1

GROUP CONCISE RISK STATEMENT

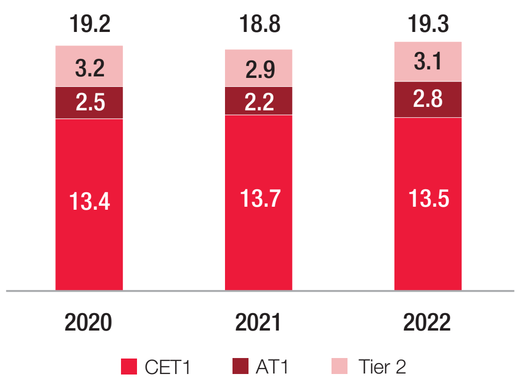
As part of setting its Risk Appetite, Societe Generale seeks a sustainable development based on a diversified and balanced banking model with a strong European foothold and a global presence targeted on a few areas of strong business expertise. The Group also aims to maintain long-term relationships with its customers built on well-earned trust, and to respond responsibly to the expectations of all of its stakeholders. At 31 December 2022, the indicators of the Group's risk appetite in terms of solvency, earnings, market risk, cost of risk and non performing loans rate were within the risk appetite levels defined by the Group. They have not reached the tolerance thresholds defined by the Board.

1.1 FINANCIAL STRENGTH PROFILE

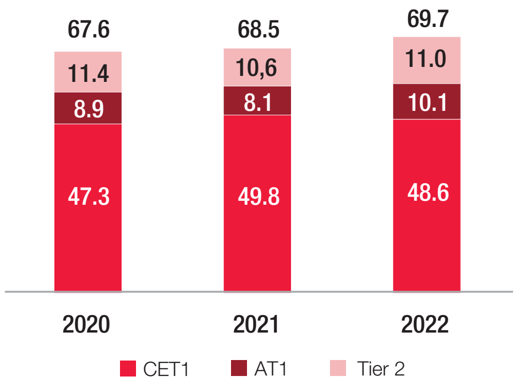
The Group seeks sustainable profitability, relying on a robust financial strength profile, consistent with its diversified banking model. In terms of financial ratios, the Group calibrates its objectives to ensure a sufficient margin of safety in relation to regulatory requirements. As of 31 December 2022, the Group's CET1 ratio stood at 13.5% compared to 13.7% at the end of 2021, well above the regulatory requirement of 9.35% ("MDA" threshold - Maximum Distributable Amount, calculated at end of Decembre 2022).

The solvency and leverage prudential ratios, as well as the amounts of regulatory capital and RWA featured here take into account the IFRS 9 phasing (fully-loaded CET1 ratio of 13.34% at end 2022, the phasing effect being +17 bps) and the effects of the ECB's Covid-19 transitional measures ending on 31 December 2022.

SOLVENCY RATIOS (IN %)

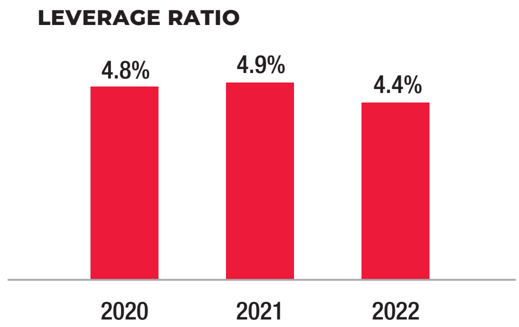


REGULATORY CAPITAL (IN EURBN)



As of 31 December 2022, the Group's leverage ratio stood at 4.4%, taking into account an amount of Tier 1 capital of EUR 58.7 billion compared to a leverage exposure of EUR 1,345 billion. euros (compared to 4.9% as of 31 December 2021, with EUR 57.9 billion and EUR 1,190 billion respectively).

LEVERAGE RATIO

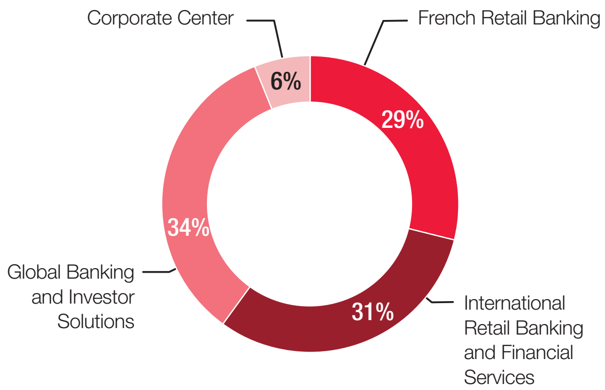


In addition, as of 31 December 2022, the Group has a TLAC (Total Loss Absorbing Capacity) ratio of 33.64% of weighted exposures (compared to 31.1% as of 31 December 2021, for a regulatory requirement of 21.66% at the end of 2022).

Regarding its risk profile, the Group has a balanced distribution of risk-weighted exposures (RWA) between its Global Banking and Investor Solutions divisions (34% as of 31 December 2022), Retail Banking and International Financial Services (31% as of 31 December 2022), Retail Banking in France (29% as of 31 December 2022) and Corporate Center (6% as of 31 December 2022). In terms of change, the Group's weighted exposures stood at EUR 360.5 billion as of 31 December 2022 compared to EUR 363.4 billion as of 31 December 2021, a decrease of -1%.

Concerning the internal economic approach of the ICAAP, the rate of coverage of the Group's internal capital requirement by the internal capital the end of 2022 is greater than 100%.

DISTRIBUTION OF RWA BY CORE BUSINESS (RWA AS OF 31.12.2022: EUR 360BN VS. RWA AS OF 31.12.2021: EUR 363BN)



DISTRIBUTION OF RWA BY RISK TYPE (RWA AS OF 31.12.2022: EUR 360BN VS. RWA AS OF 31.12.2021: EUR 363BN)

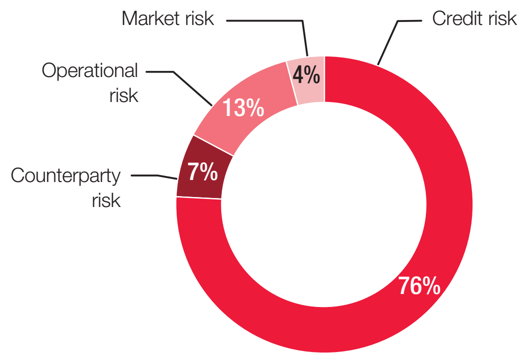


TABLE 1: DISTRIBUTION OF RWA BY CORE BUSINESS AND BY RISK TYPE (31.12.2022 AND 31.12.2021)

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 31.12.2022
French Retail Banking	101.0	0	5.1	106.1
International Retail Banking and Financial Services	105.6	0.2	4.6	110.4
Global Banking and Investor Solutions	82.1	12.6	29.0	123.7
Corporate Centre	12.1	0.9	7.4	20.3
Group	**300.7**	**13.7**	**46.0**	**360.5**

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 31.12.2021
French Retail Banking	91.8	0.1	3.7	95.5
International Retail Banking and Financial Services	112.1	0.1	5.5	117.7
Global Banking and Investor Solutions	89.3	11.5	30.3	131.2
Corporate Centre	11.7	0.0	7.3	19.0
Group	**304.9**	**11.6**	**46.8**	**363.4**

In addition, the Group presents its unconsolidated structured entities in Note 2.4 of the financial statements of the 2023 Universal Registration Document. Intra-group transactions are governed by a credit granting process respecting different levels of delegation within the Business Units, the Risk Department and the Finance Department. The entities' structural risk management and oversight systems are also submitted to the Finance Department and the Risk Department.

1.2 CREDIT RISK AND COUNTERPARTY CREDIT RISK

Weighted exposures for credit risk and counterparty risk represent the Group's main risk with an amount of risk-weighted exposures (RWA) of EUR 300.7 billion as of 31 December 2022, i.e. 83% of the total RWAs. These weighted exposures decreased by -1.4% compared to 31 December 2021 and are mainly based on the internal model approach (67% of credit and counterparty risk RWA). This decrease is mainly due to a methodology effect (-8 billion euros), a perimeter effect (-6 billion euros) related to the sale of Rosbank, and a volume effect (-4.4 billion euros) partially offset by a model effect update (+7.8 billion euros), a downgrade of assets quality (+3.9 billion euros) and a foreign exchange effect (+2.6 billion euros).

The credit portfolio presents a diversified profile. As of 31 December 2022, exposure to credit and counterparty risk represented an amount of EAD of 1,119 billion euros, up (+4%) compared to the end of 2021, driven in particular by the increase of " Sovereigns"exposures. The breakdown of the portfolio between main customer categories is balanced: Sovereigns (29%), Corporates (32%), Retail customers (20%), Institutions (9%) and Others (10%).

In terms of geographic breakdown of the portfolio, exposure to emerging countries remains limited: the Group's exposure is 70% in Western Europe (including 48% in France) and 14% in over North America. In sectoral terms, only the Financial Activities sector represents 7% of the Group's Corporate exposures, followed by the Real Estate Activities and Business Services sectors.

With regard more specifically to counterparty risk, exposure represents an amount of EAD of 160 billion euros, increased (+11%) compared to the end of 2021, linked to the significant increase in exposure to Sovereigns.

As of 31 December 2022, EAD's exposure to Russia represented 2.2 billion euros (exc. Private Banking) mainly made up of operations set up as part of the financing activities of Global Banking and Investor Solutions.

(See details in Chapter 6 “Credit risk” and Chapter 7 “Counterparty credit risk”.)

The Group's net cost of risk in 2022 is EUR 1,647 million, up by 135% compared to 2021. This higher cost of risk compared to a low 2021 reference base is composed by a cost of risk which remains low on defaulted outstandings (stage 3), 17 bp compared to 18 bp in 2021, and provisions on sound outstandings (stage 1/stage 2) of 12 bp in order to maintain a prudent provisioning policy in an environment marked by economic prospects less favorable and in particular the rise in inflation and interest rates.

The cost of risk (expressed in basis points on the average of outstandings at the beginning of the period for the four quarters preceding the closing, including operating leases) thus stands at 28 basis points for the year 2022 compared to 13 basis points in 2021.

- In French Retail Banking, the cost of risk is up to 20 basis points in 2022 compared to 5 basis points in 2021. This NCR includes an allocation of 4 bps on sound outstandings (compared to the stage 1/stage 2 recovery of -7bp in 2021).
- At 52 basis points in 2022 (compared to 38 basis points in 2021), the cost of risk of the International Retail Banking and Financial Services division increased despite a lower NCR on defaulted outstandings (internship 3) due to an allocation of 15 base points on stage 1/stage 2.
- The cost of risk for Global Banking and Investor Solutions posted a level of 23 basis points (compared to 4 basis points in 2021), reflecting a sharp rise in the cost of risk on performing loans (stage 1/ stage 2) at 20 bp, while the NCR on defaulted outstandings remains very moderate (4 bp against 7 bp in 2021).

(See details in section 6 of Chapter 6 “Credit risk”.)

Elements relating to ESG risks are presented in Chapter 14 of this Pillar 3 document.

Within the meaning of Template 1 of Pillar 3 on ESG risks concerning transition risk, exposures towards sectors that highly contribute to climate change[(1)] (based on the NACE codes provided by the EBA) represent 177 billion euros of gross carrying amount.

(1) In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

TABLE 2: PROVISIONING OF DOUBTFUL LOANS

(In EURbn)	31.12.2022	31.12.2021
Group gross doubtful loans ratio[(1)]	2.8%	2.9%
Doubtful loans (Stage 3)	15.9	16.5
Stage 3 Provisions	7.7	8.4
Group gross doubtful loans coverage ratio	48%	51%

(1) Customer loans and advances, deposits at banks and loans due from banks, finance leases, excluding loans and advances classified as held for sale, cash balances at central banks and other demand deposits, in accordance with the EBA/ITS/2019/02 Implementing Technical Standards amending Commission Implementing Regulation (EU) No 680/2014 with regard to the reporting of financial information (FINREP). The NPL rate calculation was modified in order to exclude from the gross exposure in the denominator the net accounting value of the tangible assets for operating lease. Performing and non-performing loans include loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning and so not split by stage. Historical data restated.

TABLE 3: COST OF RISK

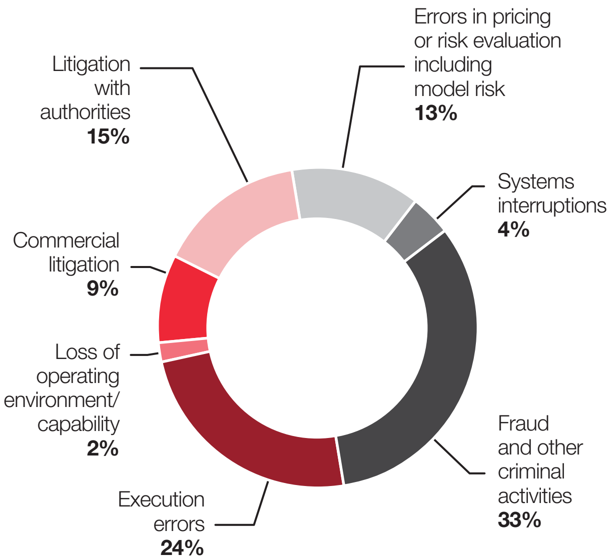
(In bps)	31.12.2022	31.12.2021
Cost of risk	28	13

1.3 OPERATIONAL RISK

As of 31 December 2022, operational risk-weighted exposures represented EUR 46 billion, or 13% of the Group's RWA, down -2% compared to the end of 2021 (EUR 46.8 billion). These weighted exposures are mainly determined using the internal model (97% of the total). The total amount of exposures weighted assets decreases in 2022 (-0.8 billion euros, i.e. -1.7%) mainly due to the disposal of activities in Russia.

(See details in section 4 of Chapter 10 “Operational risk”).

OPERATIONAL RISK LOSSES BREAKDOWN BY RISK EVENT TYPE (IN VALUE)



1.4 MARKET RISK

Market risk-weighted exposures are mainly determined using internal models (86% of the total at the end of 2022). These weighted exposures amounted to EUR 13.7 billion at the end of 2022, *i.e.* 3.8% of the Group's total RWA, up +18% compared to the end of 2021 (EUR 11.6 billion).

Capital requirements for market risk increased in 2022. This increase is reflected in the VaR and the risks calculated under the standard approach:

- the VaR gradually increased over 2022, from a historically low level at the end of 2021;
- risks calculated under the standard approach are on the rise, mainly due to the currency portion.

(See details in Chapter 9 “Market risk”).

BREAKDOWN OF MARKET RISK RWA BY COMPONENT AS OF 31.12.2022: EUR 13.7BN *VS.* EUR 11.6BN AS OF 31.12.2021

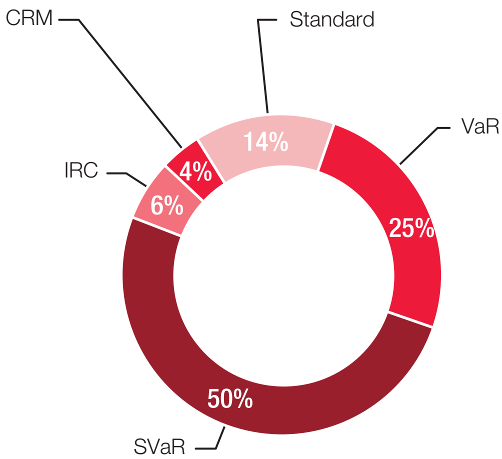


TABLE 4: MARKET RISK - VAR AND SVAR

(In EURm)	2022	2021
VaR (1 day, 99%) average value	18	15
SVaR (1 day, 99%) average value	32	37

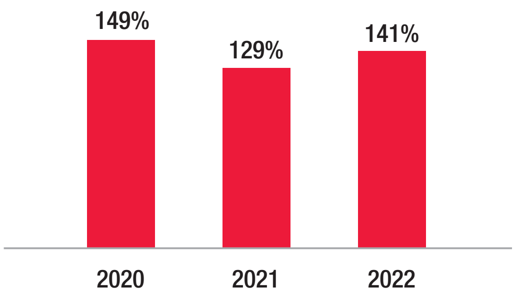
1.5 STRUCTURAL RISK - LIQUIDITY

The LCR (Liquidity Coverage Ratio) ratio stood at 141% at the end of 2022 (compared to 129% at the end of 2021), corresponding to excess liquidity of EUR 74 billion (compared to EUR 51 billion at the end of 2021), compared to a regulatory requirement of 100%. The increase in the LCR of Société Générale between end of 2021 and end of 2022 reflects a precautionary and anticipatory stance, whereby Société Générale has increased its term deposits in the money market and anticipated a portion of its 2023 funding plan. This was driven by (i) favorable market conditions at the end of the year, (ii) the new context of positive interest rates, that may reduce deposits from corporate clients to monetary supports; (iii) anticipating the reduction in liquidity generated by the end of the TLTRO.

Liquidity reserves amounted to EUR 279 billion as of 31 December 2022 (compared to EUR 229 billion as of 31 December 2021). This variation is mainly due to an increase in HQLA securities available for sale on the market (after discount), partially offset by an increase in central bank deposits (excluding mandatory reserves).

(See details in sections 5 and 6 of Chapter 12 “Liquidity risk”).

LCR RATIO



1.6 STRUCTURAL RISK - RATES

In a parallel schock scenario where the interest rate increase, the impact of the changes of EVE (economic value of equity) in 2022 is -2,900 EUR million and 375 EUR million on interest margin. On the contrary, in a parallel schock scenario where the interest rate decrease, the impact of the changes of EVE (economic value of equity) in 2022 is 1,011 EUR million and -1,102 EUR million on interest margin.

(See details in section 2 of Chapter 11 “Structural interest rate and exchange rate risks”).

TABLE 5: INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1)

		31.12.2022	
(In EURm)		Changes of the economic value of equity (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios*			
1	Parallel up	(2 900)	375
2	Parallel down	1 011	(1 102)
3	Steepener	1 875	
4	Flattener	(2 547)	
5	Short rates up	(2 747)	
6	Short rates down	2 862	

		31.12.2021	
(In EURm)		Changes of the economic value of equity (EVE)	Changes of the net interest income (NII)
Supervisory shock scenarios*			
1	Parallel up	(6,784)	240
2	Parallel down	(2,683)	(219)
3	Steepener	463	
4	Flattener	(4,033)	
5	Short rates up	(3,643)	
6	Short rates down	79	

* *The above 6 shock scenarios are detailed in appendix 3 of the EBA/GL/2018/02 regulation (refer to EBA BS 2018 XXX Proposed final revised IRRBB Guidelines.docx (europa.eu)).*

1.7 SIGNIFICANT OPERATIONS IN 2022

In 2022, the Group finalized the sale of Rosbank in Russia in the context of the russo-ukrainian crisis and the net income was around -3 billion euros. Furthermore, some important milestones have been reached concerning the merger of the retail network in France, in accordance to the schedule, and lead to the legal merger of retail network of Société Générale and Crédit du Nord on January, 1st. The new SG retail bank is launched. Partnership between Société Générale and ING has been finalised, pushing further ahead Boursorama (new clients +1.4 million clients reaching 4.7 million clients at end of 2022). The planned acquisition of LeasePlan by ALD in the mobility sector and Bernstein joint venture deal for our Equities business will create global leaders.

1.8 KEY FIGURES

TABLE 6: KEY METRICS (KM1)

(In EURm)		31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021
AVAILABLE OWN FUNDS (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	48,639	47,614	47,254	48,211	49,835
2	Tier 1 capital	58,727	57,053	56,024	56,443	57,907
3	Total capital	69,724	69,444	67,835	66,990	68,487
RISK-WEIGHTED EXPOSURE AMOUNTS						
4	Total risk-weighted assets	360,465	371,645	367,637	376,636	363,371
CAPITAL RATIO (AS A PERCENTAGE OF RISK-WEIGHTED AMOUNTS)						
5	Common Equity Tier 1 ratio *(%)*	13.49%	12.81%	12.85%	12.80%	13.71%
6	Tier 1 ratio (%)	16.29%	15.35%	15.24%	14.99%	15.94%
7	Total capital ratio (%)	19.34%	18.69%	18.45%	17.79%	18.85%
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 *(%)*	2.12%	2.12%	2.12%	2.12%	1.75%
EU 7b	*of which to be made up of CET1 capital (%)*	*1.19%*	*1.19%*	*1.19%*	*1.19%*	*0.98%*
EU 7c	*of which to be made up of Tier 1 capital (%)*	*1.59%*	*1.59%*	*1.59%*	*1.59%*	*1.31%*
EU 7d	Total SREP own funds requirements *(%)*	10.12%	10.12%	10.12%	10.12%	9.75%
COMBINED BUFFER REQUIREMENT (AS A PERCENTAGE OF RISK-WEIGHTED EXPOSURE AMOUNT)						
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 *(%)*	0.16%	0.08%	0.05%	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 *(%)*	3.66%	3.58%	3.55%	3.54%	3.54%
EU 11a	Overall capital requirements *(%)*	13.78%	13.70%	13.67%	13.66%	13.29%
12	CET1 available after meeting the total SREP own funds requirements *(%)*	7.80%	7.12%	7.16%	7.11%	8.23%

(In EURm)		31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021
LEVERAGE RATIO						
13	Leverage ratio total exposure measure[(2)]	1,344,870	1,392.918	1,382,334	1,319,813	1,189,253
14	Leverage ratio	4.37%	4.10%	4.05%	4.28%	4.87%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF LEVERAGE RATIO TOTAL EXPOSURE EXPOSURE AMOUNT)						
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 *(%)*[(3)]	3.00%	3.00%	3.00%	3.09%	3.09%
LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirements *(%)*[(3)]	3.00%	3.00%	3.00%	3.09%	3.09%
LIQUIDITY COVERAGE RATIO						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	246,749	242,177	238,136	235,333	229,464
EU 16a	Cash outflows – Total weighted value	413,693	434,078	420,815	409,590	395,120
EU 16b	Cash inflows – Total weighted value	233,039	258,705	245,812	235,158	226,434
16	Total net cash outflows (adjusted value)	174,670	175.377	175,003	174,432	168,687
17	Liquidity coverage ratio *(%)*	141.41%	138.05%	136.00%	134.72%	135.95%
NET STABLE FUNDING RATIO						
18	Total available stable funding	617,491	617,615	615,879	629,042	619,442
19	Total required stable funding	543,549	548,457	549,492	561,828	561,043
20	NSFR ratio *(%)*	113.60%	112.61%	112.08%	111.96%	110.41%

(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 requirements 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 7: TLAC – KEY METRICS (KM2)

		TLAC				
(in EURm)		31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021
OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS[1]						
1	Own funds and eligible liabilities	121,249	119,337	116,539	114,436	113,098
2	Total RWA of the Group	360,465	371,645	367,637	376,636	363,371
3	**Own funds and eligible liabilities as a percentage of RWA**	**33.64%**	**32.11%**	**31.70%**	**30.38%**	**31.12%**
4	Total exposure measure of the Group	1,344,870	1,392,918	1,382,334	1,319,813	1,189,253
5	**Own funds and eligible liabilities as percentage of the total exposure measure**	**9.02%**	**8.57%**	**8.43%**	**8.67%**	**9.51%**
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 in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)	11,430	9,287	9,023	7,114	6,921
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%	100.00%

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

As at 31 December 2022, the Group presents a TLAC ratio of 33.64% of risk-weighted assets (RWA) with the option of Senior preferred debt limited to 3.5% of RWA (the ratio being 30.47% without this option) for a regulatory requirement of 21.66%, and of 9.02% of the leverage exposure for a regulatory requirement of 6.75%.