



A French corporation with share capital of EUR 1,009,380,011.25
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THIRD UPDATE

TO THE

2017 PILLAR 3

2016 RISK REPORT

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1 - Chapter 3 - Capital management and adequacy

1.1 Chapter 3.3 – Regulatory capital

1.1.1 Regulatory capital – update of the 2017 Pillar 3 page 37

During the first three quarters of 2017, Societe Generale issued an equivalent of EUR 639m of subordinated Tier 2 bonds.

The Group also redeemed at first call date two Additional Tier 1 bonds implemented in April 2007 for a residual amount of USD 871m and redeemed at maturity two Tier 2 bonds (residual amounts of EUR 112m implemented in February 2005 and EUR 90m implemented in May 2005).

1.1.2 Evolution of prudential capital ratios (fully loaded)– update of the 2017 Pillar 3 page 38 – Table 6

<i>In EUR bn</i>	30/09/2017	31/12/2016
Shareholder equity Group share	60.3	62
Deeply subordinated notes*	(9.1)	(10.7)
Undated subordinated notes*	(0.3)	(0.3)
Dividend to be paid & interest on subordinated notes	(1.4)	(1.9)
Goodwill and intangible	(6.4)	(6.3)
Non controlling interests	3.5	2.6
Deductions and regulatory adjustments**	(5.2)	(4.4)
Common Equity Tier 1 Capital	41.3	40.9
Additional Tier 1 capital	9.2	10.6
Tier 1 Capital	50.6	51.5
Tier 2 capital	11.4	12
Total capital (Tier 1 + Tier 2)	61.9	63.6
Total risk-weighted assets	353	355
Common Equity Tier 1 Ratio	11.7%	11.5%
Tier 1 Ratio	14.3%	14.5%
Total Capital Ratio	17.6%	17.9%

Ratios based on the CRR/CDR4 rules as published on 26th June 2013, including Danish compromise for insurance. See Methodology

* Excluding issue premiums on deeply subordinated notes and on undated subordinated notes

** Fully loaded deductions

1.2 Chapter 3.4 – Regulatory requirements

1.2.1 Evolution of RWA – update of the 2017 Pillar 3 page 40

Table 10 (at 30st September 2017) : RWA by pillar and risk type

<i>(In EUR bn)</i>	Credit	Market	Operational	Total 30/09/2017	Total 31/12/2016
French Retail Banking	95.1	0.0	5.4	100.6	97.3
International Retail Banking and Financial Services	106.7	0.0	7.6	114.4	112.7
Global Banking and Investor Solutions	77.8	14.3	32.0	124.2	131.0
Corporate Centre	9.9	0.3	3.6	13.8	14.4
Group	289.5	14.7	48.7	352.9	355.5

At 30th September 2016, RWA (EUR 352.9 billion) broke down as follows:

- credit risk accounted for 82% of RWA (of which 37% for International Retail Banking and Financial Services);
- market risk accounted for 4% of RWA (of which 97% for Global Banking and Investor Solutions);
- operational risk accounted for 14% of RWA (of which 66% for Global Banking and Investor Solutions).

1.3 Chapter 3.6 – Leverage ratio management

1.3.1 Leverage ratio – update of the 2017 Pillar 3 pages 43 to 45

Table : CRR Fully Loaded Leverage Ratio⁽¹⁾

<i>In EUR bn</i>	30/09/2017	31/12/2016
Tier 1 Capital	50.6	51,5
Total prudential balance sheet ⁽²⁾	1,203	1,270
Adjustement related to derivative exposures	(84)	(112)
Adjustement related to securities financing transactions*	(14)	(22)
Off-balance sheet (loan and guarantee commitments)	89	91
Technical and prudential ajustments (Tier 1 capital prudential deductions)	(10)	(10)
Leverage exposure	1,183	1,217
CRR leverage ratio	4,3%	4,2%

(1) Fully loaded based on CRR rules taking into account the leverage ratio delegated act adopted in October 2014 by the European Commission. See Methodology

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

* Securities financing transactions : repos, reverse repos, securities lending and borrowing and other similar transactions

1.4 Chapter 3.8 – Financial conglomerate ratio

1.4.1 Financial conglomerate ratio – update of the 2017 Pillar 3 pages 46

At 30th June 2017, the financial conglomerate ratio was 205%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 64.7 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 31.5 billion.

2 - Chapter 4 – Credit risks

2.1 Chapter 4.8 – Credit risk: quantitative information

2.1.1 Doubtful loans coverage ratio – update of the 2017 Pillar 3 page 80

Table 28 : Doubtful loans coverage ratio

<i>En Md EUR</i>	30/09/2017	31/12/2016
Gross book outstandings*	472.7	479.1
Doubtful loans*	21.4	23.9
Group Gross non performing loans ratio*	4.5%	5.0%
Specific provisions*	11.8	13,7
Portfolio-based provisions*	1.4	1.5
Group Gross doubtful loans coverage ratio* (Overall provisions / Doubtful loans)	62%	64%

* Customer loans, deposits at banks and loans due from banks leasing and lease assets

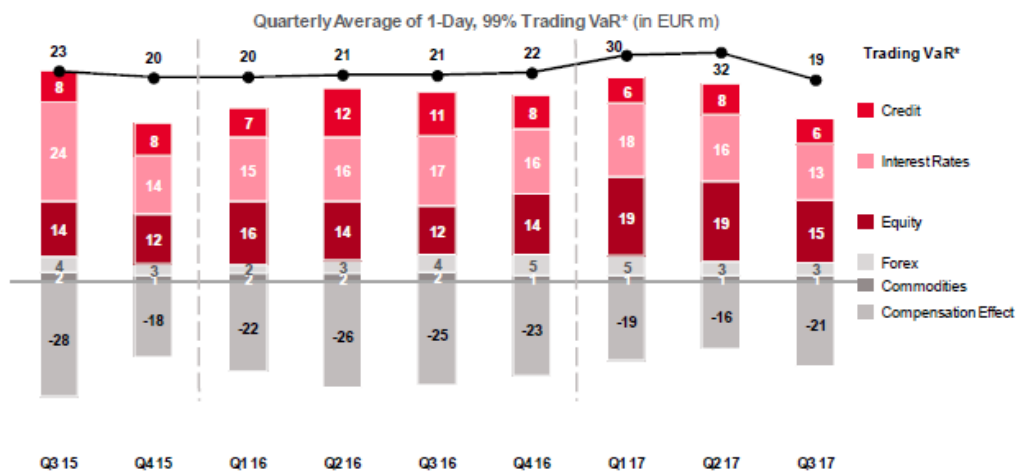
3 - Chapter 6 – Market risks

3.1 Chapter 6.4 – Value at Risk 99 % (VaR)

3.1.1 Breakdown by risk factor of trading VaR – change in quarterly average – update of the 2017 Pillar 3 page 141

Quarterly average of 1-day, 99% Trading VaR (in EUR m)

CHANGE IN TRADING VAR*



Stressed VAR** (1 day, 99%, in EUR m)	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17
Minimum	28	30	27	21	14
Maximum	53	68	68	52	37
Average	39	46	47	36	25

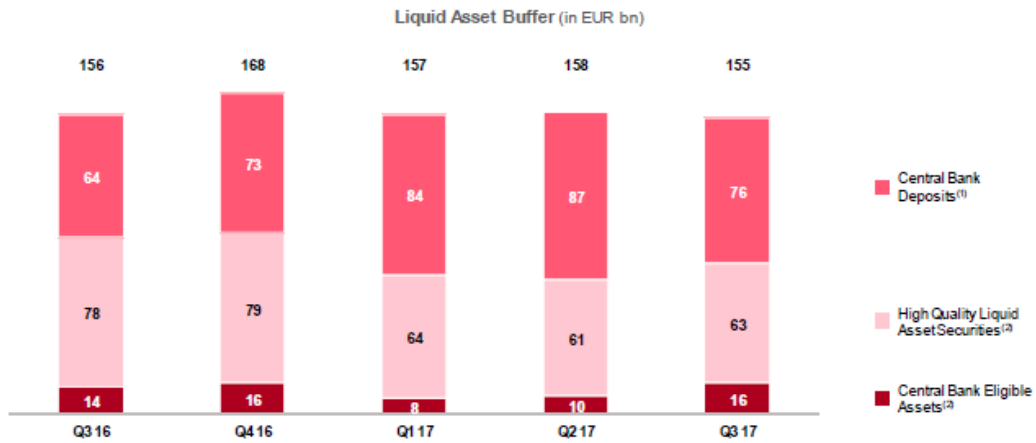
* Trading VaR: measurement over one year (i.e. 260 scenario) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences

** Stressed VaR: Identical approach to VaR (historical simulation with 1-days 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

4 - Chapter 9 – Liquidity risk

4.1 Chapter 9.5 – Liquidity reserve

4.1.1 Liquidity reserve – update of the 2017 Pillar 3 page 172



Liquidity Coverage Ratio at 123% on average in Q3 17

(1) Excluding mandatory reserves
(2) Unencumbered, net of haircuts

5 - Chapter 10 – Compliance and reputational risk

5.1 Chapter 10.2 – Risk and litigation

Risks and litigations have been updated in the document "Third update to the 2017 Registration document ", available on the Group's website, under the Registration Documents & pillar III rubric.

6 - Chapter 12 - Annexes

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