



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

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**PILLAR 3 30.09.2021**

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# 1 KEY FIGURES

The amounts forming the prudential solvency and leverage ratios which are featured hereinafter take into account the transitional arrangements relating to the introduction of the IFRS 9 standard, over the whole historical period considered.

**TABLE 1: KEY METRICS (KM1)**

(In EURm)		30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
<b>AVAILABLE OWN FUNDS (AMOUNTS)</b>						
1	Common Equity Tier 1 (CET1) capital	47,752	48,315	47,082	47,290	46,107
2	Tier 1 capital	55,620	57,258	55,318	56,179	54,024
3	Total capital	66,432	69,331	66,858	67,584	64,945
<b>RISK-WEIGHTED ASSETS (RWA)</b>						
4	Total risk-weighted assets	363,508	361,488	353,063	351,852	351,864
<b>CAPITAL RATIOS (AS A PERCENTAGE OF RWA)</b>						
5	Common Equity Tier 1 ratio (%)	13.14%	13.37%	13.34%	13.44%	13.10%
6	Tier 1 ratio (%)	15.30%	15.84%	15.67%	15.97%	15.35%
7	Total capital ratio (%)	18.28%	19.18%	18.94%	19.21%	18.46%
<b>ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF RWA)</b>						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.75%	1.75%	1.75%	1.75%	1.75%
EU 7b	of which to be made up of CET1 capital (%)	0.98%	0.98%	0.98%	0.98%	0.98%
EU 7c	of which to be made up of Tier 1 capital (%)	1.31%	1.31%	1.31%	1.31%	1.31%
EU 7d	Total SREP own funds requirements (%)	9.75%	9.75%	9.75%	9.75%	9.75%
<b>COMBINED BUFFER REQUIREMENT (AS A PERCENTAGE OF RWA)</b>						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution-specific countercyclical capital buffer (%)	0.04%	0.04%	0.04%	0.04%	0.04%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	3.54%	3.54%	3.54%	3.54%	3.54%
EU 11a	Overall capital requirements (%)	13.29%	13.29%	13.29%	13.29%	13.29%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.65%	7.88%			
<b>LEVERAGE RATIO</b>						
13	Leverage ratio total exposure measure <sup>(1)</sup>	1,263,831	1,243,050	1,241,437	1,178,543	1,197,879
14	Leverage ratio	4.40%	4.61%	4.46%	4.77%	4.51%
<b>ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)</b>						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-			
EU 14b	of which to be made up of CET1 capital (%)	-	-			
EU 14c	Total SREP leverage ratio requirements (%) <sup>(2)</sup>	3.09%	3.09%			
<b>LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)</b>						
EU 14d	Leverage ratio buffer requirement (%)	-	-			
EU 14e	Overall leverage ratio requirements (%) <sup>(2)</sup>	3.09%	3.09%			
<b>LIQUIDITY COVERAGE RATIO</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	228,704	224,460	217,669	204,815	188,059
EU 16a	Cash outflows – Total weighted value	380,694	365,861	357,186	356,100	353,411
EU 16b	Cash inflows – Total weighted value	218,257	215,876	218,961	227,719	230,385

16	Total net cash outflows (adjusted value)	162,438	149,984	138,226	128,381	123,026
17	Liquidity coverage ratio (%)	141.15%	151.41%	159.23%	160.14%	153.47%
<b>NET STABLE FUNDING RATIO</b>						
18	Total available stable funding	598,266	597,160			
19	Total required stable funding	567,222	555,238			
20	NSFR ratio (%)	105.47%	107.55%			

*(1) Over the whole historical period considered, the measurement of the leverage exposure has been taking into account the option to exempt temporarily some central bank exposures in accordance with the European regulation.*

*(2) The leverage ratio requirement applicable to Societe Generale group is 3.09% (enhancement of the initial regulatory requirement of 3% in relation to the abovementioned central bank exemption).*

Besides, key figures relating to the TLAC (Total Loss Absorbing Capacity) ratio can be found in section 3 of Chapter 2 of this report. As at 30 September 2021, the Group presents a TLAC ratio of 29.7% of risk-weighted assets (RWA) with the option of Senior preferred debt limited to 2.5% of RWA (the ratio being 28.1% without this option) for a regulatory requirement of 19.5%, and of 8.5% of the leverage exposure for a regulatory requirement of 6%.

## 2 CAPITAL MANAGEMENT AND ADEQUACY

### 2.1 REGULATORY CAPITAL

During the first nine months of 2021, Societe Generale issued an equivalent of EUR 1,972 million of subordinated Tier 2 bonds and USD 1,000 million (equivalent to EUR 864 million) of Additional Tier 1 bonds. In addition, during this period, the Group redeemed, at first call date, two Additional Tier 1 bonds (EUR 1,000 million launched in April 2014 and USD 1,500 million launched in September 2016), as well as five Tier 2 bonds (SGD 425 million implemented in May 2016, JPY 27,700 million implemented in June 2016, an issue with a residual amount of USD 247.8 million implemented in November 1986, an issue with a residual amount of EUR 61.9 million implemented in June 1985 and EUR 1,000 million implemented in September 2014).

**TABLE 2: REGULATORY CAPITAL AND SOLVENCY RATIOS<sup>(1)</sup>**

<i>(In EURm)</i>	<b>30.09.2021</b>	31.12.2020
<b>Shareholders' equity (IFRS), Group share</b>	<b>63,639</b>	<b>61,684</b>
Deeply subordinated notes	(7,820)	(8,830)
Perpetual subordinated notes	(0)	(264)
<b>Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes</b>	<b>55,819</b>	<b>52,590</b>
Non-controlling interests	4,740	4,378
Intangible assets	(1,678)	(1,647)
Goodwill	(3,708)	(3,710)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(1,135)	(557)
Deductions and regulatory adjustments	(6,285)	(3,764)
<b>COMMON EQUITY TIER 1 CAPITAL</b>	<b>47,752</b>	<b>47,290</b>
Deeply subordinated notes and preferred shares	7,820	8,830
Other additional Tier 1 capital	185	195
Additional Tier 1 deductions	(137)	(136)
<b>TOTAL TIER 1 CAPITAL</b>	<b>55,620</b>	<b>56,179</b>
Tier 2 instruments	12,049	12,587
Other Tier 2 capital	278	240
Tier 2 deductions	(1,516)	(1,422)
<b>Total regulatory capital</b>	<b>66,432</b>	<b>67,584</b>
<b>TOTAL RISK-WEIGHTED ASSETS</b>	<b>363,508</b>	<b>351,852</b>
Credit and counterparty credit risk-weighted assets	300,000	287,324
Market risk-weighted assets	14,276	15,340
Operational risk-weighted assets	49,232	49,188
<b>Solvency ratios</b>		
Common Equity Tier 1 ratio	13.14%	13.44%
Tier 1 ratio	15.30%	15.97%
Total capital ratio	18.28%	19.21%

*(1) Ratios set in accordance with CRR2/CRD5 rules as published in June 2019, including Danish compromise for insurance, and taking into account the IFRS 9 phasing (fully-loaded CET1 ratio of 12.95% as at 30 September 2021, the phasing effect being +19 bps), with non-recognition of the positive quarterly net result (including minority participations) and associated calculation of the dividend pay-out estimation based on the underlying net result not taken into account.*

## 2.2 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

TABLE 3: OVERVIEW OF RISK-WEIGHTED ASSETS (OV1)

(In EURm)	Risk-weighted assets		Total own funds requirements
	30.09.2021	30.06.2021	30.09.2021
<b>Credit risk (excluding counterparty credit risk)</b>	<b>262,308</b>	<b>260,719</b>	<b>20,985</b>
o.w. standardised approach	98,931	98,053	7,914
o.w. Foundation IRB (FIRB) approach	4,162	4,256	333
o.w. slotting approach	701	720	56
o.w. equities under the simple risk-weighted approach	3,159	3,145	253
o.w. other equities under IRB approach	18,583	18,184	1,487
o.w. Advanced IRB (AIRB) approach	136,772	136,360	10,942
<b>Counterparty credit risk – CCR</b>	<b>31,725</b>	<b>31,606</b>	<b>2,538</b>
o.w. standardised approach <sup>(1)</sup>	10,457	9,876	837
o.w. internal model method (IMM)	14,906	14,849	1,192
o.w. exposures to a CCP	1,516	1,434	121
o.w. credit valuation adjustment – CVA	3,867	3,908	309
o.w. other CCR	979	1,538	78
<b>Settlement risk</b>	<b>6</b>	<b>39</b>	<b>0</b>
<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>5,960</b>	<b>5,819</b>	<b>477</b>
o.w. SEC-IRBA approach	2,033	2,003	163
o.w. SEC-ERBA incl IAA	3,571	3,483	286
o.w. SEC-SA approach	356	333	28
o.w. 1,250%/deductions	-	-	-
<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>14,276</b>	<b>14,084</b>	<b>1,142</b>
o.w. standardised approach	1,761	1,691	141
o.w. IMA	12,515	12,393	1,001
<b>Large exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operational risk</b>	<b>49,232</b>	<b>49,221</b>	<b>3,939</b>
o.w. basic indicator approach	-	-	-
o.w. standardised approach	2,294	2,283	183
o.w. advanced measurement approach	46,938	46,938	3,755
Amounts (included in the "Credit risk" section above) below the thresholds for deduction (subject to 250% risk weight)	7,570	7,878	606
<b>TOTAL</b>	<b>363,508</b>	<b>361,488</b>	<b>29,081</b>

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

**TABLE 4: DISTRIBUTION OF RWA BY CORE BUSINESS AND RISK TYPE**

<i>(In EURbn)</i>	<b>Credit and counterparty credit</b>	<b>Market</b>	<b>Operational</b>	<b>Total 30.09.2021</b>	Total 31.12.2020
French Retail Banking	90.0	0.1	4.4	94.5	98.9
International Retail Banking and Financial Services	107.2	0.2	5.6	113.0	108.0
Global Banking and Investor Solutions	91.2	13.7	31.9	136.8	125.9
Corporate Centre	11.6	0.3	7.3	19.2	19.1
<b>Group</b>	<b>300.0</b>	<b>14.3</b>	<b>49.2</b>	<b>363.5</b>	<b>351.9</b>

As at 30 September 2021, RWA (EUR 363.5 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 83% of RWA (of which 36% for International Retail Banking and Financial Services);
- market risk accounted for 4% of RWA (of which 96% 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 5: TLAC – KEY METRICS (KM2)**

<i>(in EURm)</i>		<b>TLAC</b>				
		<b>30.09.2021</b>	30.06.2021	31.03.2021	31.12.2020	30.09.2020
<b>OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS<sup>(1)</sup></b>						
1	Own funds and eligible liabilities	107,817	110,318	108,915	108,871	104,364
2	Total RWA of the Group	363,508	361,488	353,063	351,852	351,864
3	<b>Own funds and eligible liabilities as a percentage of RWA</b>	<b>29.66%</b>	<b>30.52%</b>	<b>30.85%</b>	<b>30.94%</b>	<b>29.66%</b>
4	Total exposure measure of the Group	1,263,831	1,243,050	1,241,437	1,178,543	1,197,879
5	<b>Own funds and eligible liabilities as percentage of the total exposure measure</b>	<b>8.53%</b>	<b>8.87%</b>	<b>8.77%</b>	<b>9.24%</b>	<b>8.71%</b>
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)	No	No	No	No	No
6b	Pro-memo item: Aggregate amount of permitted non-subordinated eligible liabilities instruments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)	5,571	5,910	7,300	8,289	8,797
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 (%)	100.00%	100.00%	100.00%	100.00%	99.84%

(1) With IFRS 9 phasing effect taken into account over the whole historical period considered.

## 2.4 LEVERAGE RATIO

TABLE 6: LEVERAGE RATIO SUMMARY AND TRANSITION FROM PRUDENTIAL BALANCE SHEET TO LEVERAGE EXPOSURE<sup>(1)</sup>

<i>(In EURm)</i>	<b>30.09.2021</b>	31.12.2020
<b>Tier 1 capital<sup>(2)</sup></b>	<b>55,620</b>	<b>56,179</b>
<b>Total assets in prudential balance sheet<sup>(3)</sup></b>	<b>1,367,305</b>	<b>1,309,372</b>
Adjustments for derivative financial instruments	(27,786)	(77,596)
Adjustments for securities financing transactions <sup>(4)</sup>	21,125	5,988
Off-balance sheet exposure (loan and guarantee commitments)	113,055	104,034
Technical and prudential adjustments <sup>(5)</sup>	(209,868)	(163,254)
<i>Of which: central banks exemption</i>	<i>(110,593)</i>	<i>(98,192)</i>
<b>Leverage ratio exposure</b>	<b>1,263,831</b>	<b>1,178,543</b>
<b>Leverage ratio</b>	<b>4.40%</b>	<b>4.77%</b>

*(1) Ratio set in accordance with CRR2 rules and taking into account the IFRS 9 phasing (leverage ratio of 4.35% without phasing as at 30 September 2021, the phasing effect being +5 bps).*

*(2) The capital overview is available in table 2.*

*(3) The prudential balance sheet corresponds to the IFRS balance sheet less entities accounted for through the equity method (mainly insurance subsidiaries).*

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

*(5) The breakdown of adjustments as at 31 December 2020 takes into account a methodological change leading to the reclassification of some miscellaneous adjustments (previously classified on the line relating to derivatives) onto the line "Technical and prudential adjustments".*

## 2.5 FINANCIAL CONGLOMERATE RATIO

As at 30 June 2021, the financial conglomerate ratio was 151%, consisting of a numerator "Own funds of the Financial Conglomerate" of EUR 76.1 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 50.5 billion.

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.



## 2.6 ADDITIONAL QUANTITATIVE INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY

**TABLE 7: COMPARISON OF OWN FUNDS AND CAPITAL AND LEVERAGE RATIOS WITH AND WITHOUT THE APPLICATION OF TRANSITIONAL ARRANGEMENTS FOR IFRS 9 (IFRS9-FL)**

<i>(In EURm)</i>		<b>30.09.2021</b>	30.06.2021	31.03.2021	31.12.2020	30.09.2020
<b>AVAILABLE CAPITAL (AMOUNTS)</b>						
1	Common Equity Tier 1 (CET1) capital	47,752	48,315	47,082	47,290	46,107
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	47,044	47,565	46,262	46,374	45,481
3	Tier 1 capital	55,620	57,258	55,318	56,179	54,024
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	54,912	56,508	54,498	55,263	53,398
5	Total capital	66,432	69,331	66,858	67,584	64,945
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	65,724	68,581	66,038	66,668	64,319
<b>RISK-WEIGHTED ASSETS (AMOUNTS)</b>						
7	Total risk-weighted assets	363,508	361,488	353,063	351,852	351,864
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	363,356	361,373	353,416	352,380	352,330
<b>CAPITAL RATIOS</b>						
9	Common Equity Tier 1 (as a percentage of RWA)	13.14%	13.37%	13.34%	13.44%	13.10%
10	Common Equity Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12.95%	13.16%	13.09%	13.16%	12.91%
11	Tier 1 (as a percentage of RWA)	15.30%	15.84%	15.67%	15.97%	15.35%
12	Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.11%	15.64%	15.42%	15.68%	15.16%
13	Total capital (as a percentage of RWA)	18.28%	19.18%	18.94%	19.20%	18.46%
14	Total capital (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.09%	18.98%	18.69%	18.92%	18.26%
<b>LEVERAGE RATIO</b>						
15	Leverage ratio total exposure measure <sup>(1)</sup>	1,263,831	1,243,050	1,241,437	1,178,543	1,197,879
16	Leverage ratio	4.40%	4.61%	4.46%	4.77%	4.51%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.35%	4.55%	4.43%	4.69%	4.45%

*(1) Leverage ratio total exposure measure taking into account the IFRS 9 transitional provisions as well as the option to exempt some central bank exposures over the whole historical period considered.*

# 3 CREDIT RISK

## 3.1 QUANTITATIVE INFORMATION

TABLE 8: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (CR1)

<b>30.09.2021</b>															
	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			Accumulated write-off	On performing exposures	On non-performing exposures
	TOTAL	of which stage 1 <sup>(1)</sup>	of which stage 2 <sup>(2)</sup>	TOTAL	of which stage 2 <sup>(2)</sup>	of which stage 3 <sup>(3)</sup>	TOTAL	of which stage 1 <sup>(1)</sup>	of which stage 2 <sup>(2)</sup>	TOTAL	of which stage 2 <sup>(2)</sup>	of which stage 3 <sup>(3)</sup>			
<i>(In EURm)</i>															
Cash balances at central banks and other demand deposits	202,241	202,241	-	-	-	-	-	-	-	-	-	-	-	4	-
<b>Loans and advances</b>	<b>532,337</b>	<b>468,737</b>	<b>42,491</b>	<b>16,871</b>	-	<b>16,870</b>	<b>(2,970)</b>	<b>(1,133)</b>	<b>(1,837)</b>	<b>(8,699)</b>	-	<b>(8,699)</b>	<b>(1,009)</b>	<b>280,768</b>	<b>4,742</b>
Central banks	12,593	12,593	-	13	-	13	(0)	(0)	-	(13)	-	(13)	-	1	-
General governments	27,425	18,143	445	132	-	132	(7)	(5)	(2)	(63)	-	(63)	(0)	5,768	54
Credit institutions	21,539	20,490	332	25	-	25	(4)	(3)	(1)	(7)	-	(7)	-	2,411	18
Other financial corporations	49,005	47,178	265	108	-	108	(15)	(11)	(4)	(101)	-	(101)	-	8,668	7
Non-financial corporations	202,028	168,968	23,755	8,821	-	8,820	(1,615)	(507)	(1,108)	(4,335)	-	(4,335)	(454)	101,116	2,836
<i>of which SMEs</i>	<i>45,025</i>	<i>37,225</i>	<i>6,198</i>	<i>3,685</i>	-	<i>3,684</i>	<i>(596)</i>	<i>(155)</i>	<i>(441)</i>	<i>(2,031)</i>	-	<i>(2,031)</i>	-	<i>27,247</i>	<i>1,066</i>
Households	219,746	201,366	17,694	7,772	-	7,772	(1,328)	(606)	(722)	(4,179)	-	(4,179)	(555)	162,805	1,827
<b>Debt securities</b>	<b>64,367</b>	<b>63,922</b>	<b>118</b>	<b>114</b>	-	<b>114</b>	<b>(8)</b>	<b>(6)</b>	<b>(1)</b>	<b>(50)</b>	-	<b>(50)</b>	-	<b>6,743</b>	-
Central banks	4,379	4,379	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
General governments	43,963	43,780	53	17	-	17	(5)	(5)	(1)	(17)	-	(17)	-	-	-
Credit institutions	5,577	5,548	30	-	-	-	(1)	(1)	-	-	-	-	-	116	-
Other financial corporations	5,285	5,101	-	-	-	-	(0)	(0)	-	-	-	-	-	2,544	-
Non-financial corporations	5,162	5,113	35	97	-	97	(1)	(0)	(0)	(33)	-	(33)	-	4,084	-
<b>Off-balance- sheet exposures</b>	<b>436,035</b>	<b>417,533</b>	<b>18,502</b>	<b>1,024</b>	-	<b>1,024</b>	<b>(504)</b>	<b>(181)</b>	<b>(323)</b>	<b>(327)</b>	-	<b>(327)</b>	-	<b>62,524</b>	<b>215</b>
Central banks	481	481	-	-	-	-	(0)	(0)	-	-	-	-	-	39	-
General governments	6,951	6,891	60	0	-	0	(1)	(1)	(0)	-	-	-	-	3,598	-
Credit institutions	163,063	162,747	316	0	-	0	(15)	(1)	(14)	(0)	-	(0)	-	516	-
Other financial corporations	51,564	51,489	75	13	-	13	(5)	(4)	(2)	(2)	-	(2)	-	5,981	-
Non-financial corporations	196,803	179,269	17,534	922	-	922	(418)	(145)	(273)	(307)	-	(307)	-	46,495	198
Households	17,173	16,655	518	89	-	89	(65)	(30)	(34)	(18)	-	(18)	-	5,896	17
<b>TOTAL</b>	<b>1,032,739</b>	<b>950,192</b>	<b>61,111</b>	<b>18,009</b>	-	<b>18,008</b>	<b>(3,481)</b>	<b>(1,320)</b>	<b>(2,161)</b>	<b>(9,076)</b>	-	<b>(9,076)</b>	<b>(1,009)</b>	<b>350,035</b>	<b>4,957</b>

(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 9: RWA FLOW STATEMENT OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH (CR8)

<i>(In EURm)</i>	<b>Risk-weighted assets</b>
<b>RWA as at the end of the previous reporting period (30.06.2021)</b>	<b>168,152</b>
Asset size (+/-)	1,280
Asset quality (+/-)	(426)
Model updates (+/-)	(637)
Methodology and policy (+/-)	-
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	610
Other (+/-)	-
<b>RWA as at the end of the reporting period (30.09.2021)</b>	<b>168,980</b>

# 4 COUNTERPARTY CREDIT RISK

## 4.1 QUANTITATIVE INFORMATION

TABLE 10: RWA FLOW STATEMENT OF COUNTERPARTY CREDIT RISK EXPOSURES UNDER THE IMM (CCR7)

<i>(In EURm)</i>	<b>Risk-weighted assets</b>
<b>RWA as at the end of the previous reporting period (30.06.2021)</b>	<b>14,982</b>
Asset size	(695)
Credit quality of counterparties	(59)
Model updates (IMM only)	687
Methodology and policy (IMM only)	-
Acquisitions and disposals	-
Foreign exchange movements	123
Other	-
<b>RWA as at the end of the current reporting period (30.09.2021)</b>	<b>15,039</b>

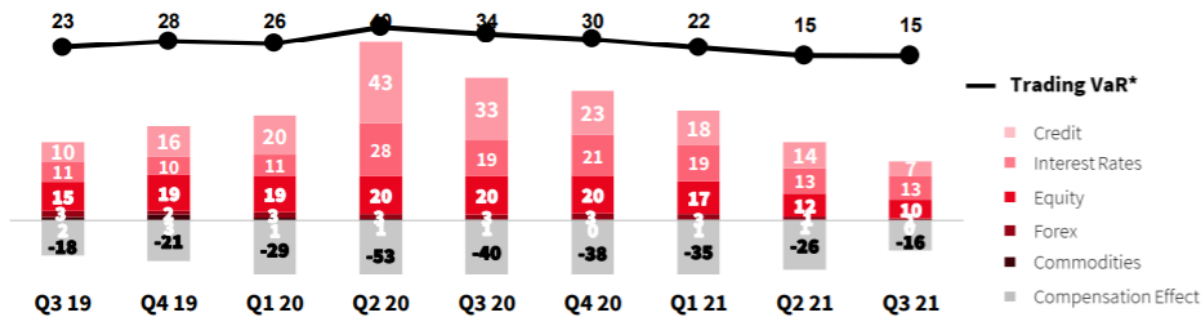
The table above displays data without CVA (Credit Valuation Adjustment) which amounts to EUR 2.6 billion in advanced method.

# 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:

Change in trading VaR\* and stressed VaR\*\*



Stressed VAR** (1 day, 99%, in EUR m)	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Minimum	28	25	28	23	23
Maximum	58	47	43	48	58
Average	41	36	35	35	38

\* 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 11: RWA FLOW STATEMENT OF MARKET RISK EXPOSURES UNDER THE INTERNAL MODEL APPROACH (MR2-B)

<i>(In EURm)</i>	VaR	SVaR	IRC	CRM	Other	Total RWA	Total own funds requirements
<b>RWA at previous period end (30.06.2021)</b>	<b>2,222</b>	<b>7,145</b>	<b>1,755</b>	<b>1,271</b>	-	<b>12,393</b>	<b>991</b>
<i>Regulatory adjustment</i>	<i>(1,605)</i>	<i>(4,173)</i>	<i>(447)</i>	-	-	<i>(6,226)</i>	<i>(498)</i>
<i>RWA at the previous quarter-end (end of the day)</i>	<i>617</i>	<i>2,971</i>	<i>1,308</i>	<i>1,271</i>	-	<i>6,167</i>	<i>493</i>
Movement in risk levels	16	1,043	163	(501)	-	721	58
Model updates/changes	45	(276)	-	-	-	(231)	(19)
Methodology and policy	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	-	-	-
Foreign exchange movements	2	5	-	-	-	7	1
Other	-	-	-	-	-	-	-
<i>RWA at the end of the disclosure period (end of the day)</i>	<i>680</i>	<i>3,742</i>	<i>1,471</i>	<i>770</i>	-	<i>6,663</i>	<i>533</i>
<i>Regulatory adjustment</i>	<i>1,569</i>	<i>3,934</i>	<i>319</i>	<i>30</i>	-	<i>5,852</i>	<i>468</i>
<b>RWA at the end of the disclosure period (30.09.2021)</b>	<b>2,248</b>	<b>7,677</b>	<b>1,790</b>	<b>800</b>	-	<b>12,515</b>	<b>1,001</b>

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 fluctuations.

## 6 LIQUIDITY RISK

### 6.1 LIQUIDITY RESERVE

TABLE 12: LIQUIDITY RESERVE

<i>(In EURbn)</i>	<b>30.09.2021</b>	31.12.2020
Central bank deposits (excluding mandatory reserves)	161	154
HQLA securities available and transferable on the market (after haircut)	64	82
Other available central bank-eligible assets (after haircut)	2	7
<b>TOTAL</b>	<b>227</b>	<b>243</b>

### 6.2 REGULATORY RATIOS

The Group manages its liquidity risk through the LCR, the NSFR and liquidity gaps, under stress and under normal conditions of activity, and accumulated (all currencies combined), and this, by making sure at any time that the liquidity is transferable across the main currencies.

Since the implementation of the European regulatory LCR requirement in October 2015, Societe Generale's LCR has consistently stood at over 100%. The LCR stood at 130% at end of September 2021 (vs. 149% at end-2020).



**TABLE 13: LIQUIDITY COVERAGE RATIO (LIQ1)**

The liquidity coverage ratio is calculated as the simple average of month-end observations over the twelve months preceding the end of each quarter.

The table featured hereinafter takes into account some modifications of historical data, notably aiming at a better alignment with the technical instructions emanating from the European Banking Authority (EBA/ITS/2020/04).

Prudential Group (In EURm)	Total unweighted value (in average)				Total weighted value (in average)			
	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2021	30.06.2021	31.03.2021	31.12.2020
<b>High-quality liquid assets</b>								
<b>Total high-quality liquid assets (HQLA)</b>					<b>228,704</b>	<b>224,460</b>	<b>217,669</b>	<b>204,815</b>
<b>Cash – Outflows</b>								
Retail deposits and deposits from small business customers, of which:	220,773	218,159	215,584	208,820	17,276	16,875	16,519	16,129
<i>Stable deposits</i>	121,548	121,919	122,372	119,952	6,077	6,096	6,119	5,998
<i>Less stable deposits</i>	92,712	88,978	85,271	82,818	11,185	10,764	10,383	10,113
Unsecured wholesale funding	272,195	264,759	261,917	256,322	147,592	142,847	139,988	135,539
<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	63,013	60,152	61,289	60,660	15,303	14,599	14,861	14,698
<i>Non-operational deposits (all counterparties)</i>	189,898	185,605	182,737	178,756	113,006	109,246	107,235	103,935
<i>Unsecured debt</i>	19,284	19,002	17,891	16,906	19,284	19,002	17,891	16,906
Secured wholesale funding					92,263	84,329	80,341	78,306
Additional requirements	181,881	179,052	177,427	177,538	60,701	60,001	59,484	62,022
<i>Outflows related to derivative exposures and other collateral requirements</i>	32,560	33,555	34,760	38,531	31,097	32,062	33,047	36,470
<i>Outflows related to loss of funding on debt products</i>	7,747	6,749	5,754	5,463	7,747	6,749	5,754	5,463
<i>Credit and liquidity facilities</i>	141,574	138,748	136,914	133,544	21,858	21,190	20,683	20,089
Other contractual funding obligations	61,787	60,547	59,679	63,124	61,787	60,547	59,679	63,124
Other contingent funding obligations	50,854	48,668	46,167	44,605	1,075	1,263	1,177	980
<b>TOTAL CASH OUTFLOWS</b>					<b>380,694</b>	<b>365,861</b>	<b>357,186</b>	<b>356,100</b>
<b>Cash – inflows</b>								
Secured lending (eg reverse repos)	278,706	271,463	271,259	278,135	85,626	84,391	87,024	90,906
Inflows from fully performing exposures	42,604	40,431	39,690	39,816	35,710	33,693	32,733	32,857
Other cash inflows	99,122	99,976	101,418	106,166	96,921	97,793	99,203	103,956
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
<b>TOTAL CASH INFLOWS</b>	<b>420,432</b>	<b>411,870</b>	<b>412,367</b>	<b>424,117</b>	<b>218,257</b>	<b>215,876</b>	<b>218,961</b>	<b>227,719</b>
<i>Fully exempt Inflows</i>	-	-	-	-	-	-	-	-
<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
<i>Inflows subject to 75% cap</i>	331,622	331,324	335,981	348,996	218,257	215,876	218,961	227,719
<b>TOTAL ADJUSTED VALUE</b>								
<b>LIQUIDITY BUFFER</b>					<b>228,527</b>	<b>224,304</b>	<b>217,669</b>	<b>204,815</b>
<b>TOTAL NET CASH OUTFLOWS</b>					<b>162,438</b>	<b>149,984</b>	<b>138,226</b>	<b>128,381</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>					<b>141.15%</b>	<b>151.41%</b>	<b>159.23%</b>	<b>160.14%</b>

As at 30 September 2021, the average of Societe Generale's LCR stood at 141% (arithmetic average of the 12 LCR monthly values from October 2020 to September 2021, in accordance with the prudential disclosure requirement emanating from Regulation (EU) No 2019/876).

Reported LCR was 130% as at 30 September 2021, or EUR 52 billion of liquidity surplus over the regulatory requirement of 100%. This compares to 149%, or EUR 78 billion of liquidity surplus, as at 31 December 2020. The LCR numerator was EUR 225 billion as at 30 September 2021, decreasing by EUR 11 billion compared with 31 December 2020, reflecting a change in the structure of securities inventories in capital markets. The net cash outflows increased by EUR 15 billion over the same period, mainly as a result of the growth of corporate deposits in the French retail networks.

As at 30 September 2021, the numerator of the LCR included EUR 161 billion of withdrawable central bank reserves (72%) and EUR 53 billion of Level 1 high-quality securities (24%), as well as 5% of Level 2 or assimilated. The LCR numerator, which amounted to EUR 236 billion as at 31 December 2020, contained withdrawable central bank reserves and Level 1 high-quality securities representing 97% of the buffer.

The euro accounted for 60% of Societe Generale's total assets as at 30 September 2021. Among other currencies, only the US dollar accounted for more than 5% of assets, with a weight of 22%. The liquidity profile of the Group in US dollars is framed by a set of thresholds and metrics, including indicators of liquidity excess under stress, in US dollars.

Societe Generale ensures it does not overly rely on any given individual counterparty or segment by setting and monitoring concentration risk metrics on secured and unsecured markets. For instance, unsecured short-term funding is subject to thresholds by counterparty type (Corporates, Central banks, Public sector, Asset managers, etc). Secured funding is framed to ensure that the drying up of liquidity in any segment of the repo market (counterparty segments, underlying collateral segments, currencies) would not materially impair the refinancing of inventories in capital markets. In addition to this, the Group's long-term funding is structurally diversified. The plain vanilla funding programme is split into various currencies, instruments and geographies and seeks to continuously expand the investor base. Structured issuances are highly granular (multiple distributing networks) and provide a diversification in terms of nature of investors.

Societe Generale impacts its LCR computation to factor in collateral needs for covered bonds issuance vehicles and other vehicles used in capital markets activities, in case of a 3-notch downgrade of Societe Generale's credit rating. Societe Generale also impacts its LCR computation to factor in a potential adverse market shock based on a 24-month historical look-back approach.

Intraday funding requirements give rise to dedicated reserves which are taken into account when computing liquidity stress tests based on internal models, which ground the control of the Societe Generale Group survival horizon under stress.

# 7 APPENDICES

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