A French corporation with share capital of EUR 1,009,897,137.75
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RISK REPORT

PILLAR 3 31.03.2021

CONTENTS

1 RISK FACTORS

Chapter 2, section 2.2.1, of the 2020 Pillar 3 is amended as follows:

<u>2.2.1 Risks related to the macroeconomic, market and regulatory environments</u>

2.2.1.1 The coronavirus pandemic (Covid-19) and its economic consequences could adversely affect the Group's business, operations and financial position.

In December 2019, a new strain of coronavirus (Covid-19) emerged in China. The virus has since spread to numerous countries around the world and the World Health Organisation declared the outbreak of a pandemic in March 2020.

The propagation of the virus and the health measures taken in response to it (border closures, lockdown measures, restrictions on certain economic activities, etc.) have and may continue to have a significant impact, both direct and indirect, on the global economic situation and financial markets. The persistence of the Covid-19 pandemic and the emergence of new variants of the virus have led to new mobility restriction measures (establishment of new lockdowns and local or national curfews), namely with the establishment of a third lockdown in France. Despite the good performance of industry and global trade, uncertainty remains high, and the pandemic continues to hit the most exposed service sectors. An ever-active virus could lead to the extension or repetition of restrictive measures for several months, and thus adversely affect the Group’s business, financial position and results. The deployment of vaccination programmes is encouraging, but risks remain regarding the overall effectiveness of these programmes. Logistical difficulties, delays in vaccine production or doubts over their effectiveness (notably with regard to new variants) could prolong uncertainties and negatively affect economic activity and financial markets. The Covid-19 crisis will most likely leave permanent damage to the global economy through the loss of human capital (loss of skills linked to long periods of inactivity, lower quality of training, etc.) and rising public and corporate debt.

The sharp recession experienced by the affected countries and the reduced world trade will continue to have a negative impact on the global economic environment as long as global production, investments, supply chains and consumer demand are affected, thereby impacting the Group’s business and that of its customers and counterparties.

The different restrictive measures also led to a decline in the Group’s commercial activity and results due to the reduced opening of its retail network and lower demand from its customers. New phases of lockdown measures or curfews in the countries where the Group operates may have an even greater impact on the Group’s financial results.

In many jurisdictions in which the Group operates, governments and central banks have taken or announced exceptional measures to support the economy and its players (loan guarantee systems, deferral of tax deadlines, easier recourse to short-time working, compensation, etc.) or to improve liquidity on financial markets (asset purchases, etc.). In the United States, the USD 1,900 billion support plan voted in March 2021 should be followed by a new programme to improve the country's infrastructure and energy efficiency to achieve the goal of net zero emissions by 2050. This plan, which has yet to be confirmed at parliamentary level, mobilises around USD 2,250 billion over the next eight years. In Europe, the agreement reached on 21 July 2020 by the European Commission should endow the European Union with a recovery mechanism of EUR 750 billion and promote a more demand-driven recovery. The launch of the European Fund is scheduled for summer 2021 and has overcome the obstacle of the German Constitutional Court. In France, after the EUR 471 billion of emergency measures in 2020, the government implemented the EUR 100 billion "*France Relance*" plan, backed by the state budget for 2021 and 2022 and partially financed by the European Fund. This plan is intended to be structural in nature and is built around three pillars: "ecology and energy transition", "business competitiveness" and "territorial cohesion". Although the initial support measures adequately addressed the immediate effects of the crisis, the measures that are currently being implemented may not be sufficient to support the recovery. As these plans unfold, the ECB’s ability to conduct its quantitative easing policy will remain crucial for ensuring financial stability in the eurozone.

As part of the French government-guaranteed loan programme (*Prêts Garantis par l’État*) for a maximum amount of EUR 300 billion, the Group has adapted its loan approval processes to handle the massive flow of applications. The Group has taken exceptional measures to financially support its customers and help them address the effects of the Covid-19 pandemic on their activities and income. The Group also supports its clients abroad within the framework of public or private moratoria or government-guaranteed loans. These measures require the Group to reallocate resources and to adapt its granting and management processes. In the event that these support measures for both businesses and individuals were to be further strengthened (extension of moratoria, additional financing, strengthening of equity capital, etc.), the Group's business and results may continue to be affected.

The restrictive measures taken in several of the main countries where the Group operates (with Western Europe representing 69% of the Group's EAD (Exposure at Default) at 31 December 2020, of which 47% was in France) are significantly reducing economic activity and are leading many countries to face economic recessions. The risk of new lockdown periods (especially in the event of new pandemic waves) as well as a slow recovery of demand could increase the scale and duration of these recessions. This, combined with a high level of public and corporate indebtedness, could constitute a brake on the recovery and lead to significant adverse repercussions on the quality of the Group's counterparties and the level of non-performing loans for both businesses and individuals.

Within the Corporate portfolio, the most impacted sectors to date have been the automotive sector (0.9% of the Group's total exposure as at 31 December 2020), hotels, catering and leisure (0.6% of the Group's total exposure), non-food retail distribution (the entirety of the retail distribution sector representing 1.6% of the Group's total exposure), air transport and aeronautics (less than 0.5% of the Group's total exposure) and maritime transport (less than 1% of the Group's total exposure). The oil and gas sector has been impacted very strongly by a drop in demand linked to the Covid-19 pandemic and by actions that were initially uncoordinated on the supply side by several producer countries such as OPEC countries and Russia, resulting in a sharp drop in oil prices in 2020. The barrel price of oil has risen sharply since the beginning of 2021 and has returned to its pre-pandemic level, but the context is still uncertain about the recovery in global demand and uncertainties in this market remain high. Within the Corporate portfolio, this sector represented approximately 1.9% of the Group's total exposure at 31 December 2020.

After a 2020 year marked by a significant increase in the cost of risk mainly due to the prudent provisioning in stages 1 and 2 in anticipation of future defaults and to the rise in defaults in the first half of the year, the cost of risk became low again in the first quarter of 2021, in a context of a low defaults level and by keeping the provisions for stages 1 and 2 provided in 2020 in anticipation of potential future defaults. The Group's cost of risk could in particular be impacted by its participation in loan programmes guaranteed by the French government (in respect of the residual unsecured exposure). The cost of risk in 2021 is expected between 30 bps and 35 bps.

Due to the Covid-19 pandemic, the Group's results and financial position were affected by unfavourable developments in global financial markets, especially in March and April 2020 (extreme volatility and dislocation of term structure, alternate sharp declines and rapid rebounds in the equity markets, widening of credit spreads, unprecedented declines in dividend distributions, etc.). These exceptional conditions have particularly affected the management of structured financial instruments whose underlyings are equity products. These activities have since been adapted, and are continuously being adapted, in order to improve their risk profiles.

The situation improved on financial markets from the second half of 2020, following the stimulus plans announced by the governments, the accommodating policies of central banks, as well as the decline in political uncertainty in the United States following the election of Democrat Joe Biden. The measures taken during the Covid-19 pandemic have preserved market liquidity but could ultimately have consequences on financial vulnerability (due for example to the possible formation of financial bubbles). The recovery is expected to be asynchronous and divergent across economies, and deteriorations in hard-hit borrower credit quality and profitability are likely to dampen risk appetite. Given the scale of external financing needs, several emerging markets are facing difficulties, and a persistent rise in US rates poses a risk of tightening financial conditions. Likewise, the still active circulation of the virus and the associated uncertainties could result in a new negative impact on the Group's market activities, despite the progressive deployment of vaccine programmes, may result in a further adverse impact on the Group's capital markets activities, including decline in activity, higher hedging costs, trading losses, increase in market risk reserves, reduction in liquidity on certain markets, operational losses related to capital markets activities, etc.

For information purposes, risk-weighted assets (RWA) related to market risk were thus up 6% at the end of 2020 compared with the situation at the end of December 2019, to EUR 15.3 billion. The Global Markets and Investor Services sector, which mainly concentrates the Group's market risks, represented a net banking income of EUR 4.2 billion, or 19% of the Group's total revenues, over the full year 2020.

Restrictive measures have led the Group to massively implement remote working arrangements, particularly in a significant part of its market activities. This organisation, which was deployed in immediate response to the crisis, increases the risk of operational incidents and the risk of cyber-attacks faced by the Group. In addition, all employees remain subject to health risks at the individual level. Prolonged remote working also increases psychosocial risk, with potential impacts in terms of organisation and business continuity in the event of prolonged absence of such individuals.

The unprecedented environment resulting from the Covid-19 pandemic could alter the performance of the models used within the Group (particularly in terms of asset valuation and assessment of own funds requirements for credit risk), due in particular to calibration carried out over periods that are not comparable with the current crisis or to assumptions that are no longer plausible, leading the models beyond their area of validity. The temporary decline in performance and the recalibration of these models could have an adverse impact on the Group's results.

In its press release dated 15 December 2020, the ECB issued recommendations concerning the distribution of dividends for all the banks placed under its supervision, valid until 30 September 2021. The Group's future distribution policy could be impacted in the event of an extension of these recommendations beyond this date.

Uncertainty as to the duration and impact of the Covid-19 pandemic makes it difficult to predict its impact on the global economy. The consequences for the Group will depend on the duration of the pandemic, the measures taken by national governments and central banks and developments in the health, economic, financial and social context.

2 CAPITAL MANAGEMENT AND ADEQUACY

2.1 REGULATORY CAPITAL

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During the first three months of 2021, Societe Generale issued EUR 1 billion of subordinated 10NC5 Tier 2 bonds and USD 1 billion (equivalent to EUR 853 million) of subordinated 20-year Tier 2 bonds. In addition, over the same period, the Group announced the redemption, at first call date, of EUR 1 billion Additional Tier 1 bonds, issued in April 2014.

TABLE 1: REGULATORY CAPITAL AND CRR/CRD4 SOLVENCY RATIOS(1)

(In EURm)	31.03.2021	31.12.2020
Shareholders' equity (IFRS), Group share	**62,920**	**61,684**
Deeply subordinated notes	(9,179)	(8,830)
Perpetual subordinated notes	(273)	(264)
Consolidated shareholders' equity, Group share, net of deeply subordinated and perpetual subordinated notes	**53,468**	**52,590**
Non-controlling interests	4,581	4,378
Intangible assets	(1,574)	(1,647)
Goodwill	(3,710)	(3,710)
Proposed dividends (General Meeting of Shareholders) and interest expenses on deeply subordinated and perpetual subordinated notes	(595)	(557)
Deductions and regulatory adjustments	(5,088)	(3,764)
Common Equity Tier 1 capital	**47,082**	**47,290**
Deeply subordinated notes and preferred shares	8,179	8,830
Other additional Tier 1 capital	193	195
Additional Tier 1 deductions	(136)	(136)
Tier 1 capital	**55,318**	**56,179**
Tier 2 instruments	12,674	12,587
Other Tier 2 capital	253	240
Tier 2 deductions	(1,387)	(1,422)
Total regulatory capital	**66,858**	**67,584**
Total risk-weighted assets	**353,063**	**351,852**
Credit risk-weighted assets	288,635	287,324
Market risk-weighted assets	15,207	15,340
Operational risk-weighted assets	49,221	49,188
Solvency ratios		
Common Equity Tier 1 ratio	13.3%	13.4%
Tier 1 ratio	15.7%	16.0%
Total capital adequacy ratio	18.9%	19.2%

(1) Ratios based on the CRR/CRD4 rules as published on 26 June 2013, including Danish compromise for insurance. Ratios taking into account the IFRS 9 phasing (fully-loaded CET1 ratio of 13.1% as at 31 March 2021, the phasing effect being +25 bps), with non-recognition of the positive year-to-date net result (including minority participations) and calculation of the estimation of dividend distribution based on the underlying year-to-date net result not taken into account.

2.2 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

TABLE 2: GROUP CAPITAL REQUIREMENTS AND RISK-WEIGHTED ASSETS (OV1)

	RWA		Minimum capital requirements	
(In EURm)	31.03.2021	31.12.2020	31.03.2021	31.12.2020
Credit risk (excluding counterparty credit risk)	**249,069**	**247,423**	**19,926**	**19,794**
o.w. standardised approach	*86,578*	*86,000*	*6,926*	*6,880*
o.w. Foundation IRB (FIRB) approach	*4,429*	*4,417*	*354*	*353*
o.w. Advanced IRB (AIRB) approach	*137,237*	*136,302*	*10,979*	*10,904*
o.w. equity IRB under the simple risk-weighted approach or IMA	*20,826*	*20,704*	*1,666*	*1,656*
Counterparty credit risk	**25,943**	**26,330**	**2,075**	**2,106**
o.w. risk exposure for contributions to the default fund of a CCP	*887*	*986*	*71*	*79*
o.w. CVA	*2,889*	*3,131*	*231*	*250*
Settlement risk	**58**	**77**	**5**	**6**
Securitisation exposures in the banking book (after cap)	**5,806**	**5,486**	**464**	**439**
o.w. SEC-ERBA (including IAA)	*3,545*	*2,951*	*284*	*236*
o.w. SEC-IRBA	*2,085*	*2,233*	*167*	*179*
o.w. SEC-SA	*176*	*301*	*14*	*24*
o.w. 1,250%/deductions	-	-	-	-
Market risk	**15,207**	**15,340**	**1,217**	**1,227**
o.w. standardised approach	*2,432*	*1,728*	*195*	*138*
o.w. IMA	*12,775*	*13,612*	*1,022*	*1,089*
Large exposures	-	**-**	-	**-**
Operational risk	**49,221**	**49,188**	**3,938**	**3,935**
o.w. basic indicator approach	-	-	-	-
o.w. standardised approach	*2,282*	*2,250*	*183*	*180*
o.w. advanced measurement approach	*46,938*	*46,938*	*3,755*	*3,755*
Amounts below the thresholds for deduction (subject to 250% risk-weighting)	**7,760**	**8,008**	**621**	**641**
Floor adjustment	-	-	-	**-**
TOTAL	**353,063**	**351,852**	**28,245**	**28,148**

The following table presents the risk-weighted assets by core business:

TABLE 3: DISTRIBUTION OF RWA BY CORE BUSINESS AND RISK TYPE

(In EURbn)	Credit	Market	Operational	Total 31.03.2021	Total 31.12.2020
French Retail Banking	92.9	0.1	4.4	97.4	98.9
International Retail Banking and Financial Services	103.4	0.2	5.6	109.2	108.0
Global Banking and Investor Solutions	80.1	14.8	31.9	126.8	125.9
Corporate Centre	12.3	0.2	7.3	19.7	19.1
GROUP	**288.6**	**15.2**	**49.2**	**353.1**	**351.9**

As at 31 March 2021, RWA (EUR 353.1 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 82% of RWA (of which 36% for International Retail Banking and Financial Services);
- market risk accounted for 4% of RWA (of which 97% for Global Banking and Investor Solutions);
- operational risk accounted for 14% of RWA (of which 65% for Global Banking and Investor Solutions).

2.3 TLAC RATIO

TABLE 4: TLAC – KEY METRICS (KM2)

		TLAC	
(In EURm)		31.03.2021	31.12.2020
Own funds and eligible liabilities, ratios and components			
1	Own funds and eligible liabilities	108,915	108,871
2	Total risk exposure amount of the resolution group (TREA)	353,063	351,852
3	Own funds and eligible liabilities as a percentage of TREA	30.9%	30.9%
4	Total exposure measure of the resolution group	1,241,437	1,178,543
5	Own funds and eligible liabilities as percentage of the total exposure measure	8.8%	9.2%
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)	No	No
6b	Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)	7,300	8,289
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)	100.0%	100.0%

2.4 LEVERAGE RATIO

TABLE 5: LEVERAGE RATIO SUMMARY AND TRANSITION FROM PRUDENTIAL BALANCE SHEET TO LEVERAGE EXPOSURE[(1)]

(In EURm)	31.03.2021	31.12.2020
Tier 1 capital[(2)]	**55,318**	**56,179**
Total assets in prudential balance sheet	**1,348,223**	**1,309,372**
Adjustments for fiduciary assets recognised on the balance sheet but excluded from the leverage ratio exposure	-	-
Adjustments for derivative financial instruments	*(94,907)*	*(118,705)*
Adjustments for securities financing transactions[(3)]	*11,232*	*5,988*
Off-balance sheet exposure (loan and guarantee commitments)	*110,558*	*104,034*
Technical and prudential adjustments (Tier 1 capital prudential deductions)	*(6,961)*	*(6,866)*
Technical and prudential adjustments (regulated saving exemption)	*(17,999)*	*(17,087)*
Technical and prudential adjustments (central banks exemption)	*(108,708)*	*(98,192)*
Leverage ratio exposure	**1,241,437**	**1,178,543**
Leverage ratio	**4.5%**	**4.8%**

(1) Ratios taking into account the IFRS 9 phasing (leverage ratio of 4.4% without phasing as at 31 March 2021, the phasing effect being +2 bps).

(2) Capital overview is available in Table 1

(3) Securities financing transactions: repurchase transactions, securities lending or borrowing transactions and other similar transactions.

2.5 FINANCIAL CONGLOMERATE RATIO

As at 31 December 2020, the financial conglomerate ratio was 153%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 75.1 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 49.2 billion.

As at 31 December 2019, the financial conglomerate ratio was 145%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 70.0 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 48.4 billion.

2.6 ADDITIONAL QUANTITATIVE INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY

TABLE 6: COMPARISON OF OWN FUNDS AND CAPITAL AND LEVERAGE RATIOS WITH AND WITHOUT THE APPLICATION OF TRANSITIONAL ARRANGEMENTS FOR IFRS 9 (IFRS9-FL)

QUANTITATIVE TEMPLATE						
(In EURm)		a	b	c	d	e
		31.03.2021	31.12.2020	30.09.2020	30.06.2020	31.03.2020
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1) capital	47,082	47,290	46,107	45,053	
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	46,262	46,374	45,481	44,508	
3	Tier 1 capital	55,318	56,179	54,024	53,254	
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	54,498	55,263	53,398	52,708	
5	Total capital	66,858	67,584	64,945	64,448	
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	66,038	66,668	64,319	63,902	
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	353,063	351,852	351,864	360,423	
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	353,416	352,380	352,330	360,749	
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	13.3%	13.4%	13.1%	12.5%	
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.1%	13.2%	12.9%	12.3%	
11	Tier 1 (as a percentage of risk exposure amount)	15.7%	16.0%	15.4%	14.8%	
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.4%	15.7%	15.2%	14.6%	
13	Total capital (as a percentage of risk exposure amount)	18.9%	19.2%	18.5%	17.9%	
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.7%	18.9%	18.3%	17.7%	
	Leverage ratio					
15	Leverage ratio total exposure measure	1,241,437	1,178,543	1,197,879	1,248,204	
16	Leverage ratio	4.5%	4.8%	4.5%	4.3%	
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.4%	4.7%	4.4%	4.2%	

3 CREDIT RISK

3.1 QUANTITATIVE INFORMATION

TABLE 7: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (NPL TEMPLATE 4)

	31.03.2021														
	Gross carrying amount/nominal amount						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**							**Collateral and financial guarantees received**	
	Performing exposures			**Non-performing exposures**			**Performing exposures – accumulated impairment and provisions**			**Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**					
(In EURm)	**TOTAL**	**Of which stage 1(1)**	**Of which stage 2(2)**	**TOTAL**	**Of which stage 2(2)**	**Of which stage 3(3)**	**TOTAL**	**Of which stage 1(1)**	**Of which stage 2(2)**	**TOTAL**	**Of which stage 2(2)**	**Of which stage 3(3)**	**Accu-mulated partial write-off**	**On performing exposures**	**On non-performing exposures**
Loans and advances	**512,480**	**464,526**	**47,953**	**17,363**	**-**	**17,363**	**(3,053)**	**(1,078)**	**(1,975)**	**(8,877)**	**-**	**(8,877)**	**(312)**	**263,487**	**4,533**
Central banks	*12,117*	*12,116*	*1*	*13*	*-*	*13*	*(0)*	*(0)*	*(0)*	*(13)*	*-*	*(13)*	*-*	*1*	*-*
General governments	*17,190*	*16,718*	*471*	*152*	*-*	*152*	*(13)*	*(5)*	*(8)*	*(65)*	*-*	*(65)*	*(0)*	*5,385*	*68*
Credit institutions	*14,717*	*14,351*	*366*	*34*	*-*	*34*	*(3)*	*(3)*	*(1)*	*(6)*	*-*	*(6)*	*(0)*	*2,454*	*22*
Other financial corporations	*50,338*	*50,170*	*168*	*124*	*-*	*124*	*(16)*	*(12)*	*(4)*	*(110)*	*-*	*(110)*	*-*	*7,921*	*13*
Non-financial corporations	*206,434*	*177,778*	*28,656*	*8,908*	*-*	*8,908*	*(1,719)*	*(479)*	*(1,240)*	*(4,473)*	*-*	*(4,473)*	*(146)*	*100,528*	*2,690*
Of which SMEs	*44,821*	*38,209*	*6,612*	*3,774*	*-*	*3,774*	*(599)*	*(167)*	*(432)*	*(2,101)*	*-*	*(2,101)*	*-*	*26,961*	*952*
Households	*211,684*	*193,393*	*18,291*	*8,132*	*-*	*8,132*	*(1,301)*	*(579)*	*(722)*	*(4,208)*	*-*	*(4,208)*	*(166)*	*147,198*	*1,740*
Debt securities	**66,597**	**66,524**	**73**	**116**	**-**	**116**	**(7)**	**(6)**	**(1)**	**(43)**	**-**	**(43)**	**-**	**5,391**	**-**
Central banks	*5,191*	*5,191*	*-*	*-*	*-*	*-*	*(0)*	*(0)*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
General governments	*46,757*	*46,718*	*39*	*6*	*-*	*6*	*(6)*	*(5)*	*(1)*	*(6)*	*-*	*(6)*	*-*	*-*	*-*
Credit institutions	*6,187*	*6,157*	*30*	*-*	*-*	*-*	*(1)*	*(1)*	*-*	*-*	*-*	*-*	*-*	*235*	*-*
Other financial corporations	*4,343*	*4,343*	*-*	*-*	*-*	*-*	*(0)*	*(0)*	*-*	*-*	*-*	*-*	*-*	*2,088*	*-*
Non-financial corporations	*4,119*	*4,115*	*4*	*111*	*-*	*111*	*(0)*	*(0)*	*(0)*	*(38)*	*-*	*(38)*	*-*	*3,068*	*-*
Off-balance- sheet exposures	**428,263**	**405,325**	**22,938**	**1,148**	**-**	**1,148**	**(517)**	**(165)**	**(352)**	**(346)**	**-**	**(346)**	**-**	**55,337**	**192**
Central banks	*1,421*	*1,421*	*-*	*-*	*-*	*-*	*(0)*	*(0)*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
General governments	*6,676*	*6,594*	*83*	*2*	*-*	*2*	*(1)*	*(1)*	*(1)*	*-*	*-*	*-*	*-*	*3,160*	*-*
Credit institutions	*153,078*	*152,688*	*390*	*0*	*-*	*0*	*(13)*	*(1)*	*(11)*	*(0)*	*-*	*(0)*	*-*	*502*	*-*
Other financial corporations	*61,931*	*61,864*	*67*	*9*	*-*	*9*	*(5)*	*(4)*	*(1)*	*(2)*	*-*	*(2)*	*-*	*5,644*	*-*
Non-financial corporations	*189,095*	*167,181*	*21,914*	*1,058*	*-*	*1,058*	*(423)*	*(131)*	*(292)*	*(324)*	*-*	*(324)*	*-*	*40,995*	*178*
Households	*16,060*	*15,576*	*484*	*79*	*-*	*79*	*(75)*	*(28)*	*(47)*	*(20)*	*-*	*(20)*	*-*	*5,036*	*13*
Total	**1,007,340**	**936,375**	**70,964**	**18,627**	**-**	**18,627**	**(3,577)**	**(1,249)**	**(2,328)**	**(9,267)**	**-**	**(9,267)**	**(312)**	**324,214**	**4,725**

(1) Assets without significant increase in credit risk since initial recognition

(2) Assets with significant increase in credit risk since initial recognition, but not impaired

(3) Impaired assets

3.2 ADDITIONAL QUANTITATIVE INFORMATION ON CREDIT RISK

TABLE 8: RWA AND CAPITAL REQUIREMENTS FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER IRB APPROACH (CR8)

(In EURm)	**RWA amounts**	**Capital requirements**
RWA as at end of previous reporting period (31.12.2020)	**167,845**	**13,428**
Asset size	25	2
Asset quality	396	32
Model updates	-	-
Methodology and policy	(204)	(16)
Acquisitions and disposals	-	-
Foreign exchange movements	1,210	97
Other	129	10
RWA as at end of reporting period (31.03.2021)	**169,400**	**13,552**

4 COUNTERPARTY CREDIT RISK

4.1 QUANTITATIVE INFORMATION

TABLE 9: RWA AND CAPITAL REQUIREMENTS FLOW STATEMENTS OF COUNTERPARTY CREDIT RISK EXPOSURES UNDER IRB APPROACH (CCR7)

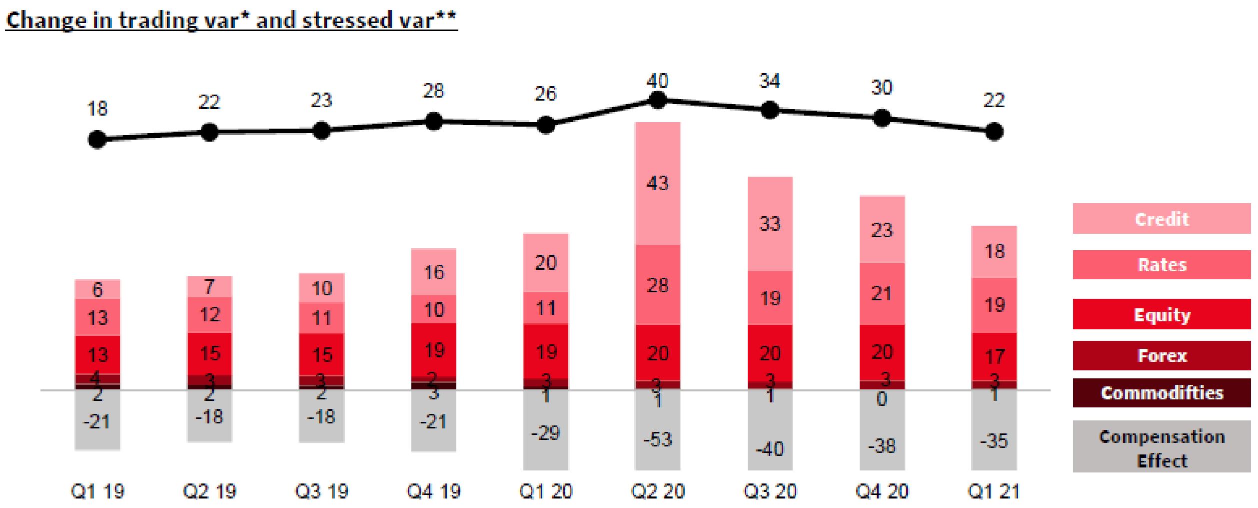
(In EURm)	RWA amounts – IRB IMM	RWA amounts – IRB excl. IMM	RWA amounts – Total IRB	Capital requirements – IRB IMM	Capital requirements – IRB excl. IMM	Capital requirements – Total IRB
RWA as at end of previous reporting period (31.12.2020)	**15,746**	**3,817**	**19,563**	**1,260**	**305**	**1,565**
Asset size	(828)	(72)	(901)	(66)	(6)	(72)
Credit quality of counterparties	32	(20)	12	3	(2)	1
Model updates	-	-	-	-	-	-
Methodology and policy	(40)	-	(40)	(3)	-	(3)
Acquisitions and disposals	-	-	-	-	-	-
Foreign exchange movements	298	85	382	24	7	31
Other	(4)	156	151	(0)	12	12
RWA as at end of reporting period (31.03.2021)	**15,203**	**3,964**	**19,168**	**1,216**	**317**	**1,533**

The table above displays data without CVA (Credit Valuation Adjustment) which amounts to EUR 2.5 billion in advanced approach.

5 MARKET RISK

5.1 CHANGE IN TRADING VAR

Quarterly average of the 99% Value at Risk (VaR), a composite indicator used for the day-to-day monitoring of the market risk incurred by the bank, on the scope of its trading activities, in EUR million:



Stressed VAR** (1 day, 99%, in EUR m)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
Minimum	23	49	28	25	28
Maximum	108	89	58	47	43
Average	56	66	41	36	35

* Trading VaR: measurement over one year (i.e. 260 scenarios) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences

** Stressed VaR : Identical approach to VaR (historical simulation with 1-day shocks and a 99% confidence interval), but over a fixed one-year historical window corresponding to a period of significant financial tension instead of a one-year rolling period

5.2 ADDITIONAL QUANTITATIVE INFORMATION ON MARKET RISK

TABLE 10: QUARTERLY RWA FLOW STATEMENTS OF MARKET RISK EXPOSURES UNDER IMA (INTERNAL MODEL APPROACH) (MR2-B)

(In EURm)	VaR	SVaR	IRC	CRM	Other	Total RWA	Total capital requirements
RWA at end of previous reporting period (31.12.2020)	**4,117**	**6,671**	**1,758**	**1,066**	**-**	**13,612**	**1,089**
Regulatory adjustment	*3,135*	*5,096*	*353*	*186*	-	*8,770*	*702*
RWA at end of day previous quarter	*982*	*1,575*	*1,405*	*880*	-	*4,842*	*387*
Movement in risk levels	(306)	1,579	(20)	338	-	1,591	127
Model updates/changes	-	-	-	-	-	-	-
Methodology and policy	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	-	-	-
Foreign exchange movements	4	6	-	-	-	10	1
Other	-	-	-	-	-	-	-
RWA at end of day quarter	*680*	*3,160*	*1,385*	*1,218*	-	*6,443*	*515*
Regulatory adjustment	*2,630*	*3,604*	*97*	-	-	*6,332*	*507*
RWA at end of reporting period (31.03.2021)	**3,311**	**6,764**	**1,482**	**1,218**	**-**	**12,775**	**1,022**

Effects are defined as follows:

- Regulatory adjustment: difference between RWA used for the purpose of regulatory RWA calculation on the one hand and RWA of the last day or of the last week of the period on the other hand;
- Movement in risk levels: changes due to position changes;
- Model updates/changes: significant updates to the model to reflect recent experience (*e.g.* recalibration), as well as significant changes in model scope;
- Methodology and policy: methodology changes to the calculations driven by regulatory policy changes;
- Acquisitions and disposals: modifications due to acquisition or disposal of business/product lines or entities;
- Foreign exchange movements: changes arising from foreign currency translation movements.

6 LIQUIDITY RISK

6.1 LIQUIDITY RESERVE

TABLE 11: LIQUIDITY RESERVE

(In EURbn)	31.03.2021	31.12.2020
Central bank deposits (excluding mandatory reserves)	163	154
HQLA securities available and transferable on the market (after haircut)	73	82
Other available central bank-eligible assets (after haircut)	2	7
TOTAL	**237**	**243**

6.2 REGULATORY RATIOS

TABLE 12: LIQUIDITY COVERAGE RATIO

(In EURm)

Quarter ending on	**31.03.2021**
Number of data points used in the calculation of averages	12
	Total adjusted value
LIQUIDITY BUFFER	**217,669**
TOTAL NET CASH OUTFLOWS	**138,223**
LIQUIDITY COVERAGE RATIO (%)[1]	**159%**

(1) The LCR is calculated as the simple average of month-end observations over the twelve months preceding the end of each quarter.

7 REMUNERATION

The 2020 Compensation Policies and Practices Report is available on the website (www.societegenerale.com, section "Pillar III and other prudential publications").

8 APPENDICES

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