SOCIETE GENERALE

RESULTS AT MARCH 31ST 2021

Press release

Paris, May 6th 2021

SHARP REBOUND IN EARNINGS

Revenues up +21% vs. Q1 20 at EUR 6.2bn (+25%*), with a good performance in all the businesses particularly in Global Markets, Financial Services and Financing & Advisory

Continued discipline on costs, with underlying operating expenses down -2.2%(1) vs. Q1 20 despite the increase in the contribution to the Single Resolution Fund and variable charges in conjunction with the increase in revenues, leading to a very strong positive jaws effect

Doubling of underlying gross operating income vs. Q1 20 to EUR 2.1bn(1)

Underlying Group net income of EUR 1.3bn(1), reported Group net income of EUR 814 million

Profitability (ROTE) at 10.1%(1)

CONFIRMATION OF THE QUALITY OF THE BALANCE SHEET AND THE GROUP'S FINANCIAL SOLIDITY

Low cost of risk at 21 basis points in Q1 21, with provisions on performing loans stable at a high level

2021 cost of risk expected between 30 and 35 basis points

CET 1 ratio level at 13.5%(2) at end-March 2021, around 450 basis points above the regulatory requirement

Efficient capital allocation between businesses

2021 PRIORITIES: SUPPORTING CUSTOMERS AND EXECUTION OF STRATEGIC INITIATIVES TOWARDS SUSTAINABLE GROWTH

Objective of supporting our customers in emerging from the crisis and their energy and digital transition

Merger of the networks in France

Expansion of growth drivers (record client onboarding at Boursorama and acquisition of the activities of Banco Sabadell by ALD)

Definition of a new roadmap for Global Banking & Investor Solutions aimed at delivering sustainable growth

Finalisation of the Group's refocusing programme following the announcement of exclusive discussions being entered into with Amundi with a view to the disposal of Lyxor's asset management activities

Frédéric Oudéa, the Group's Chief Executive Officer, commented:

"This excellent start to the year confirms, in particular, the relevance of the decisions taken in recent quarters and their successful execution. It is a major milestone for the Group and enables us to approach 2021 with confidence and determination, confirming our ability to achieve our financial targets. In line with 2020, and in a still uncertain environment on the health and economic front, our teams have maintained their exceptional commitment to supporting our customers and economies. From a commercial and financial viewpoint, the sharp rebound in our revenues, in keeping with the two previous quarters, our continued cost discipline and good risk management have enabled a very significant recovery in our earnings and profitability. We have also provided further confirmation of the quality of our balance sheet and loan portfolio. Consequently, over the next few quarters, priority will be given firstly to supporting our customers in gradually emerging from the crisis, relaunching their activity and adjusting their business models to digital and CSR challenges and secondly, to the effective implementation of our growth, innovation and operational efficiency initiatives which are strong value creators."

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(1) underlying data. See methodology note No. 5 for the transition from accounting data to underlying data
(2) including 25 basis points in respect of IFRS 9 phasing
*The footnote * in this document corresponds to data adjusted for changes in Group Structure and at constant exchange rates*

1. GROUP CONSOLIDATED RESULTS

In EURm	Q1 21	Q1 20	Change	
Net banking income	6,245	5,170	+20.8%	+25.2%*
Operating expenses	(4,748)	(4,678)	+1.5%	+3.7%*
Underlying operating expenses(1)	*(4,097)*	*(4,188)*	*-2.2%*	*+0.2%**
Gross operating income	1,497	492	x 3.0	x 3.7*
Underlying gross operating income(1)	*2,148*	*982*	*x 2.2*	*x 2.4**
Net cost of risk	(276)	(820)	-66.3%	-65.1%*
Underlying net cost of risk(1)	*(276)*	*(820)*	*-66.3%*	*-65.1%**
Operating income	1,221	(328)	n/s	n/s
Underlying operating income(1)	*1,872*	*(162)*	*x 11.6*	*x 17.5**
Net profits or losses from other assets	6	80	-92.5%	-92.5%*
Underlying net profits or losses from other assets(1)	*6*	*157*	*-96.2%*	*-96.2%**
Net income from companies accounted for by the equity method	3	4	-25.0%	-25.0%*
Underlying net income from companies accounted for by the equity method(1)	*3*	*4*	*-25.0%*	*-25.0%**
Impairment losses on goodwill	0	0	n/s	n/s
Income tax	(283)	46	n/s	n/s
Reported Group net income	814	(326)	n/s	n/s
Underlying Group net income(1)	*1,298*	*98*	*x 13.2*	*x 22.5**
ROE	5.2%	-3.6%		
ROTE	5.9%	-4.2%		
Underlying ROTE(1)	*10.1%*	*-0.5%*		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on May 5th, 2021, under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q1 2021.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

The Group's net banking income was up +20.8% (+25.2%*) in Q1 21 vs. Q1 20, confirming the rebound observed in H2 2020.

There was a further improvement in French Retail Banking's performance in Q1 21 despite the extension of the health restrictions. Net banking income (excluding PEL/CEL provision) was therefore lower than in Q1 20 (-2.4%), which had still been little impacted by the crisis.

International Retail Banking & Financial Services posted a slight increase in revenues (+0.1%*), driven by strong growth in the revenues of Financial Services whose net banking income rose +7.9%*. International Retail Banking delivered a resilient performance, with revenues down -3.8%* and a mixed momentum according to the region.

Global Banking & Investor Solutions turned in an excellent performance, with revenues up +60.4%* vs. Q1 20.

Operating expenses

Underlying operating expenses totalled EUR -4,097 million, down -2.2% and stable when adjusted for changes in Group structure and at constant exchange rates (+0.2%*) vs. Q1 20. The strict discipline observed in all the businesses offset the increase in the IFRIC 21 charge and variable costs in conjunction with the growth in revenues.

The Group therefore generated a strong positive jaws effect, with an underlying cost to income ratio of 66%.

Cost of risk

The commercial cost of risk stood at a low level of EUR 276 million, or 21 basis points, significantly lower than in Q1 20 (65 basis points). It corresponds to an increase in the provision on non-performing loans of EUR 300 million and a decline in the provision on performing loans of EUR -24 million.

The Group's provisions on performing loans currently amount to EUR 3,578 million. They were EUR 3,622 million at December 31st 2020, after an increase of +59% during last year.

As part of the support provided to its customers during the crisis, the Group granted repayment moratoriums and State Guaranteed Loans. At March 31st 2021, the total amount of repayment moratoriums in force represented around EUR 2 billion and State Guaranteed Loans, around EUR 19 billion. Net exposure to State Guaranteed Loans in France ("PGE") is around EUR 2 billion.

The gross doubtful outstandings ratio amounted to 3.3% at March 31st 2021 (stable vs. December 31st 2020). It was 3% on repayment moratoriums and 3% on State Guaranteed Loans. The Group's gross coverage ratio for doubtful outstandings stood at 51%(2) at March 31st 2021, vs. 52% at December 31st 2020.

The Group anticipates a cost of risk of between 30 and 35 basis points in 2021.

Net profits or losses from other assets

Net profits or losses from other assets totalled EUR +6 million in Q1 21 vs. EUR +80 million in Q1 20, including EUR -77 million corresponding to the effect of the application of IFRS 5 as part of the implementation of the Group's refocusing plan and EUR +130 million in respect of the Group's property disposal programme.

Group net income

In EURm	Q1 21	Q1 20
Reported Group net income	**814**	(326)
Underlying Group net income(1)	**1,298**	98

In %	Q1 21	Q1 20
ROTE (reported)	**5.9%**	-4.2%
Underlying ROTE1	**10.1%**	-0.5%

Earnings per share amounts to EUR 0.79 in Q1 21 (vs. EUR -0.57 in Q1 20).
Underlying(3) earnings per share amounts to EUR 0.83 in Q1 21 (vs. EUR -0.48 in Q1 20).

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(1) Adjusted for exceptional items and the linearisation of IFRIC 21
(2) Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings
(3) calculated on the basis of underlying Group net income excluding linearisation of IFRIC 21. Taking into account IFRIC linearisation, it is EUR 1.36 in Q1 21 and EUR -0.07 in Q1 20

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 62.9 billion at March 31st, 2021 (EUR 61.7 billion at December 31st, 2020). Net asset value per share was EUR 62.8 and tangible net asset value per share was EUR 55.2.

The **consolidated balance sheet** totalled EUR 1,503 billion at March 31st, 2021 (EUR 1,462 billion at December 31st, 2020). The net amount of customer loan outstandings at March 31st, 2021, including lease financing, was EUR 447 billion (EUR 440 billion at December 31st, 2020) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 462 billion, vs. EUR 451 billion at December 31st, 2020 (excluding assets and securities sold under repurchase agreements).

At April 16th, 2021, the parent company had issued EUR 18.3 billion of medium/long-term debt, having an average maturity of 5.8 years and an average spread of 39 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 1.0 billion. At April 16th, 2021, the Group had issued a total of EUR 19.3 billion of medium/long-term debt. Excluding structured issuances, the parent company had achieved 65% of its annual programme at April 16th, 2021.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 143% at end-March 2021, vs. 149% at end-December 2020, and 141% on average in Q1 2021 vs. 144% on average in Q1 2020. At the same time, the NSFR (Net Stable Funding Ratio) was over 100% at end-March 2021.

The Group's phased-in **risk-weighted assets** (RWA) amounted to EUR 353.1 billion at March 31st, 2021 (vs. EUR 351.9 billion at end-December 2020) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 81.8% of the total, at EUR 288.6 billion, up 0.5% vs. December 31st, 2020.

At March 31st, 2021, the Group's **Common Equity Tier 1** ratio stood at 13.5%, or average 450 basis points above the regulatory requirement. The CET1 ratio at March 31st, 2021 includes an effect of +25 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 13.2%. The Tier 1 ratio stood at 15.8% at end-March 2021 (16% at end-December 2020) and the total capital ratio amounted to 19.1% (19.2% at end-December 2020).

The phased-in **leverage ratio** stood at 4.5% at March 31st, 2021 (4.8% at end-December 2020).

With a level of 31.0% of RWA and 8.8% of leveraged exposure at end-March 2021, the Group's TLAC ratio is above the FSB's requirements for 2021. At March 31st, 2021, the Group was also above its MREL requirements of 8.5% of the TLOF[(1)] (which, in December 2017, represented a level of 24.37% of RWA), which were used as a reference for the SRB calibration.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1"; (ii) Moody's – long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1"; (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", negative outlook, short-term rating "A-1".

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(1) *TLOF: Total Liabilities and Own Funds*

3. FRENCH RETAIL BANKING

In EURm	Q1 21	Q1 20	Change
Net banking income	1,847	1,880	-1.8%
Net banking income excl. PEL/CEL	*1,859*	*1,905*	*-2.4%*
Operating expenses	(1,453)	(1,450)	+0.2%
Gross operating income	394	430	-8.4%
Net cost of risk	(123)	(249)	-50.6%
Operating income	271	181	+49.7%
Reported Group net income	203	219	-7.3%
RONE	7.2%	7.8%	
Underlying RONE[1]	*10.4%*	*10.7%*	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision

Despite the extension of the health restrictions, French Retail Banking's commercial performance continued to gradually improve. The networks continued to support the economy, accompanying individual, corporate and professional customers in this still uncertain environment.

Société Générale and Crédit du Nord networks:

The bank disbursed a total amount of around EUR 18 billion in respect of State Guaranteed Loans ("PGE") to support the Corporate and Professional customers segment. In May, it will also market a "Recovery Participatory Loan" (Prêts Participatifs Relance) offering.

The average loan outstandings of the Societe Generale and Crédit du Nord networks rose 7% vs. Q1 20 to EUR 210 billion. Average outstanding loans to corporate and professional customers climbed 16% to EUR 97 billion, bolstered by the distribution of State Guaranteed Loans.

The average outstanding balance sheet deposits[1] of the Societe Generale and Crédit du Nord networks increased 14% vs. Q1 20 to EUR 229 billion, still driven by sight deposits.

As a result, the average loan/deposit ratio stood at 92% in Q1 21 vs. 98% in Q1 20.

Insurance assets under management totalled EUR 89 billion in Q1 21. Life insurance saw its net inflow grow by EUR 0.7 billion, with the unit-linked share accounting for 37% of new business in Q1 21.

Private Banking's assets under management totalled EUR 72 billion at end-March 2021. Net inflow remained buoyant at EUR 1.3 billion in Q1 21.

In Personal Protection insurance, premiums were up +3% vs. Q1 20. The **financial commissions** of the Societe Generale and Crédit du Nord networks were 7% higher than in Q1 20.

[1] *Including BMTN (negotiable medium-term notes)*

Boursorama:

The bank consolidated its position as the leading online bank in France, with more than 2.8 million clients at end-March 2021. Client onboarding at Boursorama reached a record level, with 203,000 new clients in Q1 21. This quarter, the bank distinguished itself by being classified No. 1 in Europe in the digital performance ranking (D Rating ranking – March 2021). Boursorama also topped the list of French people's favourite brand in the online Banks category (March 2021). Finally, the bank was classified No. 1 in the Customer Relationship Podium ranking in the banks category (March 2021).

Housing loan production experienced strong growth (+27% vs. Q1 20). Deposit and financial savings climbed 30% vs. Q1 20. Furthermore, the number of stock market orders increased by 1.5x compared to Q1 20.

Net banking income excluding PEL/CEL

Net banking income restated for PEL/CEL effects was -2.4% lower than in Q1 20 at EUR 1,859 million. Net interest income (excluding PEL/CEL) was down -5.7% vs. Q1 20, impacted primarily by the negative effect resulting from higher deposit volumes in a negative interest rate environment. Despite the extension of lockdown measures, commissions rose +0.8% vs. Q1 20.

Operating expenses

Underlying operating expenses totalled EUR 1,336 million, down -1.6% vs. Q1 20 and -2.3% excluding Boursorama. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 71.9% in Q1 21 vs. 71.3% in Q1 20.

Cost of risk

The commercial cost of risk was -51% lower than in Q1 20. It amounted to EUR 123 million, or 23 basis points, substantially lower than in Q1 20 (49 basis points).

Net profits or losses from other assets

Net profits or losses from other assets totalled EUR 3 million in Q1 21. They amounted to EUR 131 million in Q1 20, including a capital gain of EUR 130 million relating to the Group's property disposal programme.

Contribution to Group net income

The contribution to Group net income was EUR 203 million, 7.3% lower than in Q1 20. Against a backdrop of low interest rates and the transformation of the networks, RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 10.4% in Q1 21 (vs. 10.7% in Q1 20) and 11.3% excluding Boursorama.

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q1 21	Q1 20	Change	
Net banking income	1,862	1,964	*-5.2%*	*+0.1%**
Operating expenses	(1,089)	(1,146)	*-5.0%*	*+0.0%**
Gross operating income	773	818	*-5.5%*	*+0.2%**
Net cost of risk	(142)	(229)	*-38.0%*	*-34.9%**
Operating income	631	589	*+7.1%*	*+14.1%**
Net profits or losses from other assets	2	12	*-83.3%*	*-83.3%**
Reported Group net income	392	365	*+7.4%**	*+15.8%**
RONE	15.7%	13.8%		
Underlying RONE(1)	*17.4%*	*15.4%*		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's outstanding loans totalled EUR 86.5 billion in Q1 21. They rose +0.8%* vs. Q1 20 when adjusted for changes in Group structure and at constant exchange rates. Outstanding deposits increased by +7.7%* vs. Q1 20, to EUR 84.6 billion.

For the Europe scope, outstanding loans were up +2.0%* vs. end-March 2020, driven by a healthy momentum in all regions: Western Europe (+1.6%*), Romania (+1.7%*) and the Czech Republic (+2.5%*). Outstanding deposits were up +9.7%* vs. Q1 20.

In Russia, commercial activity continued to be impacted by the lockdown measures. Outstanding loans fell by -4.6%*, the healthy momentum in the individual customers segment being offset by a decline in the corporate customers segment due to substantial repayments of loans granted in the context of the crisis. Outstanding deposits increased by +1.9%* vs. Q1 20.

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans remained stable. Outstanding deposits grew by +6.3%* vs. end-March 2020.

In the Insurance business, the life insurance savings business enjoyed a healthy momentum, with outstandings increasing +6.8%* vs. end-March 2020. The share of unit-linked products was very high in Q1, amounting to 40% of gross inflow and 34% of outstandings. Despite an increase in France (+1.3%*), Protection insurance fell slightly (-1.0%*). The increase in property/casualty premiums (+1.0%*) was offset by a decline in personal protection with premiums down -2.4%* vs. Q1 20.

Financial Services to Corporates enjoyed a healthy commercial momentum in Q1 21. The number of contracts for Operational Vehicle Leasing and Fleet Management (ALD) was stable at 1.8 million vehicles at end-March 2021. Equipment Finance's new leasing business was up +1.1%* vs. Q1 20, while outstanding loans were down -4.0%*, at EUR 14.2 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 1,862 million in Q1 21, slightly higher (+0.1%*) than in Q1 20.

International Retail Banking's net banking income totalled EUR 1,187 million, down -3.8%* vs. Q1 20. Despite a good commercial momentum, revenues in Europe declined by -6.1%*, impacted by the lockdown measures and an environment of lower interest rates than in Q1 20. In a still challenging environment in Q1, revenues were also lower (-3.4%*) for the SG Russia scope. The Africa, Mediterranean Basin and French Overseas Territories scope remained resilient, with revenues up +0.1%* vs. Q1 20 and still buoyant activity in Sub-Saharan Africa (revenues up +3.0%* vs. Q1 20).

The Insurance business posted net banking income of EUR 236 million in Q1 21, an increase of +3.5%* vs. Q1 20, which included a contribution of around EUR 6 million to the solidarity fund in France.

Financial Services to Corporates' net banking income was higher (+10.4%*) and amounted to EUR 439 million, driven in particular by ALD which posted an increase in leasing margins (+2%*) and the used car sale result (EUR 439 per unit).

Operating expenses

Operating expenses remained stable when adjusted for changes in Group structure and at constant exchange rates vs. Q1 20 (and were slightly lower -0.2%* on an underlying basis). The cost to income ratio stood at 58.5% in Q1 21.

In **International Retail Banking**, operating expenses were down -1.0%* vs. Q1 20, with a notable effort on the SG Russia scope (-2.0%* vs. Q1 20). Q1 20 included a EUR 11 million contribution to Covid funds in North Africa.

In the **Insurance business**, operating expenses were in line with the commercial expansion ambitions and rose +2.4%* vs. Q1 20 to EUR 110 million.

In **Financial Services to Corporates**, operating expenses were 2.6%* higher than in Q1 20, generating a positive jaws effect.

Cost of risk

The cost of risk amounted to 44 basis points in Q1 21 vs. 67 basis points in Q1 20.

Contribution to Group net income

The contribution to Group net income totalled EUR 392 million, up +15.8%* (+7.4% at current exchange rates) vs. Q1 20.

Underlying RONE stood at 17.4% in Q1 21, vs. 15.4% in Q1 20 (with RONE of 14.6% in International Retail Banking and 21.1% in Financial Services and Insurance).

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q1 21	Q1 20	Change	
Net banking income	2,509	1,627	+54.2%	+60.4%*
Operating expenses	(2,051)	(1,977)	+3.7%	+5.9%*
Gross operating income	458	(350)	n/s	n/s
Net cost of risk	(9)	(342)	-97.4%	-97.2%*
Operating income	449	(692)	n/s	n/s
Reported Group net income	356	(537)	n/s	n/s
RONE	10.0%	-15.8%		
Underlying RONE[(1)]	*18.1%*	*-9.0%*		

(1) Adjusted for the linearisation of IFRIC 21

Global Banking & Investor Solutions posted robust revenues of EUR 2,509 million in Q1 21, a substantial increase (+54.2%) vs. Q1 20 (+60.4%* when adjusted for changes in Group structure and at constant exchange rates). The businesses benefited from a normalising environment and strong market momentum during Q1 21.

In Global Markets & Investor Services, net banking income totalled EUR 1,651 million, x2.3* vs. Q1 20. Global Markets enjoyed a record quarter, with the highest level of activity since Q1 17.

The Equity businesses enjoyed their best quarter since 2015, with a remarkable performance in each of the regions, all activities having benefited from the good market conditions. There was a significant rebound in revenues (+44% vs. Q4 20) and an increase of +36% vs. the average level of 2019. Structured products enjoyed a good quarter, while completing the review of the product offering initiated in Q2 20. Listed products benefited from strong volumes, particularly in Asia and Germany, where our franchise received the award of "*Certificate House of the Year*" (source *Golden Bull*).

Fixed Income & Currency activities posted a strong performance, with revenues of EUR 625 million, up +51% vs. Q4 20 and +25% vs. the average level of 2019 (level not restated for the revenues of the commodities activity). The reflation theme contributed to strong commercial activity. All the activities performed well in all regions.

Securities Services' revenues were also substantially higher (+16.7%) than in Q1 20, at EUR 175 million. Securities Services' assets under custody amounted to EUR 4,341 billion at end-March 2021, an increase of +0.6% vs. end-December 2020. Over the same period, assets under administration were stable at EUR 639 billion.

Financing & Advisory revenues totalled EUR 633 million in Q1 21, up +2.9%* vs. a good Q1 20 (+0.6% at current structure and exchange rates).

Financing activities turned in a good performance, particularly in aircraft financing and maritime financing. The Asset-Backed Products platform also enjoyed a good Q1.
Investment Banking benefited from a strong momentum, particularly in equity capital markets and acquisition financing. The franchise posted solid revenues, with an increase in Q1.

Global Transaction and Payment Services continued to deliver strong growth, up +5.0%* vs. Q1 20.

Asset and Wealth Management's net banking income totalled EUR 225 million in Q1 21, down -1.7%* vs. Q1 20 (-2.2% at current structure and exchange rates).

Private Banking posted a slightly lower performance (-1.1%*) than in Q1 20 (at EUR 173 million), impacted by pressure on the interest margin and despite strong commercial activity. Net inflow, which totalled EUR +2.5 billion, was positive in all regions. Assets under management were up +4.1% vs. end-December 2020, at EUR 121 billion.

Lyxor's net banking income amounted to EUR 47 million, EUR 3 million lower than in Q1 20. Lyxor's assets under management were substantially higher (+9.9%) than at end-December 2020, at EUR 154 billion. Net inflow was EUR +6.2 billion in Q1 21.

Operating expenses

Underlying operating expenses were down -0.8% vs. Q1 20, reflecting continued strict discipline against the backdrop of an increase in the IFRIC 21 charge and variable costs in conjunction with the growth in revenues. As a result, there was a substantial improvement in operating leverage, with an underlying cost to income ratio of 67%.

Net cost of risk

The commercial cost of risk amounted to 2 basis points (or EUR 9 million), well below the level of 87 basis points in Q1 20, which was adversely affected by the start of the health crisis and some specific files.

Contribution to Group net income

The underlying contribution to Group net income (after linearisation of IFRIC 21) came to EUR 646 million in Q1 21.
Global Banking & Investor Solutions posted a significant underlying RONE of 18.1%.

6. CORPORATE CENTRE

In EURm	Q1 21	Q1 20
Net banking income	27	(301)
Operating expenses	(155)	(105)
Underlying operating expenses(1)	*(71)*	*(67)*
Gross operating income	(128)	(406)
Underlying gross operating income(1)	*(44)*	*(368)*
Net cost of risk	(2)	-
Net profits or losses from other assets	1	(77)
Impairment losses on goodwill	-	-
Net income from companies accounted for by the equity method	1	1
Reported Group net income	(137)	(373)

(1) Adjusted for the linearisation of IFRIC 21 and transformation costs in Q1 21 (EUR 50m)

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to restructuring charges for the whole Group, cross-functional projects and certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR 27 million in Q1 21 vs. EUR -301 million in Q1 20. It includes notably the change in fair value of financial instruments corresponding to economic hedges of financial debt but that do not meet IFRS hedge accounting criteria.

Operating expenses totalled EUR -155 million in Q1 21 vs. EUR -105 million in Q1 20. They include the Group's transformation costs for a total amount of EUR -50 million relating to the activities of French Retail Banking (EUR -22 million), Global Banking & Investor Solutions (EUR -17 million) and the Corporate Centre (EUR -11 million). Underlying costs came to EUR 71 million, compared to EUR 67 million in Q1 20.

Gross operating income totalled EUR -128 million in Q1 21 vs. EUR -406 million in Q1 20. Underlying gross operating income was EUR -44 million.

Net profits or losses from other assets amounted to EUR -77 million in Q1 20 and included primarily, in respect of the application of IFRS 5 as part of the implementation of the Group's refocusing plan, a charge of EUR -69 million corresponding to the finalisation of the disposal of Societe Generale de Banque aux Antilles.

The Corporate Centre's contribution to Group net income was EUR -137 million in Q1 21 vs. EUR -373 million in Q1 20.

7. CONCLUSION

The beginning of this year has seen the Group achieve a new milestone and confirm the rebound in activities expected this year in relation to 2020, which was significantly impacted by the crisis.

The Group will present the strategy for Global Banking & Investor Solutions on May 10th, 2021, and then on Corporate Social Responsibility in the second semester 2021.

8. 2021 FINANCIAL CALENDAR

2021 Financial communication calendar	
May 18th, 2021	General Meeting
May 25th, 2021	Dividend detachment
May 27th, 2021	Dividend payment
August 3rd, 2021	Second quarter and first half 2021 results
November 4th, 2021	Third quarter and nine-month 2021 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.
These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the Registration Document filed with the French *Autorité des Marchés Financiers*.

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q1-21	Q1-20	Change
French Retail Banking	203	219	-7.3%
International Retail Banking and Financial Services	392	365	+7.4%
Global Banking and Investor Solutions	356	(537)	n/s
Core Businesses	951	47	x20.2
Corporate Centre	(137)	(373)	n/s
Group	814	(326)	n/s

CONSOLIDATED BALANCE SHEET

	31.03.2021	31.12.2020
Cash, due from central banks	177,582	168,179
Financial assets at fair value through profit or loss	445,009	429,458
Hedging derivatives	16,220	20,667
Financial assets measured at fair value through other comprehensive income	50,250	52,060
Securities at amortised cost	16,525	15,635
Due from banks at amortised cost	63,243	53,380
Customer loans at amortised cost	456,474	448,761
Revaluation differences on portfolios hedged against interest rate risk	284	378
Investment of insurance activities	169,878	166,854
Tax assets	4,900	5,001
Other assets	67,651	67,341
Non-current assets held for sale	675	6
Investments accounted for using the equity method	103	100
Tangible and intangible assets	30,367	30,088
Goodwill	3,821	4,044
Total	**1,502,982**	**1,461,952**

	31.03.2021	31.12.2020
Central banks	3,095	1,489
Financial liabilities at fair value through profit or loss	404,263	390,247
Hedging derivatives	10,762	12,461
Debt securities issued	137,230	138,957
Due to banks	145,530	135,571
Customer deposits	467,711	456,059
Revaluation differences on portfolios hedged against interest rate risk	5,655	7,696
Tax liabilities	1,239	1,223
Other liabilities	89,727	84,937
Non-current liabilities held for sale	167	-
Liabilities related to insurance activities contracts	148,334	146,126
Provisions	4,743	4,775
Subordinated debts	16,215	15,432
Total liabilities	**1,434,671**	**1,394,973**
SHAREHOLDERS' EQUITY		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	22,371	22,333
Other equity instruments	9,295	9,295
Retained earnings	31,646	32,076
Net income	814	(258)
Sub-total	**64,126**	**63,446**
Unrealised or deferred capital gains and losses	(1,206)	(1,762)
Sub-total equity, Group share	**62,920**	**61,684**
Non-controlling interests	5,391	5,295
Total equity	**68,311**	**66,979**
Total	**1,502,982**	**1,461,952**

10. APPENDIX 2: METHODOLOGY

1 - The financial information presented for the quarter ending 31 March 2021 was reviewed by the Board of Directors on 5 May 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date, and has not been audited.

2 – Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2021 Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 – Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2020 (pages 466 et seq. of Societe Generale's 2021 Registration Document). The term "costs" is also used to refer to Operating Expenses.
The Cost/Income Ratio is defined on page 41 of Societe Generale's 2021 Registration Document.

4 – IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.
Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q1 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Income tax	Group net income	Business
Reported	(4,748)	6	(283)	814	
IFRIC 21 linearisation	*601*		*(141)*	*448*	
*Transformation charges**	*50*		*(14)*	*36*	*Corporate Center[1]*
Underlying	(4,097)	6	(438)	1,298	

Q1 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Income tax	Group net income	Business
Reported	(4,678)	80	46	(326)	
IFRIC 21 linearisation	*490*		*(131)*	*347*	
*Group refocusing plan**		*77*	*0*	*77*	*Corporate center*
Underlying	(4,188)	157	(85)	(56)	

* *Exceptional item*
[1] *Transformation and/or restructuring charges related to RBDF (EUR 22m), GBIS (EUR 17m) and Corporate Center (EUR 11m)*

6 – Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk or commercial cost of risk is defined on pages 43 and 635 of Societe Generale's 2021 Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

	(In EUR m)	Q1 21	Q1 20
French Retail Banking	Net Cost Of Risk	123	249
	Gross loan Outstandings	217,606	201,139
	Cost of Risk in bp	23	49
International Retail Banking and Financial Services	Net Cost Of Risk	142	229
	Gross loan Outstandings	130,196	136,407
	Cost of Risk in bp	44	67
Global Banking and Investor Solutions	Net Cost Of Risk	9	342
	Gross loan Outstandings	154,651	158,064
	Cost of Risk in bp	2	87
Corporate Centre	Net Cost Of Risk	2	0
	Gross loan Outstandings	12,963	9,710
	Cost of Risk in bp	4	2
Societe Generale Group	Net Cost Of Risk	276	820
	Gross loan Outstandings	515,416	505,319
	Cost of Risk in bp	21	65

The gross coverage ratio for doubtful outstandings is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 – ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2021 Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.
RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2021 Registration Document.
Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 10). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q1 21	Q1 20
Shareholders' equity Group share	62,920	62,581
Deeply subordinated notes	(9,179)	(8,258)
Undated subordinated notes	(273)	(288)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(51)	1
OCI excluding conversion reserves	(723)	(648)
Dividend provision[1]	(353)	
ROE equity end-of-period	52,340	53,387
Average ROE equity	51,771	53,279
Average Goodwill	(3,928)	(4,561)
Average Intangible Assets	(2,506)	(2,369)
Average ROTE equity	45,337	46,349
Group net Income (a)	814	(326)
Underlying Group net income (b)	1,298	98
Interest on deeply subordinated notes and undated subordinated notes (c)	(144)	(159)
Cancellation of goodwill impairment (d)		
Ajusted Group net Income (e) = (a)+ (c)+(d)	670	(485)
Ajusted Underlying Group net Income (f)=(b)+(c)	1,154	(61)
Average ROTE equity (g)	45,337	46,349
ROTE [quarter: (4*e/g)]	5.9%	-4.2%
Underlying ROTE	45,821	46,773
Underlying ROTE [quarter: (4*f/h)]	10.1%	-0.5%

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q1 21	Q1 20	Change
French Retail Banking	11,342	11,182	1.4%
International Retail Banking and Financial Services	9,963	10,563	-5.7%
Global Banking and Investor Solutions	14,271	13,615	4.8%
Core Businesses	35,576	35,360	0.6%
Corporate Center	16,195	17,919	-9.6%
Group	51,771	53,279	-2.8%

[1] The dividend to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, excluding IFRIC 21, after deduction of deeply subordinated notes and on undated subordinated notes

8 – Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2021 Registration Document. The items used to calculate them are presented below.

End of period	Q1 21	2020	2019
Shareholders' equity Group share	62,920	61,684	63,527
Deeply subordinated notes	(9,179)	(8,830)	(9,501)
Undated subordinated notes	(273)	(264)	(283)
Interest, net of tax, payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(51)	19	4
Bookvalue of own shares in trading portfolio	(25)	301	375
Net Asset Value	53,391	52,910	54,122
Goodwill	(3,927)	(3,928)	(4,510)
Intangible Assets	(2,527)	(2,484)	(2,362)
Net Tangible Asset Value	46,937	46,498	47,250
Number of shares used to calculate NAPS**	850,427	848,859	849,665
Net Asset Value per Share	62.8	62.3	63.7
Net Tangible Asset Value per Share	55.2	54.8	55.6

*** The number of shares considered is the number of ordinary shares outstanding as at March 31st, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.*
In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 – Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2021 Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2021 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	Q1 21	2020	2019
Existing shares	853,371	853,371	834,062
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	3,728	2,987	4,011
Other own shares and treasury shares			149
Number of shares used to calculate EPS**	849,643	850,385	829,902
Group net Income	814	(258)	3,248
Interest on deeply subordinated notes and undated subordinated notes	(144)	(611)	(715)
Capital gain net of tax on partial buybacks			
Adjusted Group net income	670	(869)	2,533
EPS (in EUR)	0.79	(1.02)	3.05
Underlying EPS* (in EUR)	0.83	0.97	4.03

** Based on underlying Group net income excluding linearisation of the IFRIC 21 effect. EUR 1.36 including IFRIC 21 linearization.*
*** The number of shares considered is the number of ordinary shares outstanding as at March 31st, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.*

10 – The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR/CRD4 rules. The phased-in ratios include the earnings for the current financial year and the related provision for dividends. The difference between phased-in ratio and fully-loaded ratio is related to the IFRS 9 impacts. The leverage ratio is calculated according to applicable CRR/CRD4 rules including the provisions of the delegated act of October 2014 and the phased-in follows the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

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, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

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 133,000 members of staff in 61 countries and supports on a daily basis 30 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**, which encompasses the Societe Generale, Crédit du Nord and Boursorama brands. 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 to Corporates**, with networks in Africa, Russia, 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 (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

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