



A French corporation with share capital of EUR 1,010,261,206.25
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RISK REPORT

PILLAR 3 31.03.2023

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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)

<i>(In EURm)</i>		31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022
AVAILABLE OWN FUNDS (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	48,333	48,639	47,614	47,254	48,211
2	Tier 1 capital	59,262	58,727	57,053	56,024	56,443
3	Total capital	69,398	69,724	69,444	67,835	66,990
RISK-WEIGHTED ASSETS (RWA)						
4	Total risk-weighted assets	361,043	360,465	371,645	367,637	376,636
CAPITAL RATIOS (AS A PERCENTAGE OF RWA)						
5	Common Equity Tier 1 ratio (%)	13.39%	13.49%	12.81%	12.85%	12.80%
6	Tier 1 ratio (%)	16.41%	16.29%	15.35%	15.24%	14.99%
7	Total capital ratio (%)	19.22%	19.34%	18.69%	18.45%	17.79%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)⁽¹⁾						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.14%	2.12%	2.12%	2.12%	2.12%
EU 7b	<i>of which to be made up of CET1 capital (%)</i>	1.20%	1.19%	1.19%	1.19%	1.19%
EU 7c	<i>of which to be made up of Tier 1 capital (%)</i>	1.60%	1.59%	1.59%	1.59%	1.59%
EU 7d	Total SREP own funds requirements (%)	10.14%	10.12%	10.12%	10.12%	10.12%
COMBINED BUFFER REQUIREMENT (AS A PERCENTAGE OF RWA)						
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 (%)	0.23%	0.16%	0.08%	0.05%	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 (%)	3.73%	3.66%	3.58%	3.55%	3.54%
EU 11a	Overall capital requirements (%)	13.87%	13.78%	13.70%	13.67%	13.66%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.68%	7.80%	7.12%	7.16%	7.11%
LEVERAGE RATIO						
13	Leverage ratio total exposure measure ⁽²⁾	1,435,255	1,344,870	1,392,918	1,382,334	1,319,813
14	Leverage ratio (%)	4.13%	4.37%	4.10%	4.05%	4.28%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	<i>of which to be made up of CET1 capital (%)</i>	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%) ⁽²⁾	3.00%	3.00%	3.00%	3.00%	3.09%
LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirements (%) ⁽³⁾	3.00%	3.00%	3.00%	3.00%	3.09%

LIQUIDITY COVERAGE RATIO						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	251,709	246,749	242,177	238,136	235,333
EU 16a	Cash outflows – Total weighted value	428,006	437,050	434,078	420,815	409,590
EU 16b	Cash inflows – Total weighted value	259,253	262,381	258,705	245,812	235,158
16	Total net cash outflows (adjusted value)	168,752	174,670	175,377	175,003	174,432
17	Liquidity coverage ratio (%)	149.63%	141.41%	138.05%	136.00%	134.72%
NET STABLE FUNDING RATIO						
18	Total available stable funding	621,713	617,491	617,615	615,879	629,042
19	Total required stable funding	542,352	543,549	548,457	549,492	561,828
20	NSFR ratio (%)	114.63%	113.60%	112.61%	112.08%	111.96%

(1) The own funds requirement applicable to Societe Generale group in relation to Pillar 2 reaches 2.12% (of which 1.19% in CET1) until 31/12/2022 resulting in a total SREP own funds requirement of 10.12%.

(2) 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.

(3) 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) until 3/31/2022 and then 3% effective 6/30/2022.

TABLE 2: TLAC – KEY METRICS (KM2)

		TLAC				
<i>(in EURm)</i>		31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022
OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS ⁽¹⁾						
1	Own funds and eligible liabilities	121,022	121,249	119,337	116,539	114,436
2	Total RWA of the Group	361,043	360,465	371,645	367,637	376,636
3	Own funds and eligible liabilities as a percentage of RWA	33.52%	33.64%	32.11%	31.70%	30.38%
4	Total exposure measure of the Group	1,435,255	1,344,870	1,392,918	1,382,334	1,319,813
5	Own funds and eligible liabilities as percentage of the total exposure measure	8.43%	9.02%	8.57%	8.43%	8.67%
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)	12,637	11,430	9,287	9,023	7,114
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 (%)	85.40%	100.00%	100.00%	100.00%	100.00%

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

As at 31 March 2023, the Group presents a TLAC ratio of 33.52% of risk-weighted assets (RWA) with the option of Senior preferred debt limited to 3.5% of RWA (the ratio being 34.12% without this option) for a regulatory requirement of 21.73%, and of 8.43% of the leverage exposure for a regulatory requirement of 6.75%.

2 CAPITAL MANAGEMENT AND ADEQUACY

2.1 REGULATORY CAPITAL

TABLE 3: REGULATORY CAPITAL AND SOLVENCY RATIOS ⁽¹⁾

<i>(In EURm)</i>	31.03.2023	31.12.2022
Shareholders' equity (IFRS), Group share	68,747	66,451
Deeply subordinated notes	(10,823)	(10,017)
Perpetual subordinated notes	(0)	(0)
Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes	57,924	56,434
Non-controlling interests	5,473	5,207
Intangible assets	(2,116)	(2,161)
Goodwill	(3,471)	(3,478)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(1,983)	(1,879)
Deductions and regulatory adjustments	(7,494)	(5,484)
COMMON EQUITY TIER 1 CAPITAL	48,333	48,639
Deeply subordinated notes and preferred shares	10,823	10,017
Other additional Tier 1 capital	224	209
Additional Tier 1 deductions	(118)	(138)
TOTAL TIER 1 CAPITAL	59,262	58,727
Tier 2 instruments	11,702	12,549
Other Tier 2 capital	251	238
Tier 2 deductions	(1,817)	(1,790)
Total regulatory capital	69,398	69,724
TOTAL RISK-WEIGHTED ASSETS	361,043	360,464
Credit and counterparty credit risk-weighted assets	302,343	300,694
Market risk-weighted assets	12,677	13,747
Operational risk-weighted assets	46,023	46,023
Solvency ratios		
Common Equity Tier 1 ratio	13.39%	13.49%
Tier 1 ratio	16.41%	16.29%
Total capital ratio	19.22%	19.34%

(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 13.34% as at 31 December 2022, the phasing effect being +17 bps) and the effects of the ECB's Covid-19 transitional measures ending on 31 December 2022.

2.2 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

TABLE 4: OVERVIEW OF RISK-WEIGHTED ASSETS (OV1)

	Risk-weighted assets (RWA)		Total own funds requirements
(In EURm)	31.03.2023	31.12.2022	31.03.2023
Credit risk (excluding counterparty credit risk)	270,289	269,084	21,623
o.w. standardised approach	93,722	94,083	7,498
o.w. Foundation IRB (FIRB) approach	4,298	4,190	344
o.w. slotting approach	790	667	63
o.w. equities under the simple risk-weighted approach	2,770	2,753	222
o.w. other equities under IRB approach	16,328	13,864	1,306
o.w. Advanced IRB (AIRB) approach	152,383	153,528	12,191
Counterparty credit risk – CCR	24,449	23,803	1,956
o.w. standardised approach ⁽¹⁾	7,312	6,649	585
o.w. internal model method (IMM)	11,980	12,381	958
o.w. exposures to a CCP	1,080	918	86
o.w. credit valuation adjustment – CVA	3,150	2,805	252
o.w. other CCR	927	1,050	74
Settlement risk	10	6	1
Securitisation exposures in the non-trading book (after the cap)	7,595	7,801	608
o.w. SEC-IRBA approach	2,559	2,706	205
o.w. SEC-ERBA incl IAA	4,012	4,023	321
o.w. SEC-SA approach	1,023	1,072	82
o.w. 1,250%/deductions	-	-	-
Position, foreign exchange and commodities risks (Market risk)	12,677	13,747	1,014
o.w. standardised approach	2,241	1,932	179
o.w. IMA	10,436	11,816	835
Large exposures	-	-	-
Operational risk	46,023	46,023	3,682
o.w. basic indicator approach	-	-	-
o.w. standardised approach	1,290	1,290	103
o.w. advanced measurement approach	44,733	44,733	3,579
Amounts (included in the "credit risk" section above) below the thresholds for deduction (subject to 250% risk weight)	7,010	7,319	561
TOTAL	361,043	360,465	28,883

TABLE 5: DISTRIBUTION OF RWA BY CORE BUSINESS AND RISK TYPE

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 31.03.2023	Total 31.12.2022
French Retail Banking ⁽¹⁾	100.4	0.0	5.1	105.5	106.3
International Retail Banking and Financial Services	108.9	0.2	4.6	113.7	112.0
Global Banking and Investor Solutions ⁽¹⁾	81.2	11.3	29.0	121.5	123.7
Corporate Centre	11.8	1.2	7.4	20.3	20.3
Group	302.3	12.7	46.0	361.0	362.4

2022 figures have been restated, in compliance with IFRS 17 and IFRS 9 for insurance entities.

As at 31 March 2023, RWA (EUR 361 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 84% of RWA (of which 36% for International Retail Banking and Financial Services) ;
- market risk accounted for 4% of RWA (of which 89% for Global Banking and Investor Solutions);
- operational risk accounted for 13% of RWA (of which 63% for Global Banking and Investor Solutions).

2.3 LEVERAGE RATIO

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

(In EURm)	31.03.2023	31.12.2022
Tier 1 capital⁽²⁾	59,262	58,727
Total assets in prudential balance sheet⁽³⁾	1,406,657	1,339,864
Adjustments for derivative financial instruments	52	(7,197)
Adjustments for securities financing transactions ⁽⁴⁾	15,087	15,156
Off-balance sheet exposure (loan and guarantee commitments)	121,986	123,022
Technical and prudential adjustments	(108,527)	(125,976)
o.w. central banks exemption ⁽⁵⁾	-	-
Leverage ratio exposure	1,435,255	1,344,870
Leverage ratio	4.13%	4.37%

⁽¹⁾ Ratio set in accordance with CRR2 rules and taking into account the IFRS 9 phasing (leverage ratio of 4.06% without phasing as at 30 September 2022, the phasing effect being +4 bps).

⁽²⁾ The capital overview is available in table 3.

⁽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⁾ Change to the opening terminal.

2.4 FINANCIAL CONGLOMERATE RATIO

As at 31 December 2022, the financial conglomerate ratio was 144,4%, consisting of a numerator "Own funds of the Financial Conglomerate" of EUR 75.5 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 52.3 billion.

As at 31 December 2021, the financial conglomerate ratio was 150%, 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 50.9 billion.

2.5 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>		31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022
AVAILABLE CAPITAL (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	48,333	48,639	47,614	47,254	48,211
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	48,006	48,011	47,043	46,906	47,728
3	Tier 1 capital	59,262	58,727	57,053	56,024	56,443
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	58,935	58,100	56,482	55,676	55,960
5	Total capital	69,398	69,724	69,444	67,835	66,990
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	69,071	69,096	68,873	67,486	66,507
RISK-WEIGHTED ASSETS (AMOUNTS)						
7	Total risk-weighted assets	361,043	360,465	371,645	367,637	376,636
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	361,038	360,435	371,645	367,610	376,482
CAPITAL RATIOS						
9	Common Equity Tier 1 (as a percentage of RWA)	13.39%	13.49%	12.81%	12.85%	12.80%
10	Common Equity Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.30%	13.32%	12.66%	12.76%	12.68%
11	Tier 1 (as a percentage of RWA)	16.41%	16.29%	15.35%	15.24%	14.99%
12	Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.32%	16.12%	15.20%	15.15%	14.86%
13	Total capital (as a percentage of RWA)	19.22%	19.34%	18.69%	18.45%	17.79%
14	Total capital (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.13%	19.17%	18.53%	18.36%	17.67%
LEVERAGE RATIO						
15	Leverage ratio total exposure measure ⁽¹⁾	1,435,255	1,344,870	1,392,918	1,382,334	1,319,813
16	Leverage ratio	4.13%	4.37%	4.10%	4.05%	4.28%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.11%	4.32%	4.06%	4.03%	4.24%

(1) Leverage ratio total exposure measure taking into account the IFRS 9 transitional provisions over the whole historical period considered, as well as the option to exempt some central bank exposures until 31 March 2022 included.

3 CREDIT RISK

3.1 QUANTITATIVE INFORMATION

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

31.03.2023															
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated write-off	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				On performing exposures	On non-performing exposures
	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⁾			
	(In EURm)														
Cash balances at central banks and other demand deposits	255,492	255,453	39	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	551,523	495,944	39,050	15,920	-	15,912	(3,131)	(1,086)	(2,045)	(7,829)	-	(7,824)	-	298,924	5,019
Central banks	12,616	12,616	0	13	-	13	(0)	(0)	-	(13)	-	(13)	-	50	-
General governments	25,337	18,428	284	129	-	129	(8)	(7)	(1)	(69)	-	(69)	-	6,930	26
Credit institutions	25,694	25,270	409	32	-	32	(5)	(4)	(1)	(8)	-	(8)	-	2,257	12
Other financial corporations	40,022	37,490	79	159	-	159	(8)	(5)	(4)	(132)	-	(132)	-	9,388	27
Non-financial corporations	246,285	218,230	21,143	10,170	-	10,165	(2,025)	(688)	(1,336)	(4,848)	-	(4,844)	-	124,128	3,540
<i>of which SMEs</i>	60,356	51,625	7,652	4,664	-	4,664	(692)	(250)	(442)	(2,347)	-	(2,347)	-	40,752	1,694
Households	201,569	183,910	17,135	5,415	-	5,413	(1,085)	(382)	(703)	(2,759)	-	(2,758)	-	156,170	1,414
Debt securities	61,342	60,679	114	240	-	240	(15)	(7)	(8)	(54)	-	(54)		8,062	-
Central banks	4,030	3,976	54	-	-	-	-	-	-	-	-	-		-	-
General governments	42,720	42,364	7	104	-	104	(6)	(5)	(0)	(6)	-	(6)		-	-
Credit institutions	4,609	4,556	52	-	-	-	(7)	(0)	(7)	-	-	-		321	-
Other financial corporations	3,491	3,290	1	-	-	-	(1)	(0)	(1)	-	-	-		1,899	-
Non-financial corporations	6,492	6,492	-	136	-	136	(0)	(0)	-	(49)	-	(49)		5,843	-
Off-balance- sheet exposures	503,458	487,619	15,840	1,102	-	1,102	(594)	(212)	(382)	(285)	-	(285)		71,396	215
Central banks	292	292	-	-	-	-	(0)	(0)	-	-	-	-		37	-
General governments	6,337	6,303	34	0	-	0	(1)	(1)	(0)	-	-	-		3,693	0
Credit institutions	185,163	184,802	361	96	-	96	(2)	(1)	(0)	(1)	-	(1)		751	6
Other financial corporations	85,730	85,330	400	26	-	26	(17)	(8)	(9)	(4)	-	(4)		10,973	14
Non-financial corporations	211,064	197,972	13,092	924	-	924	(515)	(176)	(339)	(262)	-	(262)		52,182	175
Households	14,871	12,919	1,952	56	-	56	(60)	(26)	(34)	(18)	-	(18)		3,760	20
TOTAL	1,371,815	1,299,694	55,043	17,261	-	17,253	(3,740)	(1,304)	(2,435)	(8,168)	-	(8,163)		378,382	5,234

(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>	Risk-weighted assets (RWA)
RWA as at the end of the previous reporting period (31.12.2022)	181,596
Asset size (+/-)	3,441
Asset quality (+/-)	(26)
Model updates (+/-)	-
Methodology and policy (+/-)	(1,503)
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	(368)
Other (+/-)	-
RWA as at the end of the reporting period (31.03.2023)	183,139

4 COUNTERPARTY CREDIT RISK

4.1 QUANTITATIVE INFORMATION

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

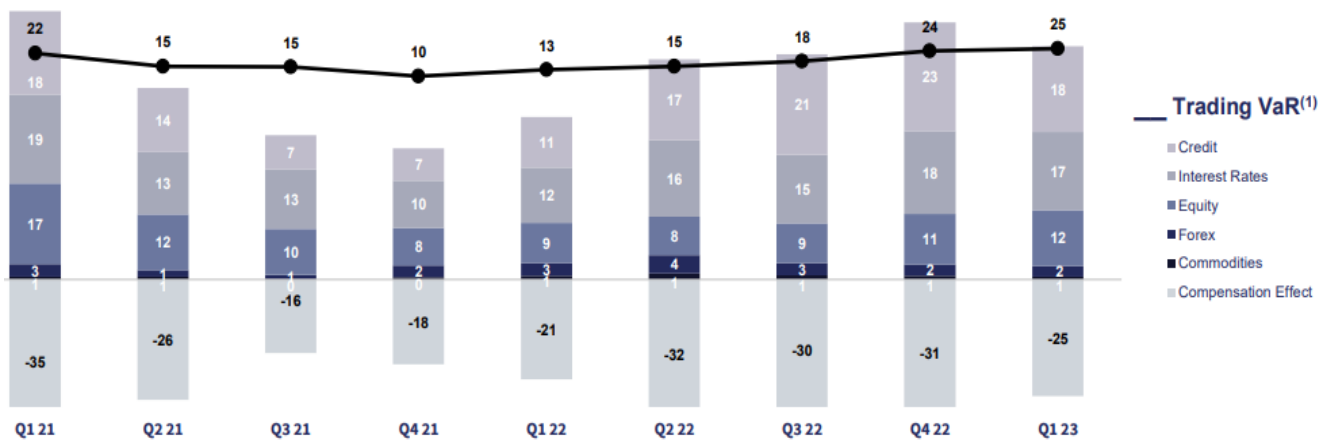
<i>(In EURm)</i>	Risk-weighted assets (RWA)
RWA as at end of previous reporting period (31.12.2022)	12,475
Asset size	432
Credit quality of counterparties	(125)
Model updates (IMM only)	-
Methodology and policy (IMM only)	-
Acquisitions and disposals	-
Foreign exchange movements	(706)
Other	-
RWA as at end of reporting period (31.03.2023)	12,076

The table above displays data without CVA (Credit Valuation Adjustment) which amounts to EUR 2 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:



Stressed VAR ⁽²⁾ (1 day 99%, in EUR M)	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Minimum	23	18	17	23	20
Maximum	48	52	47	46	59
Average	32	30	32	34	34

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

(2) 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
RWA at end of previous reporting period (31.12.2022)	3,504	6,886	811	615	-	11,816	945
<i>Regulatory adjustment</i>	(2,567)	(5,078)	(147)	(94)	-	(7,885)	(631)
<i>RWA at the previous quarter-end (end of the day)</i>	936	1,808	665	521	-	3,930	314
<i>Movement in risk levels</i>	(52)	793	(70)	105	-	776	62
<i>Model updates/changes</i>	451	(1,189)	-	-	-	(739)	(59)
<i>Methodology and policy</i>						-	-
<i>Acquisitions and disposals</i>						-	-
<i>Foreign exchange movements</i>	1	2				3	0
<i>Other</i>						-	-
<i>RWA at the end of the disclosure period (end of the day)</i>	1,336	1,414	595	626	-	3,971	318
<i>Regulatory adjustment</i>	2,051	4,246	167	-	-	6,465	517
RWA at end of reporting period (31.03.2023)	3,388	5,661	762	626	-	10,436	835

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

(In EURbn)	31.03.2023	31.12.2022
Central bank deposits (excluding mandatory reserves)	212	195
HQLA securities available and transferable on the market (after haircut)	56	59
Other available central bank-eligible assets (after haircut)	29	24
TOTAL	296	279

6.2 REGULATORY RATIOS

Regulatory requirements for liquidity risk are managed through two ratios:

- the Liquidity Coverage Ratio (LCR), which aims to ensure that banks hold sufficient liquid assets or cash to survive to a significant stress scenario combining a market crisis and a specific crisis and lasting for one month. The minimum regulatory requirement is 100% at any time;
- the Net Stable Funding Ratio (NSFR), a long-term ratio of the balance sheet transformation, which compares the financing needs generated by the activities of institutions with their stable resources; The minimum level required is 100%.

In order to meet these requirements, the Group ensures that its regulatory ratios are managed well beyond the minimum regulatory requirements set by Directive 2019/878 of the European Parliament and of the Council of 20 May 2019 (CRD5) and Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2)¹.

Societe Generale's LCR ratio has always been above 100%: 171% at the end of March 2023 compared to 141% at the end of 2022. Since it came into force, the NSFR ratio has always been above 100% and stands at 115% at the end of March 2023 compared to 114% at the end of 2022.

In addition, in order to complete its system, the Group has adapted monitoring indicators, in particular the monitoring of liquidity gap under various stress scenarios and under normal conditions, by significant currency and all currencies combined, which may be subject to additional constraints in terms of objective and minimum level. USD liquidity indicators are also specifically monitored.

¹ Several amendments to European regulatory standards were adopted in May 2019: The text on the CRL, published in October 2014, has since been supplemented by a Delegated Act corrigendum which entered into force on 30 April 2020. The minimum level of the required ratio is 100% since January 1, 2018. The NSFR requirement included in CRR2 (EU) 2019/876 of 20 May 2019 has applied since June 2021. The required ratio is 100%.

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.

Prudential Group (In EURm)	Total unweighted value (in average)				Total weighted value (in average)			
	31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2023	31.12.2022	30.09.2022	30.06.2022
High-quality liquid assets								
Total high-quality liquid assets (HQLA)					251,709	246,749	242,177	238,136
Cash – Outflows								
Retail deposits and deposits from small business customers, of which:								
<i>Stable deposits</i>	231,433	232,177	231,136	228,527	18,447	18,687	18,693	18,415
<i>Less stable deposits</i>	130,516	126,164	122,569	121,113	6,526	6,308	6,128	6,056
<i>Less stable deposits</i>	96,367	101,370	103,742	102,398	11,898	12,357	12,544	12,341
Unsecured wholesale funding	302,525	309,913	307,312	301,779	159,438	166,535	165,700	162,798
<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	70,962	71,734	72,616	72,562	17,262	17,451	17,659	17,653
<i>Non-operational deposits (all counterparties)</i>	219,944	224,717	220,519	214,152	130,558	135,622	133,863	130,080
<i>Unsecured debt</i>	11,618	13,462	14,178	15,065	11,618	13,462	14,178	15,065
Secured wholesale funding					101,721	103,466	105,934	106,023
Additional requirements	218,726	215,310	209,420	200,219	79,021	77,934	74,769	68,608
<i>Outflows related to derivative exposures and other collateral requirements</i>	44,525	44,389	41,600	36,427	42,405	42,350	39,552	34,448
<i>Outflows related to loss of funding on debt products</i>	11,100	10,677	10,853	10,457	11,100	10,677	10,853	10,457
<i>Credit and liquidity facilities</i>	163,101	160,243	156,967	153,334	25,515	24,907	24,365	23,703
Other contractual funding obligations	67,416	68,539	67,450	63,817	67,416	68,539	67,450	63,817
Other contingent funding obligations	71,197	69,000	64,106	60,740	1,963	1,890	1,531	1,155
TOTAL CASH OUTFLOWS					428,006	437,050	434,078	420,815
CASH – INFLOWS								
Secured lending (eg reverse repos)	314,084	312,015	309,590	304,082	101,517	100,769	99,420	96,209
Inflows from fully performing exposures	52,533	54,460	52,794	50,404	44,690	46,646	45,204	42,819
Other cash inflows	118,105	119,855	118,402	110,543	113,046	114,965	114,081	106,784
(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)					-	-	-	-
TOTAL CASH INFLOWS	484,723	486,330	480,786	465,030	259,253	262,381	258,705	245,812
<i>Fully exempt Inflows</i>	-	-	-	-	-	-	-	-
<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
<i>Inflows subject to 75% cap</i>	384,397	384,265	376,735	360,313	259,253	262,381	258,705	245,812
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					251,709	246,749	241,995	237,934
TOTAL NET CASH OUTFLOWS					168,752	174,670	175,373	175,003
LIQUIDITY COVERAGE RATIO (%)					149.63%	141.41%	138.06%	136.00%

As at 31 March 2023, the average of Societe Generale's LCR stood at 150% (arithmetic average of the 12 LCR monthly values from April 2022 to March 2023, in accordance with the prudential disclosure requirement emanating from Regulation (EU) No 2019/876).

Reported LCR was 171% as at 31 March 2023, or EUR 111 billion of liquidity surplus over the regulatory requirement of 100%. This compares to 141%, or EUR 74 billion of liquidity surplus, as at 31 December 2022. The LCR numerator was EUR 268 billion as at 31 March 2023, increasing by EUR 13 billion compared with 31 December 2022, resulting from lower liquidity usage in capital market activities and increased cash raising in money markets. The net cash outflows decreased by EUR 24 billion over the same period.

As at 31 March 2023, the numerator of the LCR included EUR 212 billion of withdrawable central bank reserves (79%) and EUR 44 billion of Level 1 high-quality securities (16%), as well as 12 billion (5%) of Level 2 or assimilated. The LCR numerator, which amounted to EUR 255 billion as at 31 December 2022, contained withdrawable central bank reserves and Level 1 high-quality securities representing 96% of the buffer.

The euro accounted for 60% of Societe Generale's total high-quality liquid assets as at 31 March 2023. The US dollar and the Swiss Franc accounted each for more than 5% of liquid assets, with a weight of 21% and 6%, respectively. 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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