ✓ The US Federal Reserve cut its fed funds rate by 100 basis points between September 2024 and December 2024, but kept the rate unchanged during the last 4 FOMC meetings (January 2025, March 2025, May 2025 and June 2025) at 4.25%-4.50%
- The euro gained +9% against the dollar between 31 March 2025 and 30 June 2025

Main financial highlights communicated:

Net banking income:

- In 2025, revenues are expected to be more than +3% higher than the 2024 level, excluding the impact of assets sold (approximately EUR 1.2 billion of revenues, of which EUR 219 million in Q1 25)
- On 30 April 2025, the Group published Q1 25 results that placed it ahead of annual targets. The Group also communicated the following information about the business lines:
  - ✓ During the first quarter 2025, French Retail, Private Banking and Insurance revenues amounted to EUR 2.3 billion, up +14% compared to Q1 24, notably driven by a positive base effect on the net interest income and a +4% increase in fees. As a reminder, the negative impact of short-term hedges in Q2 24 was approximately EUR -150 million
  - ✓ The pace of new customer acquisition remained strong at BoursoBank with more than 450k new customers in Q1 25 to reach a total of ~7.6 million customers at the end of March 2025. BoursoBank is expected to exceed 8 million customers in 2025
  - ✓ Market activities generated strong revenues of approximately EUR 1.8 billion in Q1 25 due to particularly favourable market conditions in Q1 25, notably in Equities
  - ✓ At Ayvens, the average result of used car sales continued to normalise, landing at EUR 1,229 per unit[2] in Q1 25 (compared to EUR 1,267 per unit in Q4 24). This normalisation is expected to continue with a target of EUR 700 to EUR 1,100 per unit[2] on average in 2025. In Q1 25, this well anticipated headwind was offset by rising margins and volumes

[2] Excluding impacts of depreciation adjustments

Operating expenses:

- For the first quarter 2025, the Group reported costs down -4.4% excluding the impact of disposals, ahead of the objective of reducing costs by more than -1% compared to their 2024 level, excluding the impact of assets sold (around EUR -0.8 billion for the year as a whole, of which EUR -162 million in Q1 25)
- The Group published a cost to income ratio of 65% in Q1 25, ahead of the full year target of below 66%
- Transformation charges in 2024 amounted to EUR 613 million out of a target of EUR 1 billion over the 2024-2026 period. Most of the remaining transformation charges are expected to be accounted for in 2025, of which EUR 74 million were booked in Q1 25
- As part of the Mandatory Annual Negotiation (*NAO*) regarding Societe Generale SA in France, the following measures representing globally an increase of +3% of the Gross Annual Remuneration (*RAGB*) were announced in December 2024 and effective from April 2025:
  - ✓ Three collective measures amounting to at least +1% of the *RAGB*: mainly to support the lowest paid employees (salary increase for all employees with at least 1 year of seniority and a fixed compensation of up to EUR 31,000)
  - ✓ An increase of +2% of the *RAGB* for individual increases
- On 20 May 2025, the Group confirmed the launch of a Global Employee Share Ownership Plan (GESOP), the costs of which will be recorded in Q2 25 in the Corporate Centre's operating expenses line and will be partially tax deductible. Total costs will depend on the subscription rate of Societe Generale employees to the GESOP. This amount will broadly correspond to the difference between the volume weighted average price (VWAP) the last day of the subscription period, which ended on June 16 after the stock market close (EUR 49.75), and the subscription price of EUR 35.76, all being multiplied by the number of shares to be subscribed by Societe Generale employees to the GESOP. As a reminder, a maximum of 12 million shares can be subscribed by Societe Generale employees, assuming a subscription rate of 100%. Furthermore, the GESOP is expected to have a neutral impact on the CET1 ratio in Q2 25, as the costs recorded in P&L will be offset by an equivalent positive amount booked in equity in accordance with the accounting standards (IFRS 2). The capital increase related to the GESOP and its positive effect on the CET1 ratio will be recognised in Q3 25

Cost of risk:

- The Group reported a net cost of risk of 23 basis points for the first quarter of the year. For the full year 2025, the net cost of risk is expected to be within the 25-30 basis points range

Profitability:

- The Group reported profitability (ROTE) of 11.0% for Q1 25, ahead of the annual target of a ROTE above 8%

Capital:

- At the end of Q1 25, the CET1 ratio stood at 13.4%, including notably:
  - ✓ A positive impact of 43 basis points related to the completed disposals of SG Equipment Finance, Societe Generale Private Banking Suisse and SG Kleinwort Hambros in Q1 25
  - ✓ A Basel IV impact of -48 basis points in Q1 25
- The CET1 ratio is expected to exceed 13% throughout 2025

Calendar:

10 July 2025	Beginning of the quiet period
31 July 2025	Second quarter 2025 and first half 2025 results
30 October 2025	Third quarter 2025 and nine-months 2025 results