NEWS RELEASE

Jul 28, 2026

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

Societe Generale (Sec. Code: -)

[Affirmed]

Issuer Rating: A, Stable

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, investment banking, leasing and others in and outside France. While earnings sources are relatively diversified and the earning capacity is commensurate with the rating's suggestions, R&I keeps a watchful eye on the impact on earnings by political and fiscal problems. The risk resilience stands at a sufficient level relative to the rating's suggestions, due to the progress in risk reduction and profit growth through divestitures and cost reduction. In addition, there is no problem about liquidity. Based on this recognition, R&I has affirmed the Issuer Rating of A.

Backed by the comparatively diversified sources of earnings, the earning capacity is commensurate with the rating's suggestions. The earnings profile is broadly balanced among the three major segments. The net interest income is on an increasing trend. The net interest margin is widening supported by the progress in revisions to loan interest rates and a decline in deposit costs. In the January-March period of 2026, the cost-to-income ratio improved to the 60% range, well on track to meet the target of less than 60%, thanks to the cost reduction achieved through the execution of the strategic plan.

However, given the policy shift of the European Central Bank that raised the key interest rates in response to the energy price hikes triggered by the Middle East conflict, it is necessary to keep a close eye on its impact on funding costs. Attention should be paid to the possibility that the earnings associated with lending and markets revenue could be negatively affected if concerns about surging crude oil prices and political and fiscal problems intensify, thereby slowing down economic growth.

The asset quality is commensurate with the rating's suggestions. The profile of credit risk exposure is comprised dominantly by the risk exposure associated with the domestic operation in France, which represents roughly 40%. Following the divestment of African retail banking business, the impact of African operation on asset quality has decreased. SG guides for its credit cost ratio to be between 25 and 30 basis points for 2026, which is on a par with the previous year's level.

The risk resilience stands at a level that comfortably matches the rating's suggestions. In addition to a decrease in credit risk owing to divestitures, SG has seen an increase in profits generated through cost reduction. Meanwhile, the risk resilience remained at much the same level as the previous year due partly to the EUR 2 billion share buyback programme it carried out in 2025. SG set the target of the Common Equity Tier 1 ratio, post the implementation of Basel 4, which refers to the finalization of Basel 3 in the European Union, at more than 13%, indicating the policy stance to maintain the current level.

The loan to deposit ratio is below 100% backed by the solid deposit base. The average liquidity coverage ratio for the January-March 2026 period is 145%, standing at a level way above the regulatory requirement of 100%. There is no element of concern regarding funding liquidity.

R&I RATINGS:

ISSUER: Societe Generale

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	Rating	Rating Outlook
Issuer Rating	A	Stable

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	Issue Amount	Issue Date	Maturity Date	Rating
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.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 Banks' Regulatory Capital Instruments and Equity Credit Assessment [Apr 17, 2026]

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