FitchRatings

Banks
Universal Commercial Banks
France

Societe Generale S.A.

Key Rating Drivers

Capital, Earnings Drive Ratings: Societe Generale's (SG) ratings mainly reflect the group's sound capitalisation and improved execution, which Fitch Ratings expects to lead to more predictable and structurally higher earnings over 2025 and 2026. SG's diversified business profile and tightened risk appetite are rating strengths. Asset quality is sound, following gradual improvements supported by disposals of non-core entities, although it remains higher than that of most similarly rated European peers.

Diversified Business Profile: The bank has a diverse business profile, with strong franchises in key activities. Its earnings are more reliant on corporate and investment banking (CIB) businesses than most large French banks, although it is focusing on improving earnings stability. SG is the fourth-largest retail and commercial bank in France. Its profitable activities in the Czech Republic and Romania and its large car leasing business provide good earnings diversification. The group's execution has generally improved since 2020.

Prudent Risk Appetite: SG has a moderate risk profile, with centralised and robust risk management and controls. It applies conservative underwriting standards for home and consumer loans and is in line with market practice for corporate loans in France. It has tightened its risk appetite in CIB and international retail banking. Its exposure to traded market risks is material, but lower than at most global trading and universal banks (GTUBs). Recent hedging losses in French retail banking have led SG to strengthen its interest rate risk management.

Moderate Asset-Quality Risks: The bank's impaired loans ratio is slightly above higher-rated European peers'. Although it has materially improved due to more active impaired loan management, riskier asset disposals and tighter underwriting standards, Fitch forecasts the ratio to remain at or slightly above 3% over the next two years. We project loan impairment charges (LICs) will remain at 25bp–30bp over 2024–2026.

Improving Profitability: SG has historically been less profitable than higher-rated peers. However, the strategic initiatives are improving the bank's earnings generation and stability, as well as cost efficiency. Fitch forecasts that SG's operating profit/risk-weighted assets (RWAs) ratio will continue to improve to 2% in 2025, materially above its long-term average of 1.5%–1.6%. We expect this to be supported by a sound execution, higher interest margins, decreasing transformation costs and the disappearance of one-off items that had clouded 2024 results.

Adequate Capital Buffers: SG's capitalisation is solid, commensurate with its risk profile, and adequate in relation to its planned growth, shareholder distributions and increased regulatory requirements. Fitch expects SG's common equity Tier 1 (CET1) ratio (end-March 2025: 13.4%) to remain above 13% by end-2026, supported by asset disposals and improved internal capital-generation capacity.

Stable Funding and Liquidity: SG has a diversified funding base and well-established market access. Customer deposits represent less than half of the bank's funding, which is a lower proportion than at peers, and its large capital markets unit leads to material structural short-term funding needs. However, the bank has a sound liquidity buffer, with cash and high-quality liquid assets covering short-term financing needs, including maturing long-term debt.

Ratings

Foreign Currency	
Long-Term IDR	A-
Short-Term IDR	F1
Derivative Counterparty Rating	A(dcr)
Viability Rating	a-
Government Support Rating	ns
Sovereign Risk (France)	
Long-Term Foreign-Currency IDR	AA-
Long-Term Local-Currency IDR	AA-
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (March 2025)

Related Research

Fitch Affirms Societe Generale at 'A-'; Outlook Stable (June 2025)

Large European Banks Quarterly Credit Monitor (May 2025)

Large European Banks Resilient Amid Weaker Macroeconomic Outlook (May 2025)

Societe Generale's 1Q25 Results Exceed Expectations (May 2025)

Global Economic Outlook Update (April 2025)

European Banks' Strong Earnings and Capital Provide Strategic Flexibility for 2025 (March 2025)

Global Economic Outlook (March 2025)

Large French Banks' Debt Ratings Supported by Strong Buffers (January 2025)

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Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

SG retains sufficient rating headroom to withstand a one-notch downgrade of the French sovereign to 'A+' or of the operating environment score for French banks to 'a+' from 'aa-'.

However, its ratings could come under pressure if the operating environment deteriorates more significantly than we expect, for instance, due to a larger-than-anticipated effect of a more restrictive fiscal policy on the economic environment or structurally higher risks from the already high private-sector indebtedness.

SG's CET1 ratio dropping below 12% for an extended period with no credible plan to restore it above this level, combined with sustained deterioration in the operating profit/RWAs ratio towards 1%, would also be rating negative. This could result from sharp asset-quality deterioration or from an erosion of SG's competitive position in some key franchises, which we do not expect.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

In the event of a stabilisation of the operating environment score at the current level, an upgrade would most likely result from an operating profit/RWAs ratio sustainably close to 2%, especially if this reflects good progress on the execution of SG's strategic plan. In the absence of a stabilisation of the operating environment score at the current level, or if it was downgraded to 'a+', an upgrade would be contingent on a longer record of improved earnings comfortably above 2%.

In both cases, we would also expect the bank to maintain a moderate risk profile and an impaired loans ratio close to 3% or lower, while keeping a fully loaded CET1 ratio consistently at or above 13%.

Other Debt and Issuer Ratings

Rating Level	Rating
Deposits	A/F1
Senior preferred debt	A/F1
Senior non-preferred debt	A-
Subordinated Tier 2 debt	BBB
Additional Tier 1 debt	BB+

Source: Fitch Ratings

Short-Term IDR

SG's Short-Term Issuer Default Rating (IDR) of 'F1' is the higher of two options that map to an 'A-' Long-Term IDR, reflecting our 'a' assessment for funding and liquidity.

Derivative Counterparty Rating, Deposit Ratings and Senior Debt

SG's Derivative Counterparty Rating (DCR), and long-term senior preferred debt and deposit ratings, are one notch above the Long-Term IDR due to the protection accruing to these liabilities from the bank's buffers of subordinated and senior non-preferred debt, which we expect to continue to exceed 10% of RWAs on a sustained basis (about 17% at end-March 2025). For the same reasons, SG's senior non-preferred debt is rated in line with the Long-Term IDR.

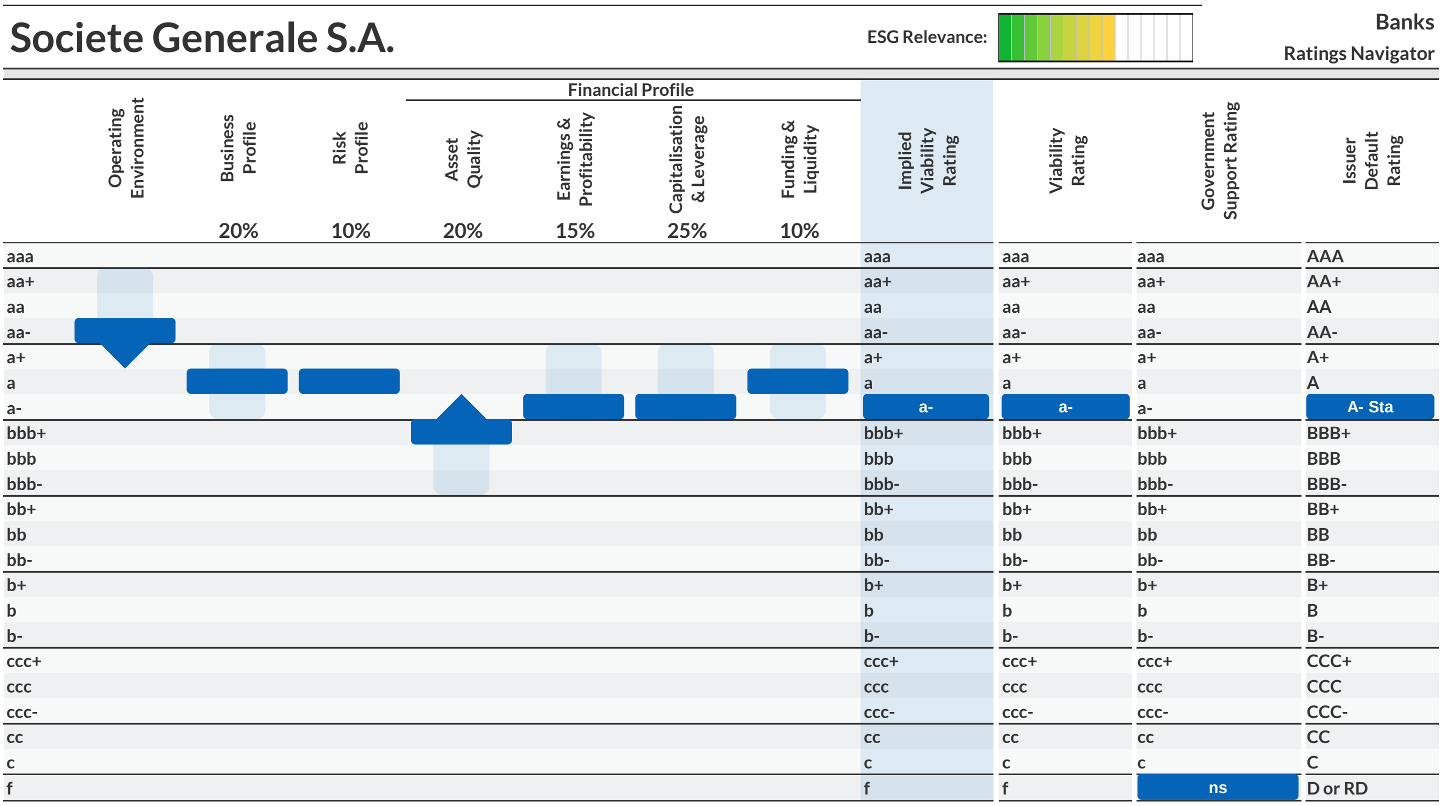
We also expect SG to meet its total minimum requirement for own funds and eligible liabilities (MREL) without recourse to senior preferred debt, although the introduction of full depositor preference in the EU could lead to lower buffers of senior non-preferred debt over the longer term. SG's end-March 2025 MREL ratio equalled 29.7% of RWAs, excluding senior preferred debt, which is above the bank's total requirement of 27.6%.

Subordinated Debt and Junior Subordinated Debt

Fitch rates SG's subordinated Tier 2 debt at 'BBB', two notches below the bank's Viability Rating (VR), for loss severity, as we expect recoveries to be poor for this type of debt in case of default/non-performance of the bank.

Additional Tier 1 (AT1) debt with fully discretionary coupons is rated four notches below the bank's VR, comprising two notches each for loss-severity and for non-performance risk. Our assessment is based on SG operating with comfortable buffers above coupon-omission points, and on the presence of material distributable items. SG's 4.4% leverage ratio at end-March 2025 is the binding constraint for maximum distributable amounts, with around 80bp over the 3.6% requirement, which we view as sufficient, as it is equivalent to about EUR12 billion.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Company Summary and Key Qualitative Factors

Business Profile

Material CIB Operations, Diversified Business Model

SG is the third-largest French bank by total assets and the fourth-largest domestic retail and commercial bank by market shares. It serves its French retail clients through its physical branch network and BoursoBank, the leading online bank in France. SG has successfully merged and restructured its two former French retail networks, which will support its profitability. SG is among the five largest life insurers in France and has an important domestic private-banking franchise.

The contribution of CIB activities to revenue is significant, typically at around 40%. SG is a global leader in structured equity derivatives, a subset of the global equity market, and has established franchises and a European focus in broader product lines such as rates, credit and currencies. It also has a well-established franchise in EMEA syndicated loans and holds strong market positions in payments, cash management and trade finance.

Despite the recent disposal of several African subsidiaries, international retail and commercial banking remains an important earnings driver for SG and now represents about 15% of its total revenue. SG has notably sound market shares in the Czech Republic and Romania.

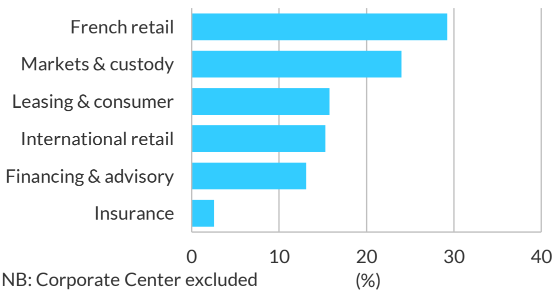
SG owns a majority stake in the leading global multi-brand fleet lessor, Ayvens (BBB+/Stable). Together with the consumer finance business, the car-leasing and fleet-management services represent about 15% of the group's revenue. SG is less active in consumer finance than some of its large French peers and mainly focuses on auto loans, with material franchises in France, Germany and Italy.

Credit-Positive Strategy, Improved Execution

SG's strategic roadmap focuses on net shareholder value creation and cost efficiency, whilst supporting capitalisation and maintaining a conservative risk appetite. The group's execution record has significantly improved over recent years, as demonstrated by the completion of the merger of the two French retail networks, the repositioning of its CIB, the acquisition of LeasePlan, and the asset disposals.

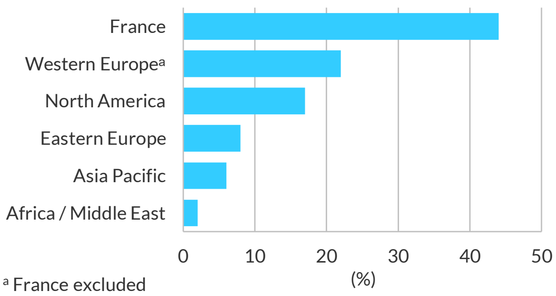
The disposal of less strategic businesses – such as equipment finance business, international private banking entities and several African subsidiaries – supports SG's refocus on its areas of competitive strengths with better development prospects, while having only a modest negative impact on profitability and business diversification. It is also beneficial for the group in terms of capitalisation and asset quality metrics.

Operating Income by Business Line
2024



NB: Corporate Center excluded
Source: Fitch Ratings, Fitch Solutions, SG

Credit Exposure by Geography
End-2024



[a] France excluded
Source: Fitch Ratings, Fitch Solutions, SG

Risk Profile

Prudent Underwriting Standards

SG's risk management and controls are centralised and robust. The bank's underwriting standards are conservative for home loans and in line with common market practice for consumer lending and loans to businesses in the French networks. Consumer loans in western Europe are of good quality and mainly focus on car finance. Underwriting standards in the Czech Republic and Romania are conservative. SG's on-balance-sheet exposures in Africa are significantly riskier, with an average Stage 3 exposure ratio of about 10% at end-2024. However, due to the recent disposal of several entities, they only represented about 4% of SG's end-2024 exposure.

SG is increasingly operating its CIB division under an originate-to-distribute model, whereby it arranges financings that it sells on to third-party investors, while retaining limited residual risk. SG's appetite for riskier asset classes such as leveraged loans is generally below that of GTUB peers, and its securities investments are fairly prudent and focused on liquidity management. We view SG's tolerance for single-name concentration as higher than at other large French banks, although its largest exposures are to highly-rated counterparts.

Material Market Risk Exposure

SG's exposure to market risk and complex financial instruments is material, but the bank has generally lower appetite for traded risks than most GTUBs. Over the past three years, SG's stressed value at risk (one-day, 99%) remained within EUR20 million–EUR60 million.

Non-trading-related market risk mainly arises from interest-rate risk in the banking book, notably from long-term fixed-rate home loans in France. SG has been more affected than peers by the sharp rise in interest rates, largely due to the negative carry of its hedging swap portfolio, which had a EUR0.9 billion negative impact on the 2023 result, as the swift rise in interest rates was at odds with the expectations underpinning the bank's modelling done in 2021–1H22. This prompted the bank to review and strengthen its approach to interest-rate risk management. The bank's revised stress scenarios now include more severe and sudden interest rate shocks, and its asset-liability management models have been refined to better account for depositors' behaviour in this context. The asset-liability management governance has also been overhauled to become more accountable, collaborative and centralised.

At end-2024, SG estimated that a 200bp upward parallel shift in interest rates would have a positive impact of about EUR0.4 billion on its revenue (or 4% of its 2024 net interest income) and a moderate negative impact on the net asset value of the banking book, resulting in a decrease of its Tier 1 capital ratio by 60bp–70bp, materially below the regulatory threshold. Like most of its peers, SG would benefit from a decrease in short-term interest rates or a steepening of the yield curve.

Financial Profile

Asset Quality

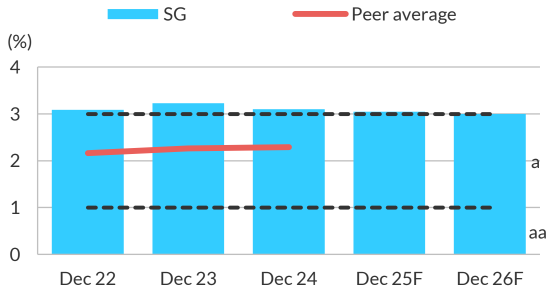
Moderate Asset-Quality Risks

SG generally has weaker asset quality metrics than large French banks, due to a higher focus on professional and SME clients and, in the past, weaker underwriting standards. These metrics benefited from the disposal of riskier assets, and we expect SG to keep on gradually moving towards the sector average. However, as for other French banks, the weaker economic environment currently limits material improvements in asset quality. SG recorded LICs of around 34bp of gross loans in 2024, broadly in line with European peers.

SG has some exposure to vulnerable corporate sectors, some of which could contribute to a moderate deterioration in the impaired loans ratio. The commercial real estate exposure accounted for about 2% of total group exposure at default at end-March 2025 (close to 50% of CET1 capital), construction was 1.2% (about 25% of CET1 capital) and retail distribution was 0.7% (about 15% of CET1 capital). Sector exposure is well diversified, but the group has higher exposure than peers to non-bank financial institutions (7% of group exposure at default), although these are of investment-grade credit quality. Loan loss allowance coverage remains adequate (60% of impaired loans at end-2024) and provides a good buffer, together with the Stage 1 and 2 provisions of EUR3.1 billion (0.7% of gross loans).

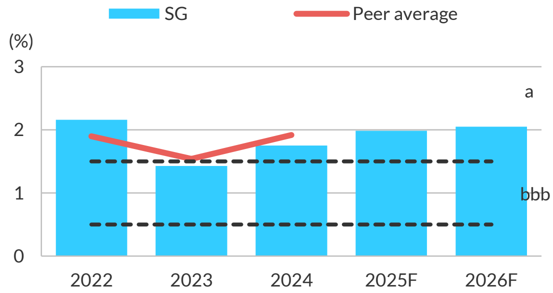
SG's banking book securities portfolio – of about EUR70 billion when excluding insurance assets at end-2024 – is of good quality, mostly rated 'A' or above, and primarily consists of sovereign bond holdings. Exposure to lower-rated sovereigns is limited.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Diversified Earnings Profile, Improving Profitability

SG has a diversified earnings profile, but its revenue mix makes it slightly more reliant on CIB earnings than other large French banks are. This explains to some extent its historically more volatile earnings record. SG's good business diversification also translates into a relatively high share of non-interest income in total revenue, at about 60% on average over the past four years.

Underlying profitability has been consistently higher than the long-term average since the 2020 trough, thanks to improved performance across divisions, notably in capital markets and leasing and fleet-management, as well as tighter cost management. 2023 and 2024 results were clouded by hedging, restructuring costs, but underlying performance has been steadily improving over the past two years. We expect SG to reach an operating profit/RWAs ratio of about 2% in 2025 and 2.2% in 2026.

The bank has met or exceeded all its 2024 financial targets and notably outperformed its cost/income ratio guidance by 2pp (2024: 69%, down by 5pp yoy). SG's guidance for 2025 is credible with revenue up by at least 3%, a cost/income ratio under 66%, and a return on tangible equity above 8%. We expect that the gradual strengthening of the domestic retail net interest margin and the absence of one-off losses will support the earnings improvement. This would bring SG closer to its European peers' profitability levels.

Capitalisation and Leverage

More Conservative Capital Management

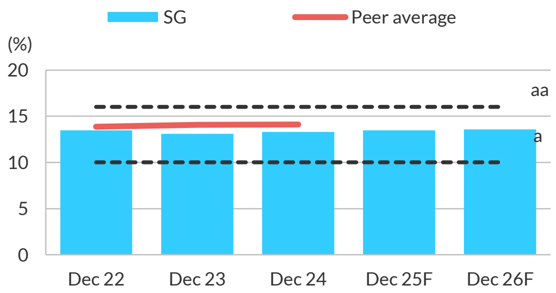
SG's CET1 ratio is sound, albeit slightly below the median for large European banks (14%–14.5%). Since 2023, the bank has adopted strict RWA management, with very limited RWA growth outside BoursoBank and Ayvens, which are expanding rapidly. This capital discipline and the disposal of less strategic businesses have benefited the group's capital trajectory over the past two years.

Asset disposals and organic capital generation offset the negative effect of the implementation of the Basel III endgame rules on the CET1 ratio (about 50bp). We believe the phase of capital build-up is nearly completed, as the bank has announced that it will now manage its excess capital through a combination of buybacks and selective profitable growth. SG also raised its payout guidance to 50%, slightly below that of large European peers, which we still view as conservative. We estimate that SG will maintain a buffer of about 300bp above its capital requirements throughout the next two years, in line with the bank's CET1 ratio target of above 13%.

The leverage ratio was adequate at 4.4% at end-March 2025, although this remains at the low end of large European banks. The bank comfortably meets its total loss absorbing capacity and total MREL. Its MREL ratio of about 30%, excluding senior preferred debt, is well above the 27.6% requirement.

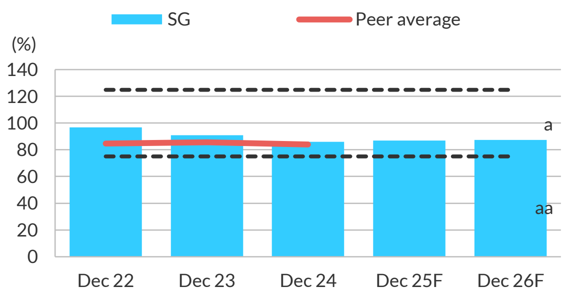
Capital encumbrance from unreserved impaired loans was moderate at about 11% at end-2024, in line with previous years and the European large banks' average. We project this ratio to remain close to current levels by end-2026.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Stable and Diversified Funding, Well-Established Market Access

Customer deposits account for about 47% of SG's total funding, which is lower than for most French and GTUB peers, but SG's deposit base has been resilient also during periods of stress. About 60% of deposits come from its retail banking activities, while the rest mainly pertains to corporates, financial institutions and public-sector entities. The loans/deposits ratio further improved to 86% at end-2024 (down by about 20pp over the past five years). It benefitted from a further contraction of the loan portfolio in 2024, notably due to asset disposals.

SG's market access is well-established, and its wholesale funding is diversified by tenor, currency and instrument type. SG had executed 54% of its EUR17 billion annual vanilla wholesale funding plan at end-April 2025. Funding through short-term debt and repos is material (about 25% of total funding). This is primarily linked to the capital markets business, whose assets are short-term.

Following the final repayments of the ECB's targeted longer-term refinancing operations, SG's liquidity metrics are gradually reverting to lower structural levels, in line with those of most European peers. The regulatory liquidity coverage ratio declined to 140% at end-March 2025, a level closer to SG's appetite. SG's liquid asset buffer largely covers its short-term financing needs, including maturing long-term debt.

Additional Notes on Charts

The forecasts in the charts and tables reflect Fitch's forward view on the bank's core financial metrics per Fitch's Bank Rating Criteria. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market.

To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

The dashed lines represent boundaries for indicative ranges and implied scores for Fitch's core financial metrics for banks operating in environments scored in the 'aa' category. The peer averages include BNP Paribas SA (VR: a+), Credit Agricole (a+), Groupe BPCE (a), Banco Santander, S.A. (a), Barclays plc (a), UBS Group AG (a), Deutsche Bank AG (a-), Citigroup Inc. (a), Standard Chartered PLC (a). Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 21 12 months (EURm)	31 Dec 22 12 months (EURm)	31 Dec 23 12 months (EURm)	31 Dec 24 12 months (EURm)	31 Dec 25F 12 months (EURm)	31 Dec 26F 12 months (EURm)
Summary income statement						
Net interest and dividend income	10,831	11,385	10,310	9,892	-	-
Net fees and commissions	5,320	5,174	5,588	6,226	-	-
Other operating income	9,653	11,515	9,230	10,691	-	-
Total operating income	25,804	28,074	25,128	26,809	26,969	27,574
Operating costs	17,590	18,630	18,524	18,472	17,864	17,836
Pre-impairment operating profit	8,214	9,444	6,604	8,337	9,105	9,738
Loan and other impairment charges	700	1,647	1,025	1,530	1,253	1,169
Operating profit	7,514	7,797	5,579	6,807	7,852	8,569
Other non-operating items (net)	521	-3,290	-451	-77	-	-
Tax	1,697	1,560	1,679	1,601	-	-
Net income	6,338	2,947	3,449	5,129	5,889	6,427
Other comprehensive income	1,121	428	-343	523	-	-
Total comprehensive income	7,459	3,375	3,106	5,652	-	-
Summary balance sheet						
Assets						
Gross loans	499,313	507,004	486,022	451,454	453,711	458,248
– of which impaired	16,261	15,687	15,711	14,016	-	-
Loan loss allowances	10,980	10,634	10,070	8,445	-	-
Net loans	488,333	496,370	475,952	443,009	-	-
Interbank	45,788	49,233	53,257	65,507	-	-
Derivatives	113,725	106,522	93,687	105,087	-	-
Other securities and earning assets	503,200	498,797	566,935	590,460	-	-
Total earning assets	1,151,046	1,150,922	1,189,831	1,204,063	-	-
Cash and due from banks	179,969	207,013	223,048	201,680	-	-
Other assets	133,434	128,883	141,166	167,802	-	-
Total assets	1,464,449	1,486,818	1,554,045	1,573,545	1,592,453	1,619,816
Liabilities						
Customer deposits	502,395	523,867	533,842	524,977	522,352	524,964
Interbank and other short-term funding	337,699	309,112	402,985	379,300	-	-
Other long-term funding	113,899	156,701	142,716	150,192	-	-
Trading liabilities and derivatives	171,572	168,678	154,534	166,679	-	-
Total funding and derivatives	1,125,565	1,158,358	1,234,077	1,221,148	-	-
Other liabilities	268,021	255,678	243,721	272,809	-	-
Preference shares and hybrid capital	8,334	9,936	10,224	10,673	-	-
Total equity	62,529	62,846	66,023	68,915	-	-
Total liabilities and equity	1,464,449	1,486,818	1,554,045	1,573,545	1,592,453	1,619,816
Exchange rate	USD1= EUR0.8842	USD1= EUR0.9376	USD1= EUR0.9127	USD1= EUR0.9622	-	-

Source: Fitch Ratings, Fitch Solutions, SG

Key Ratios

	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25F	31 Dec 26F
Ratios (%; annualised as appropriate)						
Profitability						
Operating profit/risk-weighted assets	2.1	2.2	1.4	1.8	2.0	2.1
Net interest income/average earning assets	0.9	1.0	0.9	0.8	-	-
Non-interest expense/gross revenue	68.2	66.4	73.8	69.0	66.3	64.7
Net income/average equity	10.6	4.7	5.3	7.6	-	-
Asset quality						
Impaired loans/gross loans	3.3	3.1	3.2	3.1	3.1	3.0
Growth of gross loans	10.5	1.5	-4.1	-7.1	0.5	1.0
Loan loss allowances/impaired loans	67.5	67.8	64.1	60.3	63.2	64.6
Loan impairment charges/average gross loans	0.2	0.3	0.2	0.3	0.3	0.3
Capitalisation						
Common equity Tier 1 capital ratio	13.7	13.5	13.1	13.3	13.5	13.6
Fully loaded common equity Tier 1 capital ratio	13.6	13.3	13.1	13.3	-	-
Tangible common equity/tangible assets	3.7	3.7	3.6	3.8	-	-
Basel leverage ratio	4.9	4.4	4.3	4.3	-	-
Net impaired loans/common equity Tier 1 capital	10.6	10.4	11.0	10.8	-	-
Funding and liquidity						
Gross loans/customer deposits	99.4	96.8	91.0	86.0	86.9	87.3
Liquidity coverage ratio	129.0	141.0	160.0	156.0	-	-
Customer deposits/total non-equity funding	49.5	49.4	46.8	47.0	-	-
Net stable funding ratio	110.0	114.0	119.0	117.0	-	-

Source: Fitch Ratings, Fitch Solutions, SG

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	a or a-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	AA-/ Negative
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Neutral
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Neutral
Liability structure	Neutral
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.
Higher influence Moderate influence Lower influence

No Reliance on Sovereign Support

SG's Government Support Rating of 'no support' reflects Fitch's view that, although possible, sovereign support cannot be relied on. In our view, legislative, regulatory and policy initiatives (including the implementation of the EU's Bank Recovery and Resolution Directive) have substantially reduced the likelihood of sovereign support for EU commercial banks in general.

Subsidiaries and Affiliates

Subsidiary Ratings

Rating level	Compagnie Generale de Location d'Equipements S.A.	Franfinance S.A.	Komercni Banka a.s.	BRD-Groupe Societe Generale S.A.
Long-Term IDR	A-/Stable	A-/Stable	A/Stable	BBB+/Negative
Short-Term IDR	F1	F1	F1	F2
Shareholder Support Rating	a-	a-	a-	bbb+

Source: Fitch Ratings

The Shareholder Support Ratings and IDRs of SG's subsidiaries, Compagnie Generale de Location d'Equipements S.A. (CGLE) and Franfinance S.A., are based on support from SG.

CGLE's and Franfinance's IDRs are equalised with those of SG, and their Stable Outlooks mirror the Stable Outlook on SG. This is because we view both entities as having key roles within the group, as providers of car and boat financing (CGLE), and consumer finance and equipment leases (Franfinance) in France. The subsidiaries are well-integrated within the group, and SG provides almost all their funding.

We rate CGLE's short-term senior preferred debt in line with CGLE's Short-Term IDR.

Komercni Banka a.s.'s (KB) Long-Term IDR of 'A' and VR of 'a' consider the bank's strong business and risk profile and sound financial profile. KB is rated one notch above SG, its parent, reflecting the potential for modest contagion risk from the parent in case of a marked deterioration in SG's credit profile.

BRD-Groupe Societe Generale S.A.'s (BRD) support-driven Long-Term IDR is constrained by Fitch's assessment of country risks, in particular transfer and convertibility risks, as reflected by Romania's Country Ceiling of 'BBB+'. BRD's Long-Term IDR is at the level of Romania's Country Ceiling, while the Negative Outlook reflects that on the Romanian sovereign rating (BBB-/Negative).

Environmental, Social and Governance Considerations

FitchRatings **Societe Generale S.A.**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Societe Generale S.A. has 5 ESG potential rating drivers				ESG Relevance to Credit Rating
Societe Generale S.A. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.	key driver	0	issues	5
Governance is minimally relevant to the rating and is not currently a driver.	driver	0	issues	4
	potential driver	5	issues	3
	not a rating driver	4	issues	2
		5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.