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## Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Société Générale S.A.	Long-Term Issuer Rating	A (high)	Confirmed May '19	Positive
Société Générale S.A.	Short-Term Issuer Rating	R-1 (middle)	Confirmed May '19	Stable
Société Générale S.A.	Intrinsic Assessment	A (high)	--	--

See back of report for complete rating list.

## Rating Drivers

### Factors with Positive Rating Implications

Further upward pressure on the ratings would require a continued strengthening of CET1 capital together with progress in improving cost efficiency and earnings generation, while maintaining a moderate risk profile.

### Factors with Negative Rating Implications

The rating could come under downward pressure if SG were to significantly increase its risk profile, suffer from a major deterioration in its earnings generation capacity or experience a significant weakening of its capital buffer.

## Rating Considerations

<b>Franchise Strength:</b> One of the leading banking groups in Europe with a strong market position in France, a broad business mix and a significant international presence. Financial Services have leading positions in some markets. Well-established presence in retail banking, insurance and corporate and investment banking.	<b>Very Strong/Strong</b>
<b>Earnings Power:</b> SG has been lagging its international peers in cost efficiency but expense control remains an important strategic priority for the management. The cost of risk is low, reflecting conservative risk management.	<b>Strong</b>
<b>Risk Profile:</b> Conservative risk profile, benefitting from a well-diversified loan book. Higher risk elements in international banking and capital markets. Continued improvement trend in asset quality. SG resolved major litigations over the last year.	<b>Strong</b>
<b>Funding and Liquidity:</b> Strong funding and liquidity. Large and stable deposit base and diversified funding sources. Exposure to wholesale funding mitigated by strong liquidity.	<b>Strong</b>
<b>Capitalisation:</b> Solid total capital and loss absorbing debt levels. The Group targets CET1 ratio above 12% in 2020. Solid underlying internal capital generation.	<b>Strong</b>

## Financial Information

### Société Générale SA

EUR Millions

	2018Y	2017Y	2016Y	2015Y	2014Y
Total Assets	1,309,428	1,275,128	1,354,422	1,334,391	1,308,138
Equity Attributable to Parent	61,026	59,373	61,953	59,037	55,229
Income Before Provisions and Taxes (IBPT)	7,550	7,565	7,972	8,496	7,423
Net Attributable Income	3,864	2,806	3,874	4,001	2,679
IBPT over Avg RWAs (%)	2.09	2.14	2.25	2.36	NA
Cost / Income ratio (%)	70.18	70.00	68.49	67.36	68.79
Return on Avg Equity (ROAE) (%)	6.49	4.61	6.49	7.01	5.04
Gross NPLs over Gross Loans (%)	3.92	4.56	5.19	5.58	6.65
CET1 Ratio (Fully-Loaded) (%)	10.90	11.39	11.52	10.90	10.13

## Issuer Description

With EUR 1.4 trillion of assets at end-1Q19, [Société Générale S.A.](#) (SG or the Group) is one of the leading banking groups in Europe. SG has a strong market position in France, its home market, and well developed activities in Europe. The Group's offering is broadly diversified and includes retail banking, corporate banking and investment banking, asset management, securities services, specialised financing and insurance.

## Rating Rationale

SG's ratings reflect the Group's well-established franchise as one of the leading banking groups in Europe with a strong market position in France, its home market, solid underlying earnings generation, supported by a well-diversified franchise, conservative risk profile and strong liquidity and funding. In maintaining the Positive trend, DBRS took into account the improvements made by the Group in the past 12 months in asset quality, the resolution of the main outstanding litigation items, and the consistent build-up of the loss-absorbing capacity. DBRS also notes, however, that the build-up of common equity tier 1 (CET1) capital slowed over the last year and improvements in earnings generation and cost efficiency have also been more limited.

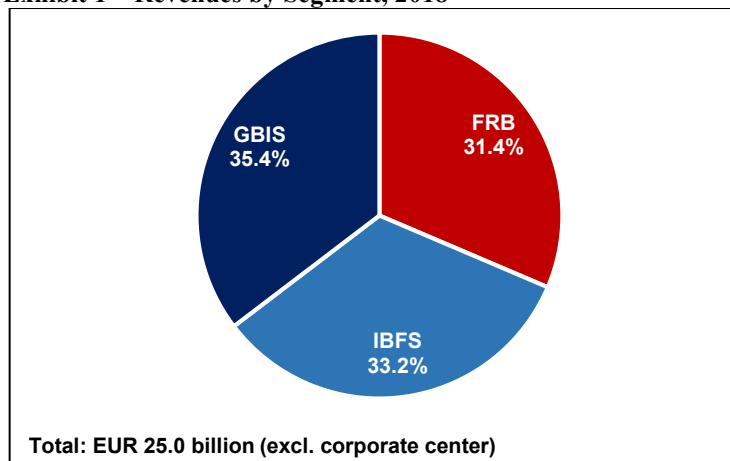
## Franchise Strength

### Grid Grade: Very Strong/Strong

SG is one of the leading banking groups in Europe with a strong market position in France, a broad business mix and a significant international presence. At end-2018 it employed 149,000 staff in 67 countries and had 31 million individual, corporate and institutional customers. Since the late 1990s, the Group has expanded considerably and developed its international presence through acquisitions and organic investments. The Group operates through three main business lines: French Retail Banking, International Retail Banking and Financial Services and Global Banking and Investor Solutions. DBRS views SG's franchise as well diversified, with roughly a third of revenues generated by each of the main business lines.

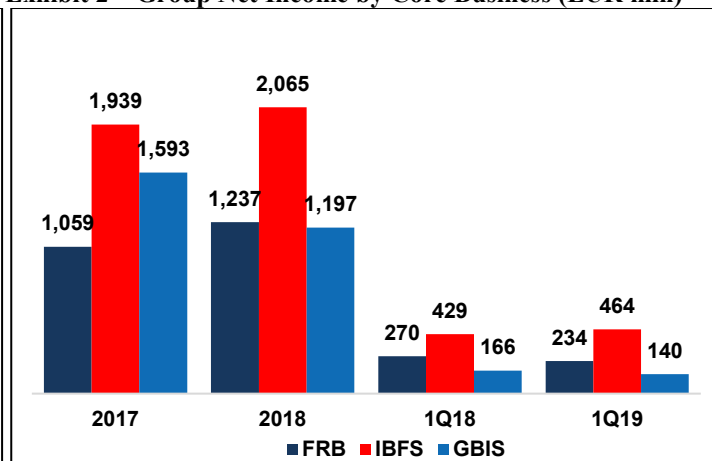
The Group's 2020 strategic priorities include selective growth, digital transformation, strengthening cost efficiency and business mix refocusing. As part of the refocussing programme, aimed at optimising capital allocation through sales and closures of businesses which have not reached critical mass or represent limited potential for synergies, over the last year SG announced disposals of activities in several countries, mainly in Central and Eastern Europe. The Group plans further business disposals in 2019 and 2020. Together with the 4Q18 results, the Group announced also exits from some of the less profitable capital markets activities. DBRS expects that the announced disposals and exits from some parts of its capital markets business should not have a material impact on SG's franchise or profitability.

Exhibit 1 – Revenues by Segment, 2018



Source: DBRS; Company Reports

Exhibit 2 – Group Net Income by Core Business (EUR mln)



Source: DBRS; Company Reports

### French Retail Banking (FRB, 31.4% of 2018 revenues excluding Corporate Centre)

The Group is the third largest retail bank in France and has a well-established position in retail, serving a diversified customer base including individuals, professionals and corporates. In personal banking the Group is focused on affluent customers. FRB consists of three complementary distribution networks: Société Générale with a nationwide presence, Crédit du Nord, a network of regional banks acquired in 1997 and Boursorama Banque, a leading online bank operating in France, Germany and Spain. SG's networks are a key component of the Group's franchise representing strong brand names and generating stable revenue streams. Additionally, FRB provides SG with an important retail deposit funding base.

SG enjoys a strong domestic presence underpinned by large, dense branch networks for the SG brand that are situated primarily in urban areas that account for a high proportion of the nation's wealth. Crédit du Nord's network is a valuable complement with its focus on corporates, SMEs and mass affluent customers in wealthy urban areas, where it has had a historically strong local presence. FRB also includes subsidiaries providing consumer finance, leasing, real estate finance and other specialised financial services.

#### **International Retail Banking & Financial Services (IBFS, 33.2% of 2018 revenues excluding Corporate Centre)**

IBFS includes the retail and consumer banking activities of the Group outside of France, as well as three specialised businesses - Insurance, Operational Vehicle Leasing and Fleet Management, and Vendor and Equipment Finance.

The Group's international retail operations are divided into three Business Units: Europe, Russia and AFMO (Africa, Mediterranean Basin and Overseas France). In Western Europe SG operates predominantly in consumer finance and car finance activities (in France, Germany and Italy). The Group has also well-developed presence in Central Eastern Europe (CEE). In Czech Republic, Komerční Banka (KB) is third largest bank by total assets and in Russia, SG, which operates through several banking entities, is the 2<sup>nd</sup> largest foreign banking group. The Group has also extensive presence in Africa.

IBFS's insurance business provides the Group's French and international retail networks with non-life insurance, health insurance or personal protection solutions as well as life insurance investments and retirement savings solutions for individual, professional and business customers. Financial Services to Corporates rely on two complementary businesses: ALD (vehicle leasing) and Société Générale Equipment Finance (leasing solutions and services to professionals), which have strong positions in Europe and worldwide.

#### **Global Banking and Investor Solutions (GBIS, 35.4% of 2018 revenues excluding Corporate Centre)**

GBIS comprises Global Markets and Investor Services, Financing and Advisory and Asset Management and Private Banking. The segment has a significant presence in countries across Europe, the Americas and Asia.

Global Markets and Investor Services includes Equity and Prime Services, Fixed income, currencies and commodities (FICC) businesses as well as Securities Services. SG has a strong franchise in structured, flow and listed equity derivatives. The Group plans to exit some of the less profitable FICC activities as part of review of its operational set-up in Global Markets, announced in early 2019. In Securities Services, with EUR 4 trillion of assets under custody (end-4Q18), SG is the 2<sup>nd</sup> largest European custodian.

Financing and Advisory offers advisory and financing activities, including structured finance, equity and debt financing, hedging solutions for insurers and global transaction and payment services. In asset management, SG operates through Lyxor, a specialist European asset manager with EUR 118 billion of assets under management (AuM) at end-2018. With 82 centres in France, SG Private Banking has a strong presence in the domestic market. SG Private Banking's services are available in 16 countries. As part of the 2020 strategy in 2018 SG announced the sale of its private banking activities in Belgium.

#### **Corporate Centre (C/C)**

C/C acts as Treasury for SG's entities and includes the property management of the Group's head office. CC includes also costs of some cross-functional projects and other expenses that are not allocated to the businesses.

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## Earnings Power

### Grid Grade: Strong

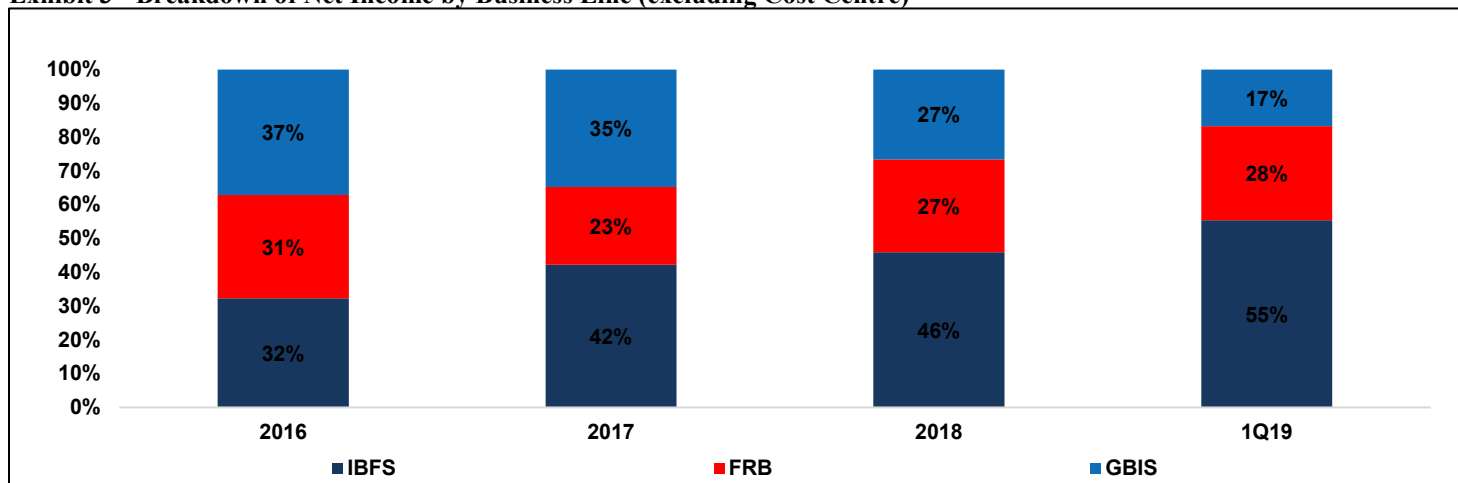
SG continues to generate solid underlying earnings, supported by its diversified franchise. The Group has faced margin pressure in its domestic retail business, and a tough operating environment in capital markets activities, but has also benefited from growth of its international network and specialised financial services. Like other French banks, SG's cost efficiency has been weaker than international peers, but DBRS notes that expense control remains an important strategic priority for management. Under the 2020 strategy, SG targets recurrent savings of EUR 1.1 billion starting from 2020. The cost of risk is low, reflecting the conservative risk management.

In 2018, the reported group net income increased by 38% year-on-year (YoY) to EUR 3,864 million, mainly reflecting a lower negative balance of exceptional and non-economic items, which netted EUR 604 million after-tax compared to EUR 1,817 million in 2017. The main exceptional items in 2018 were the provision for disputes (negative EUR 336 million impact before tax) and the IFRS 5 effect of the Group's refocusing plan (negative EUR 268 million pre-tax impact). In 2017 the main exceptional and non-economic charges were the provisions for disputes (EUR 800 million pre-tax profit impact), the LIA settlement (EUR 563 million) and the costs of the adaptation of the French retail network (EUR 390 million impact). Excluding exceptional and one-off items SG's underlying group net income was EUR 4,468 million, down 1% YoY.

Underlying revenues at Group level were EUR 25,205 million in 2018, up 1% YoY. Growth was supported by good commercial activity in the IBFS segment, which more than offset revenue declines in GBIS and FRB divisions. GBIS performance was adversely affected by

challenging conditions in capital markets conditions, which also affected other European banks. Revenues in French retail remained under pressure from low interest rates, however the impact was in part offset by healthy business momentum.

**Exhibit 3 - Breakdown of Net Income by Business Line (excluding Cost Centre)**

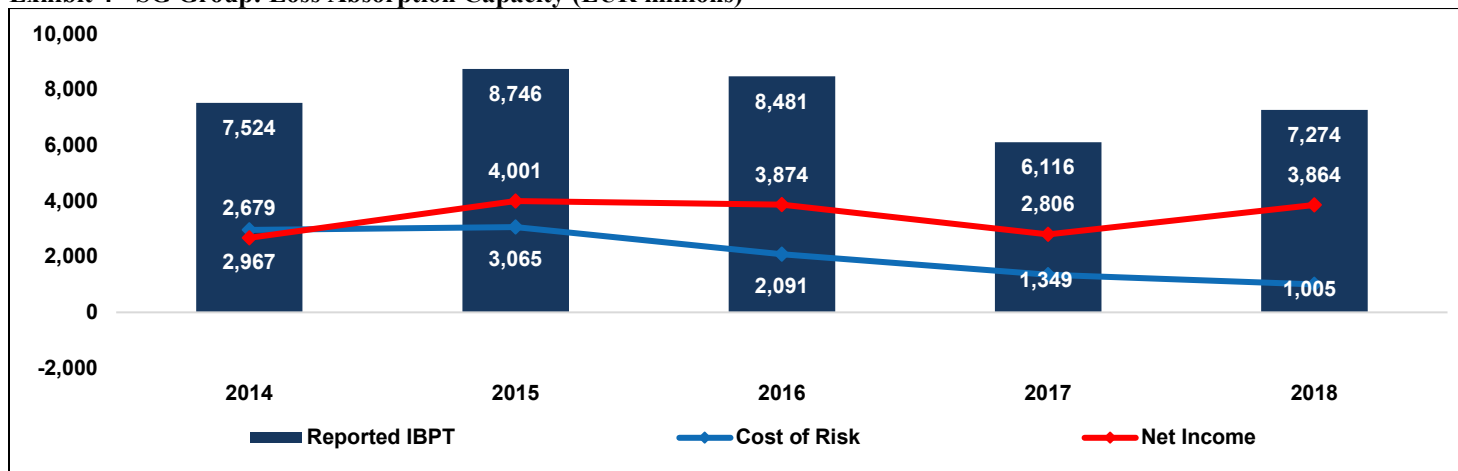


Source: DBRS, Company Reports

Underlying operating expenses increased by 2% YoY to EUR 17,595 million, reflecting acceleration of investment in the digital transformation in FRB and business growth in IBFS. DBRS views positively that in February 2019, SG announced a plan to reduce the costs in its GBIS division by EUR 500 million, which comes in addition to the EUR 1.1 billion recurrent cost savings target at the Group level from 2020 announced during the Investor Day in November 2017. SG’s 2018 cost efficiency ratio based on underlying figures was 69.8% (2017: 74.5%), relatively high in an international context.

The cost of risk was EUR 1,005 million in 2018, equivalent to a low 21bps of average loans and 14% of interest before provisions and taxes. The reported cost of risk declined by 26% YoY. Excluding the provision for litigation (2017: EUR 431 million), which is not booked in the cost of risk since the implementation of IFRS 9, the underlying cost of risk was up 6%.

**Exhibit 4 - SG Group: Loss Absorption Capacity (EUR millions)**



Source: DBRS, Company Reports

In 1Q19 SG’s group net profit declined by 26% YoY to EUR 631 million while on an underlying basis group net profit was EUR 1,010 million, down 16%. The decline in underlying profitability was due to a gradual normalisation of the cost of risk, a decline in revenues in the Corporate Centre and to a lesser extent continued pressure in FRB and GBIS. Underlying costs increased by 3%, reflecting business growth in the international networks and specialised services and expenses related to the transformation of the French retail. While cost of risk increased by 27% YoY, reflecting normalisation and non-recurrence of provision writebacks in the international retail and GBIS last year, it remained a relatively low 21bps of average outstandings.

# Risk Profile

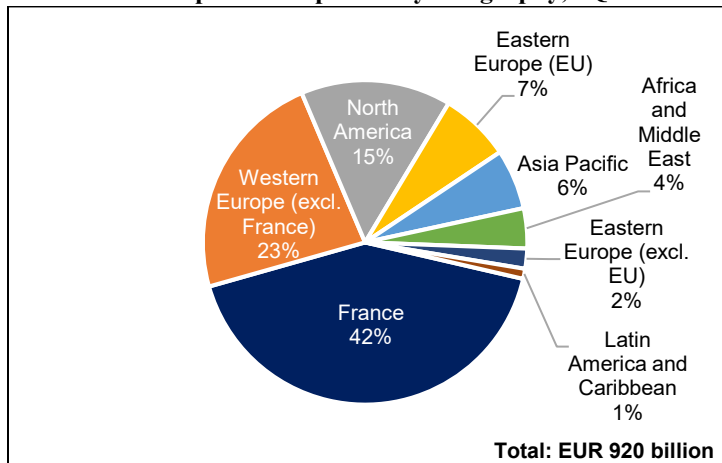
## Grid Grade: Strong

DBRS views SG’s risk profile as conservative, benefiting from strong diversification of SG’s operations. Credit risk, which represented 82% of the Group’s RWAs at end-1Q19, benefits from the strong diversification of SG’s operations. The Group is also exposed to market risk, mainly related to the capital markets activity under GBIS and operational risk stemming from the Group’s diverse and complex operations.

Credit risk is dominated by low risk exposures albeit it also comprises some higher risk portfolios. Domestic exposures under FRB represented 39% of SG’s gross outstandings at end-4Q18. Slightly more than half of the FRB loan book are low-risk home loans, 6% are consumer loans and overdrafts, and 41% diverse business and institutional loans. IBFS outstandings (28% of gross outstandings), comprise predominantly loan books of SG’s international network banks outside France. The IBFS book combines mainly lending of SG’s international retail networks in Eastern Europe and Africa and specialised finance activities, including consumer finance mainly in Western Europe and equipment finance. Eastern Europe represents around 9% of the Group’s credit exposure and combines low risk markets such as Czech Republic (around 5% of the Group’s credit risk) with more risky ones such as Russia, which represented a relatively limited 1.6% of credit risk. Africa and Middle East represented 4% of credit risk exposure at end-2018. GBIS outstandings (32%) are largely represented by lending provided by SG’s Financing & Advisory division, and related to specific areas of SG’s expertise, including trade and project finance or acquisition finance. GBIS’s financing operations are focused on highly rated international corporates.

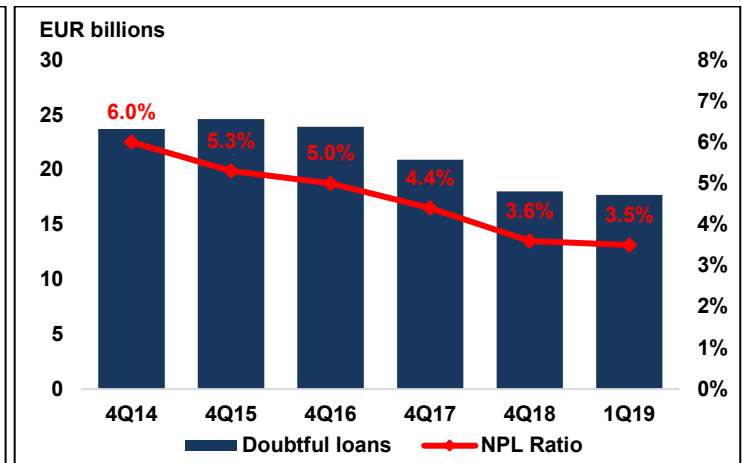
Overall, at the Group level, retail credit risk represented 21% of total exposure as opposed to 36% for corporates, with the remainder composed of sovereigns, institutional and other portfolios. Within the retail exposures, slightly more than half were residential mortgages. DBRS positively views a strong diversification of SG’s corporate portfolio and views some of the corporate lending types, such as trade finance, as low risk. Corporate loan book is well diversified by industry.

**Exhibit 5 - Group credit exposure by Geography, 4Q18**



Source: DBRS, Company Reports

**Exhibit 6 - Doubtful Loans**



Source: Company Reports

DBRS views positively that the improvement trend in asset quality observed since 2014 continued over the last year, reflecting active NPL reduction, tight origination standards and a supportive credit environment. The end-1Q19 share of non-performing loans (NPL) in gross outstandings (including exposures to Financial institutions) was 3.5% compared to 3.6% at end-2018 and 4.4% at end-2017 and 5.0% at end-2016. The reduction reflected an improvement in all business lines. The coverage (excluding collateral) was adequate at 55%. DBRS estimates that the share of impaired exposures in customer loans was 3.9% at end-1Q19. The cost of risk was a low 20 bps in 1Q19 and 21bps in 2018. The Group sees some additional room for improvement in the NPL ratio during 2019, albeit at a slower rate than in recent years.

Due to significant volatility in the markets in the last quarter of 2018, the Group’s market risk RWA increased substantially YoY, however the share in total RWAs at end-4Q18 remained a moderate 6% (end-4Q17: 4%). Despite higher market volatility, quarterly average trading VaR (one-day, 99%) increased only moderately QoQ and was EUR 21 million in 4Q18, within the EUR 15 – 32 million range observed during 2017 and 2018. The Global Markets and Investor Services division, part of GBIS, is the main contributor to the Group’s market risk RWAs. In its 2016 - 2020 strategic plan SG indicated that its capital markets activities will be kept below 20% of the Group RWA. DBRS notes that in February 2019 SG provided an update of its 2020 strategic plan, which envisages EUR 8 billion reduction in the RWAs allocated to the division, equivalent to around 11% of the division’s end-2018 RWAs.

DBRS views positively that the Group resolved significant legacy litigations in 2018. SG reached agreements with the US and European authorities, which ended their enquiries relating to Libor and certain transactions with Libyan counterparties. Agreements were reached also with regards to some US authorities’ enquiries related to economic sanctions and anti-money laundering. As part of these agreements,

the Group agreed to pay penalties totalling around USD 2.7 billion during 2018. At present there are no material litigations outstanding. The balance of the provision for disputes was EUR 0.3 billion at end-2018, down from EUR 2.3 billion at end-2018.

## Funding and Liquidity

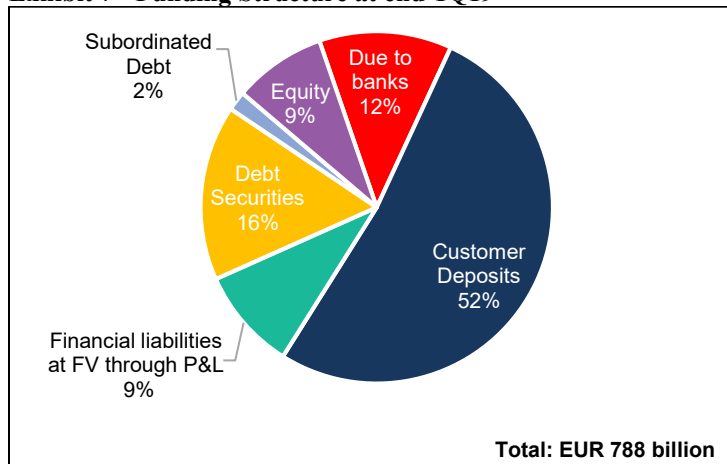
### Grid Grade: Strong

SG’s funding profile combines a sizeable and stable deposit base with significant usage of wholesale funding that is typical of universal banks that combine retail banking with significant corporate and investment banking businesses. Since the financial crisis SG has taken measures to reduce its usage of wholesale funding, and improved the alignment between its wholesale funding and the characteristics of its funding needs.

SG’s funding benefits from sizeable customer deposits, which at end-4Q18 were EUR 465 billion, representing the major part of the Group’s funding at end-2018. Medium and long-term wholesale funding comprising financing from banks, structured debt and debt securities issued (including subordinated debt) totalled around EUR 300 billion. DBRS estimates that around 8% of total funding including equity (end-4Q18) was from short term wholesale funding. The Group’s loan-to-deposit (LtD) ratio based on the accounting balance sheet was 107% broadly flat QoQ but up from 104% at end-2017.

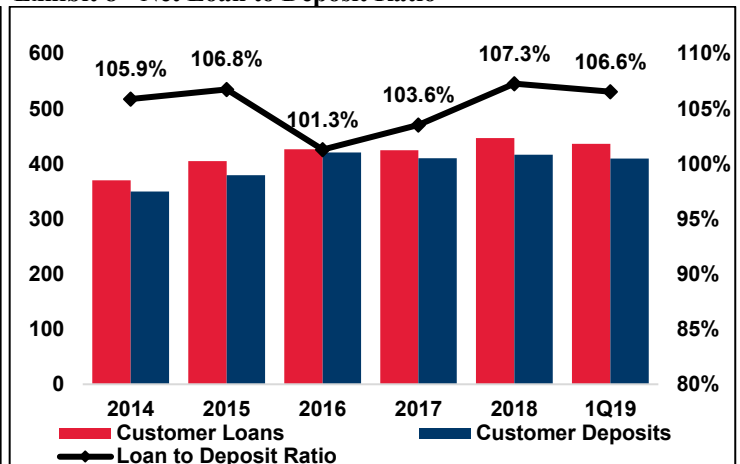
The exposure to wholesale funding is mitigated by well diversified funding sources and strong liquidity. The unencumbered liquid asset buffer was EUR 172 billion, covering the Short-Term resources, based on DBRS estimates, by around 3.0x. The LCR ratio at end-1Q19 was a comfortable 139%.

Exhibit 7 - Funding Structure at end-1Q19



Source: DBRS, Company Reports.

Exhibit 8 - Net Loan to Deposit Ratio



Source: DBRS, Company Reports

## Capitalisation

### Grid Grade: Strong

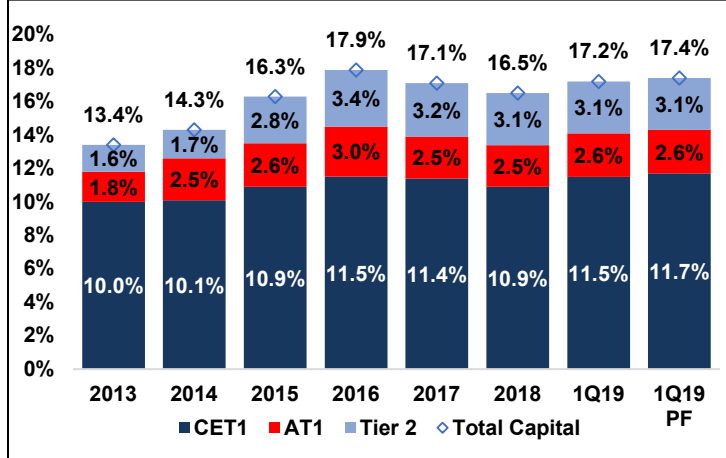
DBRS views SG’s capital as solid and its underlying earnings generation capacity as good, albeit not as strong as higher-rated peers. The Group’s capital has been generally on an upward trend in recent years. However, during 2018 the fully loaded CET1 ratio declined by 50bps to 10.9%, driven by a combination of RWA growth, the first time application of IFRS 9 and other regulatory issues. Despite this, the CET1 ratio recovered strongly during 1Q19 to 11.5%, benefiting from disposals in CEE and RWA reductions in Global Markets. Pro forma for the scrip dividend for 2018 the CET1 ratio stood at 11.7%. The Group plans a further strengthening of capital internal capital generation, and further business disposals and is targeting a CET1 ratio above 12% by end-2020.

The fully loaded Basel 3 leverage ratio was 4.2% (pro forma for the scrip dividend) at end-1Q19. DBRS notes that SGs had solid Additional Tier 1 and Tier 2, as evidenced by the 17.5% fully-loaded total capital ratio (pro forma for the scrip dividend) at end-1Q19.

SG has been actively building up its loss absorption capacity. At end-1Q19 the buffer of Senior Non-Preferred debt was equivalent to 5.2% of RWA, up from 3.6% at en-2018 and 1.9% at end-2017. The Group’s TLAC ratio (including 2.5% of Senior Preferred debt and pro-forma for the scrip dividend) was 25.2%, well above the 2019 and 2022 FSB requirements of 19.5% and 21.5%, respectively. MREL ratio was also in excess of the future requirements estimated at 24.4% of RWA.

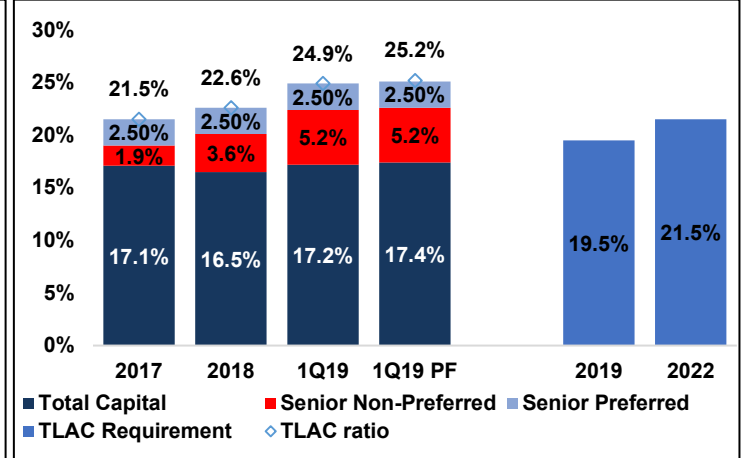


Exhibit 9 - Capital position



Source: DBRS, Company Reports

Exhibit 10 - Evolution of TLAC



Source: DBRS, Company Reports

	Société Générale SA	Société Générale SA	Société Générale SA	Société Générale SA	Société Générale SA
EUR Millions	2018Y	2017Y	2016Y	2015Y	2014Y
<b>Balance Sheet</b>	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Cash and Deposits w with Central Banks	96,585	114,404	96,186	78,565	57,065
Lending to/Deposits w with Credit Institutions	60,588	60,866	59,502	71,682	80,709
Financial Securities	304,619	408,372	455,923	452,476	468,847
Financial Derivatives Instruments	135,220	148,754	187,182	207,590	232,587
Net Lending to Customers	447,229	445,650	446,105	422,278	370,367
- Gross Lending to Customers	458,664	458,175	460,920	437,644	386,381
- Loan Loss Reserves	11,435	12,525	14,815	15,366	16,014
Investment in Associates or Subsidiaries	249	700	1,096	1,352	2,796
Total Intangible Assets	6,850	6,928	6,252	5,980	5,922
Fixed Assets	24,553	22,878	20,066	17,799	16,326
Insurance Assets	146,768	NA	NA	NA	NA
Other Assets (including DTAs)	86,767	66,576	82,110	76,669	73,519
<b>Assets</b>	<b>1,309,428</b>	<b>1,275,128</b>	<b>1,354,422</b>	<b>1,334,391</b>	<b>1,308,138</b>
Deposits from Banks	100,427	94,225	87,822	102,403	95,897
Deposits from Central Banks	5,721	5,604	5,238	6,951	4,607
Deposits from Credit Institutions	94,706	88,621	82,584	95,452	91,290
Deposits from Customers	399,410	394,228	397,357	360,178	327,764
Issued Debt Securities	343,507	322,185	354,429	354,423	225,813
Issued Subordinated Debt	13,314	13,647	14,103	13,046	8,834
Financial Derivatives Instruments	138,196	155,294	191,192	207,816	236,300
Insurance Liabilities	129,543	130,958	112,777	107,257	103,298
Other Liabilities	119,222	100,554	131,036	126,593	251,358
Equity Attributable to Parent	61,026	59,373	61,953	59,037	55,229
Minority Interests	4,783	4,664	3,753	3,638	3,645
<b>Liabilities &amp; Equity</b>	<b>1,309,428</b>	<b>1,275,128</b>	<b>1,354,422</b>	<b>1,334,391</b>	<b>1,308,138</b>

	Société Générale SA	Société Générale SA	Société Générale SA	Société Générale SA	Société Générale SA
EUR Millions	2018Y	2017Y	2016Y	2015Y	2014Y
<b>Income Statement</b>	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Interest Income	22,678	23,679	24,660	25,431	24,532
Interest Expenses	11,659	13,263	15,193	16,125	14,533
<b>Net Interest Income</b>	<b>11,019</b>	<b>10,416</b>	<b>9,467</b>	<b>9,306</b>	<b>9,999</b>
Net Fees and Commissions	5,524	6,823	6,699	6,678	6,475
Results from Financial Operations	5,145	5,441	6,243	7,310	4,820
Equity Method Results	56	92	129	231	213
Net Income from Insurance Operations	1,724	294	294	212	428
Other Operating Income	1,853	2,151	2,464	2,295	1,846
<b>Total Operating Income</b>	<b>25,321</b>	<b>25,217</b>	<b>25,296</b>	<b>26,032</b>	<b>23,781</b>
Staff Costs	9,561	9,749	9,455	9,476	9,049
Other Operating Costs	7,307	6,903	6,968	7,181	6,453
Depreciation/Amortisation	903	1,000	901	879	856
<b>Total Operating Expenses</b>	<b>17,771</b>	<b>17,652</b>	<b>17,324</b>	<b>17,536</b>	<b>16,358</b>
<b>Income Before Provisions and Taxes (IBPT)</b>	<b>7,550</b>	<b>7,565</b>	<b>7,972</b>	<b>8,496</b>	<b>7,423</b>
Loan Loss Provisions	1,064	918	1,723	2,316	2,562
Securities & Other Financial Assets Impairments	0	134	326	171	66
Other Impairments	101	5	38	61	576
Other Non-Operating Income (Net)	-268	-1,370	422	161	135
<b>Income Before Taxes (IBT)</b>	<b>6,117</b>	<b>5,138</b>	<b>6,307</b>	<b>6,109</b>	<b>4,354</b>
Tax on Profit	1,561	1,708	1,969	1,714	1,376
Discontinued Operations	0	0	0	0	0
Other After-tax Items	0	0	0	0	0
Minority Interest	692	624	464	394	299
<b>Net Attributable Income</b>	<b>3,864</b>	<b>2,806</b>	<b>3,874</b>	<b>4,001</b>	<b>2,679</b>

Source: DBRS Analysis, Copyright © 2019, S&amp;P Global Market Intelligence\*.



	Société Générale SA	Société Générale SA	Société Générale SA	Société Générale SA	Société Générale SA
	2018Y	2017Y	2016Y	2015Y	2014Y
<b>Earnings Power</b>					
<b>Earnings</b>					
Net Interest Margin (%)	1.05	0.88	0.77	0.80	0.87
Yield on Average Earning Assets (%)	2.15	1.95	1.96	2.07	2.09
Cost of Interest Bearing Liabilities (%)	1.16	1.24	1.36	1.46	1.37
IBPT over Avg Assets (%)	0.58	0.56	0.57	0.62	0.58
IBPT over Avg RWAs (%)	2.09	2.14	2.25	2.36	NA
<b>Expenses</b>					
Cost / Income ratio (%)	70.18	70.00	68.49	67.36	68.79
Operating Expenses by Employee	119,268	128,793	132,520	133,136	120,083
LLP / IBPT (%)	14.09	12.13	21.61	27.26	34.51
<b>Profitability Returns</b>					
Return on Avg Equity (ROAE) (%)	6.49	4.61	6.49	7.01	5.04
Return on Avg Assets (ROAA) (%)	0.35	0.25	0.31	0.32	0.23
Return on Avg RWAs (%)	1.26	0.97	1.23	1.22	NA
Dividend Payout Ratio (%)	45.66	62.81	41.27	23.90	29.31
Internal Capital Generation (%)	3.28	1.59	3.63	5.17	3.51
<b>Risk Profile</b>					
Gross NPLs over Gross Loans (%)	3.92	4.56	5.19	5.58	6.65
Net NPLs over Net Loans (%)	1.47	1.88	2.04	2.14	2.61
NPL Coverage Ratio (%)	63.53	59.93	61.99	62.95	62.34
Net NPLs over IBPT (%)	86.95	110.71	113.96	106.46	130.34
Net NPLs over CET1 (%)	15.84	20.50	21.65	22.20	25.07
Texas Ratio (%)	23.30	27.30	29.68	31.28	34.30
Cost of Risk (%)	0.24	0.21	0.41	0.63	0.71
Level 2 Assets/ Total Assets (%)	22.88	22.77	20.15	28.46	29.85
Level 3 Assets/ Total Assets (%)	0.65	0.52	0.49	0.68	0.57
<b>Funding and Liquidity</b>					
Bank Deposits over Funding (%)	13.48	13.16	12.70	14.34	17.33
- Interbank over Funding (%)	12.83	12.49	12.11	13.53	16.65
- Central Bank over Funding (%)	0.65	0.67	0.60	0.82	0.68
Customer Deposits over Funding (%)	45.70	46.89	45.29	42.40	48.18
Wholesale Funding over Funding (%)	40.82	39.95	42.00	43.26	34.49
- Debt Securities over Funding (%)	39.30	38.32	40.40	41.72	33.19
- Subordinated Debt over Funding (%)	1.52	1.62	1.61	1.54	1.30
Liquid Assets over Assets (%)	35.27	45.77	45.16	45.17	46.37
Non-Deposit Funding Ratio (%)	67.88	67.45	69.17	71.68	73.76
Net Loan to Deposit Ratio (%)	111.97	113.04	112.27	117.24	113.00
LCR (Phased-in) (%)	129.00	140.00	142.00	124.00	118.00
NSFR (%)	NA	NA	NA	NA	NA
<b>Capitalisation</b>					
CET1 Ratio (Phased-In) (%)	11.02	11.57	11.80	11.42	10.91
CET1 Ratio (Fully-Loaded) (%)	10.90	11.39	11.52	10.90	10.13
Tier 1 Capital Ratio (Phased-In) (%)	13.51	14.01	14.80	14.00	13.40
Total Capital Ratio (Phased-In) (%)	16.58	17.16	18.17	16.80	15.04
Tang. Equity / Tang. Assets (%)	4.53	4.50	4.41	4.27	4.07
Leverage Ratio (DBRS) (%)	3.56	3.67	3.63	3.64	3.62
<b>Growth</b>					
Net Attributable Income YoY (%)	37.7	-27.6	-3.2	49.3	31.1
Net Fees and Commissions YoY (%)	-19.0	1.9	0.3	3.1	3.8
Total Operating Expenses YoY (%)	0.7	1.9	-1.2	7.2	1.2
IBPT YoY (%)	-0.2	-5.1	-6.2	14.5	17.1
Assets YoY (%)	2.7	-5.9	1.5	2.0	7.7
Gross Lending to Customers YoY (%)	0.1	-0.6	5.3	13.3	2.5
Net Lending to Customers YoY (%)	0.4	-0.1	5.6	14.0	2.8
Loan Loss Provisions YoY (%)	15.9	-46.7	-25.6	-9.6	-25.2
Deposits from Customers YoY (%)	1.5	-2.5	10.9	8.5	4.7

Source: DBRS Analysis, Copyright © 2019, S&P Global Market Intelligence\*.

## Rating Methodology

The applicable methodologies are the Global Methodology for Rating Banks and Banking Organisations (June 2019) and the Guarantees and Other Forms of Support (January 2019), which can be found on our website under Methodologies.

## Ratings

Issuer	Obligation	Rating Action	Rating	Trend
Société Générale, S.A.	Long-Term Issuer Rating	Confirmed	A (high)	Positive
Société Générale, S.A.	Short-Term Issuer Rating	Confirmed	R-1 (middle)	Stable
Société Générale, S.A.	Long-Term Senior Debt	Confirmed	A (high)	Positive
Société Générale, S.A.	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Société Générale, S.A.	Long-Term Deposits	Confirmed	A (high)	Positive
Société Générale, S.A.	Short-Term Deposits	Confirmed	R-1 (middle)	Stable
Société Générale, S.A.	Long Term Critical Obligations Rating	Confirmed	AA	Positive
Société Générale, S.A.	Short Term Critical Obligations Rating	Confirmed	R-1 (high)	Stable
Société Générale (Canada Branch)	Long-Term Senior Debt	Confirmed	A (high)	Positive
Société Générale (Canada Branch)	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Société Générale (Canada Branch)	Long-Term Deposits	Confirmed	A (high)	Positive
Société Générale (Canada Branch)	Short-Term Deposits	Confirmed	R-1 (middle)	Stable
Société Générale (Canada)	Long-Term Senior Debt	Confirmed	A (high)	Positive
Société Générale (Canada)	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Société Générale (Canada)	Long-Term Deposits	Confirmed	A (high)	Positive
Société Générale (Canada)	Short-Term Deposits	Confirmed	R-1 (middle)	Stable
Société Générale Acceptance NV	Senior Notes Guaranteed by SG	Confirmed	A (high)	Positive
Société Générale Acceptance NV	Short-Term Instruments Guaranteed by SG	Confirmed	R-1 (middle)	Stable
Société Générale Option Europe	Senior Notes Guaranteed by SG	Confirmed	A (high)	Positive
Société Générale Option Europe	Short-Term Instruments Guaranteed by SG	Confirmed	R-1 (middle)	Stable
Société Générale Issuer S.A.	Senior Notes Guaranteed by SG	Confirmed	A (high)	Positive
Société Générale Issuer S.A.	Short-Term Instruments Guaranteed by SG	Confirmed	R-1 (middle)	Stable
Société Générale North America Inc	Short-Term Instruments Guaranteed by SG	Confirmed	R-1 (middle)	Stable
Société Générale (New York Branch)	Long-Term Senior Debt	Confirmed	A (high)	Positive
Société Générale (New York Branch)	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Société Générale (New York Branch)	Long-Term Deposits	Confirmed	A (high)	Positive
Société Générale (New York Branch)	Short-Term Deposits	Confirmed	R-1 (middle)	Stable
Société Générale (Australia Branch)	Long-Term Senior Debt	Confirmed	A (high)	Positive
Société Générale (Australia Branch)	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Société Générale (Australia Branch)	Long-Term Deposits	Confirmed	A (high)	Positive
Société Générale (Australia Branch)	Short-Term Deposits	Confirmed	R-1 (middle)	Stable
Société Générale (Singapore Branch)	Long-Term Senior Debt	Confirmed	A (high)	Positive
Société Générale (Singapore Branch)	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Société Générale (Singapore Branch)	Long-Term Deposits	Confirmed	A (high)	Positive
Société Générale (Singapore Branch)	Short-Term Deposits	Confirmed	R-1 (middle)	Stable
Société Générale (Hong Kong Branch)	Long-Term Senior Debt	Confirmed	A (high)	Positive
Société Générale (Hong Kong Branch)	Short-Term Debt	Confirmed	R-1 (middle)	Stable
Société Générale (Hong Kong Branch)	Long-Term Deposits	Confirmed	A (high)	Positive
Société Générale (Hong Kong Branch)	Short-Term Deposits	Confirmed	R-1 (middle)	Stable

## Ratings History

Issuer	Obligation	Current	2018	2017	2016
Société Générale, S.A.	Long-Term Issuer Rating	A (high)	A (high)	A (high)	--
Société Générale, S.A.	Short-Term Issuer Rating	R-1 (middle)	R-1 (middle)	R-1 (middle)	--
Société Générale, S.A.	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Société Générale, S.A.	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)

Société Générale, S.A.	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Société Générale, S.A.	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale, S.A.	Long Term Critical Obligations Rating	AA	AA	AA	AA
Société Générale, S.A.	Short Term Critical Obligations Rating	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)
Société Générale (Canada Branch)	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Société Générale (Canada Branch)	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (Canada Branch)	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Société Générale (Canada Branch)	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (Canada)	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Société Générale (Canada)	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (Canada)	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Société Générale (Canada)	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale Acceptance NV	Senior Notes Guaranteed by SG	A (high)	A (high)	A (high)	A (high)
Société Générale Acceptance NV	Short-Term Instruments Guaranteed by SG	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale Option Europe	Senior Notes Guaranteed by SG	A (high)	A (high)	A (high)	A (high)
Société Générale Option Europe	Short-Term Instruments Guaranteed by SG	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale Issuer S.A.	Senior Notes Guaranteed by SG	A (high)	A (high)	A (high)	A (high)
Société Générale Issuer S.A.	Short-Term Instruments Guaranteed by SG	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale North America Inc	Short-Term Instruments Guaranteed by SG	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (New York Branch)	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Société Générale (New York Branch)	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (New York Branch)	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Société Générale (New York Branch)	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	--
Société Générale (Australia Branch)	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Société Générale (Australia Branch)	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (Australia Branch)	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Société Générale (Australia Branch)	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	--
Société Générale (Singapore Branch)	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Société Générale (Singapore Branch)	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (Singapore Branch)	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Société Générale (Singapore Branch)	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	--
Société Générale (Hong Kong Branch)	Long-Term Senior Debt	A (high)	A (high)	A (high)	A (high)
Société Générale (Hong Kong Branch)	Short-Term Debt	R-1 (middle)	R-1 (middle)	R-1 (middle)	R-1 (middle)
Société Générale (Hong Kong Branch)	Long-Term Deposits	A (high)	A (high)	A (high)	A (high)
Société Générale (Hong Kong Branch)	Short-Term Deposits	R-1 (middle)	R-1 (middle)	R-1 (middle)	--

## Previous Actions

- [DBRS Confirms Société Générale's Issuer Rating at A \(high\); Positive Trend Maintained](#), May 23, 2019
- [DBRS Confirms SG's Issuer Rating at A \(high\); Trend Revised to Positive](#), May 29, 2018.

## Related Research

- [French Banks' 2018 Revenues Resilient Despite Significant CIB Headwinds](#), February 21, 2019
- [DBRS: European Banks Going Greener by the Day](#), February 13, 2019
- [DBRS: Bancassurance in France — A Steady Contributor to Banks' Earnings](#), February 05, 2019

## Previous Reports

- [Société Générale, S.A.: Rating Report](#), July 24, 2018
- [Société Générale S.A.: Rating Report](#), July 7, 2017.

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