



A French corporation with share capital of EUR 1,003,724,927.50 euros
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RISK REPORT

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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>		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
AVAILABLE OWN FUNDS (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	50,638	49,957	48,333	48,639	47,614
2	Tier 1 capital	60,782	60,995	59,262	58,727	57,053
3	Total capital	71,043	71,493	69,398	69,724	69,444
RISK-WEIGHTED ASSETS (RWA)						
4	Total risk-weighted assets	384,226	385,011	361,043	360,465	371,645
CAPITAL RATIOS (AS A PERCENTAGE OF RWA)						
5	Common Equity Tier 1 ratio (%)	13.18%	12.98%	13.39%	13.49%	12.81%
6	Tier 1 ratio (%)	15.82%	15.84%	16.41%	16.29%	15.35%
7	Total capital ratio (%)	18.49%	18.57%	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%	2.14%	2.14%	2.12%	2.12%
EU 7b	<i>of which to be made up of CET1 capital (%)</i>	1.20%	1.20%	1.20%	1.19%	1.19%
EU 7c	<i>of which to be made up of Tier 1 capital (%)</i>	1.60%	1.60%	1.60%	1.59%	1.59%
EU 7d	Total SREP own funds requirements (%)	10.14%	10.14%	10.14%	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 (%)	0.56%	0.53%	0.23%	0.16%	0.08%
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 (%)	4.06%	4.03%	3.73%	3.66%	3.58%
EU 11a	Overall capital requirements (%)	14.20%	14.17%	13.87%	13.78%	13.70%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.48%	7.27%	7.68%	7.80%	7.12%
LEVERAGE RATIO						
13	Leverage ratio total exposure measure ⁽²⁾	1,467,589	1,455,480	1,435,255	1,344,870	1,392,918
14	Leverage ratio (%)	4.14%	4.19%	4.13%	4.37%	4.10%
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%	3.00%
LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)						
EU 14d	Leverage ratio buffer requirement (%)	0.50%	0.50%	0.50%	-	-
EU 14e	Overall leverage ratio requirements (%) ⁽³⁾	3.50%	3.50%	3.50%	3.00%	3.00%

LIQUIDITY COVERAGE RATIO						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	263,594	257,650	251,709	246,749	242,177
EU 16a	Cash outflows – Total weighted value	391,411	420,693	428,006	437,050	434,078
EU 16b	Cash inflows – Total weighted value	199,289	249,992	259,253	262,381	258,705
16	Total net cash outflows (adjusted value)	168,617	167,871	168,752	174,670	175,377
17	Liquidity coverage ratio (%)	156.84%	154.00%	149.63%	141.41%	138.05%
NET STABLE FUNDING RATIO						
18	Total available stable funding	654,781	651,437	621,713	617,491	617,615
19	Total required stable funding	561,293	575,937	542,352	543,549	548,457
20	NSFR ratio (%)	116.66%	113.11%	114.63%	113.60%	112.61%

(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 3.00% (enhancement of the initial regulatory requirement of 0.5% related to the buffer applicable to GSIB since 2023/01/01), therefore an overall leverage ratio requirement of 3.5%.

TABLE 2: TLAC – KEY METRICS (KM2)

		TLAC				
<i>(in EURm)</i>		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS ⁽¹⁾						
1	Own funds and eligible liabilities	124,378	123,256	121,022	121,249	119,337
2	Total RWA of the Group	384,226	385,011	361,043	360,465	371,645
3	Own funds and eligible liabilities as a percentage of RWA	32.37%	32.01%	33.52%	33.64%	32.11%
4	Total exposure measure of the Group	1,467,589	1,455,480	1,435,255	1,344,870	1,392,918
5	Own funds and eligible liabilities as percentage of the total exposure measure	8.47%	8.47%	8.43%	9.02%	8.57%
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)	13,448	13,475	12,637	11,430	9,287
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 (%)	69.84%	78.24%	85.40%	100.00%	100.00%

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

As of 30 September 2023, the Group presents a TLAC ratio of 32.37% of risk-weighted assets (RWA) with the option of Senior preferred debt limited to 3.5% of RWA (the ratio being 32.98% without this option) for a regulatory requirement of 22.06%, and of 8.47% 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>	30.09.2023	31.12.2022
Shareholders' equity (IFRS), Group share	68,077	66,451
Deeply subordinated notes	(9,949)	(10,017)
Perpetual subordinated notes	(1,104)	(0)
Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes	57,024	56,434
Non-controlling interests	9,987	5,207
Intangible assets	(2,456)	(2,161)
Goodwill	(4,924)	(3,478)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(1,161)	(1,879)
Deductions and regulatory adjustments	(7,832)	(5,484)
COMMON EQUITY TIER 1 CAPITAL	50,638	48,639
Deeply subordinated notes and preferred shares	9,874	10,017
Other additional Tier 1 capital	388	209
Additional Tier 1 deductions	(118)	(138)
TOTAL TIER 1 CAPITAL	60,782	58,727
Tier 2 instruments	11,807	12,549
Other Tier 2 capital	269	238
Tier 2 deductions	(1,814)	(1,790)
Total regulatory capital	71,043	69,724
TOTAL RISK-WEIGHTED ASSETS	384,226	360,464
Credit and counterparty credit risk-weighted assets	324,232	300,694
Market risk-weighted assets	11,294	13,747
Operational risk-weighted assets	48,701	46,023
Solvency ratios		
Common Equity Tier 1 ratio	13.18%	13.49%
Tier 1 ratio	15.82%	16.29%
Total capital ratio	18.49%	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 13.18% as at 30 September 2023, the phasing effect being +6 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
	30.09.2023	31.12.2022	30.09.2023
<i>(In EURm)</i>			
Credit risk (excluding counterparty credit risk)	293,861	269,084	23,509
o.w. standardised approach	106,516	94,083	8,521
o.w. Foundation IRB (FIRB) approach	3,593	4,190	287
o.w. slotting approach	348	667	28
o.w. equities under the simple risk-weighted approach	2,061	2,753	165
o.w. other equities under IRB approach	15,775	13,864	1,262
o.w. Advanced IRB (AIRB) approach	165,569	153,528	13,245
Counterparty credit risk – CCR	22,796	23,803	1,824
o.w. standardised approach ⁽¹⁾	5,387	6,649	431
o.w. internal model method (IMM)	12,457	12,381	997
o.w. exposures to a CCP	1,591	918	127
o.w. credit valuation adjustment – CVA	2,831	2,805	227
o.w. other CCR	530	1,050	42
Settlement risk	1	6	0
Securitisation exposures in the non-trading book (after the cap)	7,574	7,801	606
o.w. SEC-IRBA approach	2,213	2,706	177
o.w. SEC-ERBA incl IAA	4,196	4,023	336
o.w. SEC-SA approach	1,165	1,072	93
o.w. 1,250%/deductions	-	-	-
Position, foreign exchange and commodities risks (Market risk)	11,294	13,747	903
o.w. standardised approach	1,632	1,932	131
o.w. IMA	9,662	11,816	773
Large exposures	-	-	-
Operational risk	48,701	46,023	3,896
o.w. basic indicator approach	-	-	-
o.w. standardised approach	3,968	1,290	317
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)	6,513	7,319	521
TOTAL	384,226	360,465	30,738

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

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 30.09.2023	Total 31.12.2022 [©]
French Retail Banking ⁽¹⁾	112.4	0.0	5.1	117.5	106.3
International Retail Banking and Financial Services	120.5	0.3	7.3	128.0	112.0
Global Banking and Investor Solutions ⁽¹⁾	80.0	10.4	29.0	119.4	123.7
Corporate Centre	11.4	0.6	7.4	19.4	20.3
Group	324.2	11.3	48.7	384.2	362.4

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

As at 30 September 2023, RWA (EUR 384 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 84% of RWA (of which 37% for International Retail Banking and Financial Services);
- market risk accounted for 3% of RWA (of which 92% for Global Banking and Investor Solutions);
- operational risk accounted for 13% of RWA (of which 60% 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)	30.09.2023	31.12.2022
Tier 1 capital⁽²⁾	60,782	58,727
Total assets in prudential balance sheet⁽³⁾	1,453,541	1,339,864
Adjustments for derivative financial instruments	(6,363)	(7,197)
Adjustments for securities financing transactions ⁽⁴⁾	13,939	15,156
Off-balance sheet exposure (loan and guarantee commitments)	128,036	123,022
Technical and prudential adjustments	(121,564)	(125,976)
<i>o.w. central banks exemption⁽⁵⁾</i>	-	-
Leverage ratio exposure	1,467,589	1,344,870
Leverage ratio	4.14%	4.37%

(1) Ratio set in accordance with CRR2 rules and taking into account the IFRS 9 phasing (leverage ratio 4.2% without phasing as at 30 September 2023).

(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 30 June 2023, the financial conglomerate ratio was 139%, consisting of a numerator "Own funds of the Financial Conglomerate" of EUR 79.1 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 56.9 billion.

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.

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>		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
AVAILABLE CAPITAL (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	50,638	49,957	48,333	48,639	47,614
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	50,378	49,701	48,006	48,011	47,043
3	Tier 1 capital	60,782	60,995	59,262	58,727	57,053
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	60,522	60,739	58,935	58,100	56,482
5	Total capital	71,043	71,493	69,398	69,724	69,444
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	70,783	71,237	69,071	69,096	68,873
RISK-WEIGHTED ASSETS (AMOUNTS)						
7	Total risk-weighted assets	384,226	385,011	361,043	360,465	371,645
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	384,161	384,953	361,038	360,435	371,645
CAPITAL RATIOS						
9	Common Equity Tier 1 (as a percentage of RWA)	13.18%	12.98%	13.39%	13.49%	12.81%
10	Common Equity Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.11%	12.91%	13.30%	13.32%	12.66%
11	Tier 1 (as a percentage of RWA)	15.82%	15.84%	16.41%	16.29%	15.35%
12	Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.75%	15.78%	16.32%	16.12%	15.20%
13	Total capital (as a percentage of RWA)	18.49%	18.57%	19.22%	19.34%	18.69%
14	Total capital (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.43%	18.51%	19.13%	19.17%	18.53%
LEVERAGE RATIO						
15	Leverage ratio total exposure measure ⁽¹⁾	1,467,589	1,455,480	1,435,255	1,344,870	1,392,918
16	Leverage ratio	4.14%	4.19%	4.13%	4.37%	4.10%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.12%	4.17%	4.11%	4.32%	4.06%

(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)

	30.09.2023														
	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⁽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⁾			
<i>(In EURm)</i>															
Cash balances at central banks and other demand deposits	275,098	271,027	4,071	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	543,116	489,492	38,212	16,445	-	16,437	(3,031)	(1,043)	(1,988)	(7,641)	-	(7,636)	-	292,953	5,589
Central banks	15,911	15,911	0	13	-	13	(0)	(0)	-	(13)	-	(13)	-	47	-
General governments	21,205	14,137	893	124	-	124	(7)	(6)	(1)	(71)	-	(71)	-	6,759	29
Credit institutions	25,293	24,758	522	19	-	19	(10)	(9)	(1)	(8)	-	(8)	-	1,903	10
Other financial corporations	40,232	37,848	46	105	-	105	(25)	(7)	(18)	(105)	-	(105)	-	9,473	0
Non-financial corporations	241,914	215,079	20,358	10,358	-	10,352	(1,944)	(616)	(1,327)	(4,657)	-	(4,653)	-	122,575	4,080
<i>of which SMEs</i>	57,640	50,481	6,188	5,116	-	5,116	(670)	(249)	(421)	(2,745)	-	(2,745)	-	39,950	1,941
Households	198,562	181,758	16,393	5,825	-	5,824	(1,045)	(404)	(641)	(2,787)	-	(2,787)	-	152,196	1,470
Debt securities	59,923	59,305	45	206	-	206	(18)	(16)	(1)	(48)	-	(48)		8,700	-
Central banks	3,169	3,169	-	-	-	-	-	-	-	-	-	-		-	-
General governments	42,189	41,828	2	-	-	-	(15)	(15)	-	-	-	-		-	-
Credit institutions	5,267	5,225	42	-	-	-	-	-	-	-	-	-		588	-
Other financial corporations	1,842	1,627	1	-	-	-	(3)	(1)	(1)	-	-	-		1,149	-
Non-financial corporations	7,456	7,456	-	206	-	206	(0)	(0)	-	(48)	-	(48)		6,963	-
Off-balance- sheet exposures	508,282	487,922	20,360	1,043	-	1,043	(545)	(220)	(325)	(306)	-	(306)		72,683	189
Central banks	339	339	0	-	-	-	(0)	(0)	-	-	-	-		25	-
General governments	7,609	7,077	532	0	-	0	(3)	(1)	(1)	-	-	-		4,328	-
Credit institutions	182,925	181,382	1,543	81	-	81	(1)	(1)	(0)	(1)	-	(1)		567	5
Other financial corporations	88,250	88,069	181	0	-	0	(8)	(5)	(3)	-	-	-		11,782	-
Non-financial corporations	214,343	198,843	15,499	906	-	906	(472)	(183)	(289)	(282)	-	(282)		52,632	176
Households	14,816	12,212	2,603	56	-	56	(61)	(29)	(32)	(23)	-	(23)	-	3,350	8
TOTAL	1,386,419	1,307,745	62,688	17,694	-	17,686	(3,594)	(1,280)	(2,314)	(7,995)	-	(7,990)	-	374,337	5,777

(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 (30.06.2023)	191,972
Asset size (+/-)	(1,933)
Asset quality (+/-)	191
Model updates (+/-)	4,157
Methodology and policy (+/-)	(1,100)
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	466
Other (+/-)	-
RWA as at the end of the reporting period (30.09.2023)	193,754

4 COUNTERPARTY CREDIT RISK

4.1 QUANTITATIVE INFORMATION

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

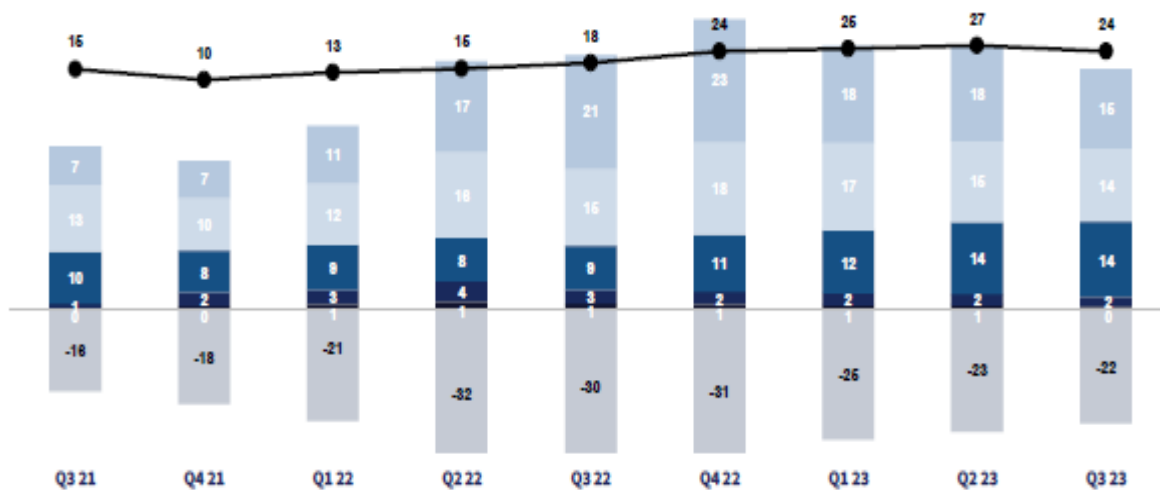
<i>(In EURm)</i>	Risk-weighted assets (RWA)
RWA as at end of previous reporting period (30.06.2023)	12,363
Asset size	(122)
Credit quality of counterparties	30
Model updates (IMM only)	146
Methodology and policy (IMM only)	-
Acquisitions and disposals	-
Foreign exchange movements	138
Other	-
RWA as at end of reporting period (30.09.2023)	12,555

The table above displays data without CVA (Credit Valuation Adjustment) which amounts to EUR 1,96 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:



Trading VaR⁽¹⁾

- Credit
- Interest Rates
- Equity
- Forex
- Commodities
- Compensation Effect

(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 (30.06.2023)	3,115	4,939	796	755	-	9,604	768
<i>Regulatory adjustment</i>	<i>(1,922)</i>	<i>(3,524)</i>	<i>(84)</i>	<i>(339)</i>		<i>(5,869)</i>	<i>(470)</i>
<i>RWA at the previous quarter-end (end of the day)</i>	<i>1,193</i>	<i>1,415</i>	<i>712</i>	<i>415</i>		<i>3,735</i>	<i>299</i>
Movement in risk levels	(563)	352	106	83		(21)	(2)
Model updates/changes	22	(115)				(93)	(7)
Methodology and policy						-	-
Acquisitions and disposals						-	-
Foreign exchange movements	(0.23)	(1.25)				(1)	(0)
Other						-	-
<i>RWA at the end of the disclosure period (end of the day)</i>	<i>652</i>	<i>1,651</i>	<i>818</i>	<i>498</i>		3,620	<i>290</i>
<i>Regulatory adjustment</i>	<i>2,153</i>	<i>3,792</i>	-	<i>97</i>		6,042	<i>483</i>
RWA at end of reporting period (30.09.2023)	2,805	5,443	818	595	-	9,662	773

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)	30.09.2023	31.12.2022
Central bank deposits (excluding mandatory reserves)	227	195
HQLA securities available and transferable on the market (after haircut)	55	59
Other available central bank-eligible assets (after haircut)	27	24
TOTAL	309	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%: 147% at the end of September 2023 compared to 152% at the end of June 2023. Since it came into force, the NSFR ratio has always been above 100% and stands at 117% at the end of September 2023 compared to 113% at the end of June 2023.

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 CRR, 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 (<i>In EURm</i>)	Total unweighted value (in average)				Total weighted value (in average)			
	30.09.2023	30.06.202	31.03.2023	31.12.2022	30.09.2023	30.06.202	31.03.2023	31.12.2022
High-quality liquid assets								
Total high-quality liquid assets (HQLA)					263,594	257,650	251,709	246,749
Cash – Outflows								
Retail deposits and deposits from small business customers, of which:	233,292	232,240	231,433	232,177	18,150	18,332	18,447	18,687
<i>Stable deposits</i>	138,753	134,954	130,516	126,164	6,938	6,748	6,526	6,308
<i>Less stable deposits</i>	88,802	92,684	96,367	101,370	11,189	11,561	11,898	12,357
Unsecured wholesale funding	290,177	296,493	302,525	309,913	146,907	153,360	159,438	166,535
<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	68,687	70,015	70,962	71,734	16,693	17,017	17,262	17,451
<i>Non-operational deposits (all counterparties)</i>	212,345	216,012	219,944	224,717	121,069	125,878	130,558	135,622
<i>Unsecured debt</i>	9,145	10,466	11,618	13,462	9,145	10,466	11,618	13,462
Secured wholesale funding					96,510	101,332	101,721	103,466
Additional requirements	219,326	219,695	218,726	215,310	77,459	78,743	79,021	77,934
<i>Outflows related to derivative exposures and other collateral requirements</i>	38,782	42,390	44,525	44,389	36,110	40,035	42,405	42,350
<i>Outflows related to loss of funding on debt products</i>	14,428	12,503	11,100	10,677	14,428	12,503	11,100	10,677
<i>Credit and liquidity facilities</i>	166,115	164,801	163,101	160,243	26,921	26,205	25,515	24,907
Other contractual funding obligations	73,082	71,300	67,416	68,539	73,082	71,299	67,416	68,539
Other contingent funding obligations	88,968	77,781	71,197	69,000	4,489	3,045	1,963	1,890
TOTAL CASH OUTFLOWS					416,598	426,112	428,006	437,050
CASH – INFLOWS								
Secured lending (eg reverse repos)	324,179	319,225	314,084	312,015	95,900	101,905	101,517	100,769
Inflows from fully performing exposures	45,254	48,963	52,533	54,460	37,078	41,060	44,690	46,646
Other cash inflows	119,941	120,346	118,105	119,855	115,003	115,275	113,046	114,965
(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	489,373	488,534	484,723	486,330	247,981	258,240	259,253	262,381
<i>Fully exempt inflows</i>	-	-	-	-	-	-	-	-
<i>Inflows subject to 90% cap</i>	-	-	-	-	-	-	-	-
<i>Inflows subject to 75% cap</i>	387,794	387,715	384,397	384,265	247,981	258,240	259,253	262,381
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					263,594	257,650	251,709	246,749
TOTAL NET CASH OUTFLOWS					168,617	167,871	168,752	174,670
LIQUIDITY COVERAGE RATIO (%)					156.84%	154.00%	149.63%	141.41%

As of 30 September 2023, the average of Societe Generale's LCR stood at 157% (arithmetic average of the 12 LCR monthly values from October 2022 to September 2023, in accordance with the prudential disclosure requirement emanating from Regulation (EU) No 2019/876).

Reported LCR was 147% as of 30 September 2023, or EUR 89 billion of liquidity surplus over the regulatory requirement of 100%. This compares to 152%, or EUR 88 billion of liquidity surplus, as of 30 June 2023.

The LCR numerator was EUR 281 billion as of 30 September 2023, increasing by EUR 23 billion compared with 30 June 2023, resulting from cash raising on the money markets and limited cash consumption from the business. The net cash outflows increased by EUR 21 billion over the same period.

As of 30 September 2023, the numerator of the LCR included EUR 226 billion of withdrawable central bank reserves (80%) and EUR 47 billion of Level 1 high-quality securities (17%), as well as 8 billion (3%) of Level 2 or assimilated. The LCR numerator, which amounted to EUR 259 billion as of 30 June 2023, contained withdrawable central bank reserves and Level 1 high-quality securities representing 96% of the buffer.

The euro accounted for 55% of Societe Generale's total high-quality liquid assets as of 30 September 2023. The US dollar and the Japanese yen also accounted for more than 5% of liquid assets, with respective weights of 26% and 5%, 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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