



NEWS RELEASE

Jul 29, 2025

Rating and Investment Information, Inc. (R&I) has announced the following:

Societe Generale (Sec. Code: -)

[Affirmed]

Issuer Rating: A, Stable

Bond Rating: A

Dated Sub. Bond Rating: A-

TLAC or Similar Debt Rating: A-

RATIONALE:

Societe Generale (SG) is a major financial institution based in France. SG runs the businesses of retail banking, leasing, investment banking and others in and outside France. SG has a solid franchise in France. In light of the diversified sources of earnings and other factors, the earning capacity stands at an adequate level, but R&I stays alert to the fiscal and economic conditions in France and their impact on the earnings of SG. In accordance with the 2026 Strategic Plan, under which SG has committed to strengthening the regulation-based capital ratio and improving operational efficiency, it has been working on streamlining business portfolios, which have enhanced the level of risk resilience through progress in risk reduction and capital accumulation. The asset quality has improved to the level commensurate with the rating's suggestion and there are no liquidity concerns. Based on this recognition, R&I has affirmed the Issuer Rating at A.

With the comparatively diversified sources of earnings, the earning capacity stands at a sufficient level. SG maintains a relatively balanced earnings mix among the three major segments consisting of retail banking, leasing services and investment banking, both domestically and internationally. Although the net interest margin was placed under downward pressure due to rising funding costs, it is on a recovery trend as loan interest rate revisions progress and the negative impact of low interest rate hedging transactions diminishes. The cost-to-income ratio has also improved thanks to lower transformation charges. R&I stays alert to the fiscal issues facing the French government and their impact on financial markets as well as how the economic deceleration will affect SG's profitability.

The asset quality has improved up to the level that matches the rating's suggestions. SG has downsized its African operations and plans to withdraw from all the markets of Africa except for five countries. As for the international retail banking businesses, the credit cost ratio is on a downward trend backed by the initiatives aimed at risk reduction. According to the company's 2025 guidance, the credit cost ratio stays in the range of 25 to 30 basis points, standing at a level on a par with the previous year.

The risk resilience is commensurate with the rating's suggestion. It has improved reflecting the decreased credit risk owing to a series of divestments and an increase in profit through cost reduction. The regulation-based capital ratio stays on a stable trend. Under the Strategic Plan toward 2026, SG set the target of the Common Equity Tier 1 ratio, post so-called Basel 4 implementation, at more than 13%. While SG has a distribution policy with the target of distribution payout ratio set at 50% based on Group net income, combining dividends and share buybacks, R&I will keep a close eye on whether the scale of payout will not exceed appropriate levels, given that management is considering additional shareholders return programs.

The deposit base is solid and the loan to deposit ratio is below 100%. The average liquidity coverage ratio for the January-March 2025 period remains high at 150%, surpassing the regulatory requirement of 100%. There are no concerns regarding funding liquidity.

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R&I RATINGS:

ISSUER: Societe Generale

[Affirmed]

	Rating		Rating Outlook	
Issuer Rating	A		Stable	
	Issue Amount	Issue Date	Maturity Date	Rating
Japanese Yen Bonds No.9	JPY 4,100 mn	Jun 3, 2016	Jun 3, 2026	A
Japanese Yen Sub. Bonds No.4	JPY 15,000 mn	Jun 3, 2016	Jun 3, 2026	A-
JPY Sub. Callable Notes due 30 June 2031	JPY 7,000 mn	Jun 30, 2021	Jun 30, 2031	A-
JPY Sub. Callable Notes due 20 October 2032	JPY 10,000 mn	Oct 20, 2022	Oct 20, 2032	A-
JPY Sub. Callable Notes due 19 October 2033	JPY 5,100 mn	Oct 19, 2023	Oct 19, 2033	A-
Japanese Yen Senior Non-Preferred Bonds No.2	JPY 42,400 mn	May 26, 2017	May 26, 2027	A-
Japanese Yen Senior Non-Preferred Bonds No.4	JPY 14,500 mn	Oct 12, 2018	Oct 10, 2025	A-
Japanese Yen Senior Non-Preferred Bonds No.5	JPY 30,100 mn	Oct 12, 2018	Oct 12, 2028	A-

Primary rating methodologies applied:

R&I's Basic Methodology for Corporate Credit Ratings [Jun 24, 2024]

Depository Financial Institutions [Mar 24, 2025]

R&I's Analytical Approach to Regulatory Capital Instruments and Financial Institutions [Dec 7, 2022]

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