MOODY'S
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CREDIT OPINION
5 June 2019

Update

Rate this Research

RATINGS

Societe Generale

Domicile	Paris, France
Long Term CRR	A1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Olivier Panis +33.1.5330.5987
VP-Sr Credit Officer
olivier.panis@moodys.com

Yana Ruvinskaya +44.20.7772.1618
Associate Analyst
yana.ruvinskaya@moodys.com

Laurie Mayers +44.20.7772.5582
Associate Managing Director
laurie.mayers@moodys.com

Ana Arsov +1.212.553.3763
MD-Financial Institutions
ana.arsov@moodys.com

Societe Generale

Update to credit analysis following the publication of the first-quarter 2019 financial results

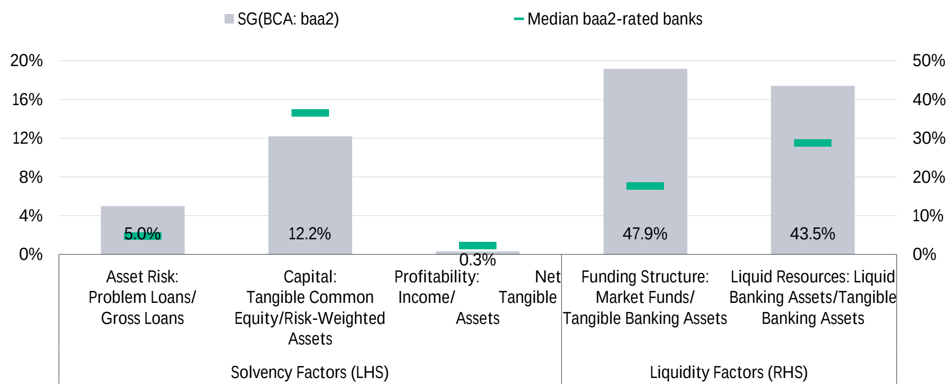
Summary credit rationale

Société Générale (SG) is a global systemically important bank based in France (Aa2 stable) with sizeable international operations.

SG's baa2 BCA reflects the bank's (1) strong franchise and well-diversified universal banking business model, (2) good and improving regulatory capitalisation, despite higher leverage than many of its global peers, and (3) strong liquidity. The BCA is, however, constrained by (4) some weak exposures, mainly to Russia (Baa3 stable) and certain African countries; (5) the risks stemming from the bank's sizeable capital market activities; (6) limited profitability growth prospects over the next 12-18 months; and (7) an elevated stock of confidence-sensitive wholesale funding.

SG's A1 long-term deposit and senior unsecured debt ratings include a three-notch uplift resulting from our advanced Loss Given Failure (LGF) analysis, reflecting our view that the bank's junior depositors and senior unsecured creditors face an extremely low loss-given-failure. In addition, our moderate assessment of government support translates into a further notch uplift included in these ratings.

Exhibit 1
Rating scorecard - key financial ratios



Source: Moody's Banking Financial Metrics

Credit strengths

» Well-diversified universal banking business model provides stable and predictable earnings but we expect profitability to remain constrained over the next 12-18 months.

» Regulatory capitalisation is good and improving, underpinned by a strong earnings generation capacity though leverage is higher than many of its global peers.

» Liquidity is strong and broadly in line with large European peers.

» Our advanced LGF analysis indicates an extremely low loss-given-failure for junior depositors and senior unsecured creditors, resulting in a three-notch uplift in the relevant ratings, from the firm's baa2 adjusted BCA.

» The long-term deposit and senior unsecured debt ratings incorporate one notch of government support uplift.

Credit challenges

» SG has sizeable capital market activities, which carry tail risks for creditors.

» Credit quality profile is good, although exposures to some countries with weaker operating conditions than SG's home market weaken its credit profile and pose downside risks.

» Elevated stock of confidence-sensitive wholesale funding is partly mitigated by strong liquidity, well-diversified funding sources and proven access to wholesale funding markets.

Rating outlook

The ratings outlook is stable, as we expect no material changes in the bank's credit fundamentals over the next 12-18 months. The current ratings already incorporate the operating challenges from weak economic growth and protracted low interest rates in Europe, as well as the stabilisation of operating conditions in Russia.

Factors that could lead to an upgrade

The BCA could be upgraded in case of:

» structural improvement in the bank's funding profile

» strengthened profitability

» significantly higher capitalisation

» a material reduction in capital markets activity

A higher BCA would likely lead to rating upgrades.

Factors that could lead to a downgrade

The BCA could be downgraded in case of:

» a deterioration in operating conditions in SG's main markets, beyond our current expectations

» a weakening in funding and liquidity

» lower regulatory capitalisation or higher leverage

» a material risk management failure or increase in risk appetite

A lower BCA would likely result in a downgrade of all ratings.

SG's ratings could also be downgraded if management deviates from its committed funding plan in a way that would lead to a reduction in expected debt issuance; or a more rapid increase in assets, than what we currently expect, increasing loss-given-failure for its creditors.

Key Indicators

Exhibit 2

Societe Generale (Consolidated Financials) [1]

	12-18[2]	12-17[2]	12-16[2]	12-15[2]	12-14[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	1,200,523.0	1,156,141.0	1,198,338.0	1,159,470.0	1,107,984.0	2.0[4]
Total Assets (USD Million)	1,372,371.3	1,388,291.0	1,263,949.6	1,259,526.8	1,340,719.5	0.6[4]
Tangible Common Equity (EUR Million)	45,938.7	43,718.3	45,162.2	41,963.6	38,130.0	4.8[4]
Tangible Common Equity (USD Million)	52,514.6	52,496.8	47,634.9	45,584.9	46,139.3	3.3[4]
Problem Loans / Gross Loans (%)	4.2	5.0	5.7	6.1	7.0	5.6[5]
Tangible Common Equity / Risk Weighted Assets (%)	12.2	12.4	12.7	11.8	10.8	12.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	31.4	37.2	39.8	42.9	47.8	39.8[5]
Net Interest Margin (%)	0.9	0.9	0.8	0.8	0.9	0.9[5]
PPI / Average RWA (%)	1.8	1.5	2.1	1.9	1.9	1.8[6]
Net Income / Tangible Assets (%)	0.3	0.3	0.3	0.3	0.3	0.3[5]
Cost / Income Ratio (%)	73.7	76.7	69.7	72.0	71.0	72.6[5]
Market Funds / Tangible Banking Assets (%)	47.9	46.2	47.5	50.2	52.5	48.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	43.5	45.5	47.6	48.6	47.2	46.5[5]
Gross Loans / Due to Customers (%)	108.3	102.9	102.3	109.0	111.2	106.8[5]

[1]All figures and ratios are adjusted using Moody's standard adjustments. [2]Basel III - fully-loaded or transitional phase-in; IFRS. [3]May include rounding differences due to scale of reported amounts. [4]Compound Annual Growth Rate (%) based on time period presented for the latest accounting regime. [5]Simple average of periods presented for the latest accounting regime. [6]Simple average of Basel III periods presented.

Source: Moody's Investors Service; Company Filings

Profile

SG's operations are organised across three main business lines.

The French Retail Banking (FRB) division includes the group's strong domestic retail and small to medium-sized enterprise banking franchise.

The International Retail Banking and Financial Services (IBFS) comprises SG's international retail activities, which are spread across a number of countries in Central and Eastern Europe, Russia and Africa. SG's franchises in most of these countries are well recognised, but remain smaller than its retail franchise in France. The Financial Services (to corporates) and Insurance (FSI) operations are also key franchises, as the group's sizeable bancassurance product offering includes life insurance contracts, mutual funds and other investment services, which form an important part of household savings in France. This business line also includes Specialised Financial Services (SFS), comprising an array of different services, such as auto finance, personal finance and leasing, some of which are offered globally.

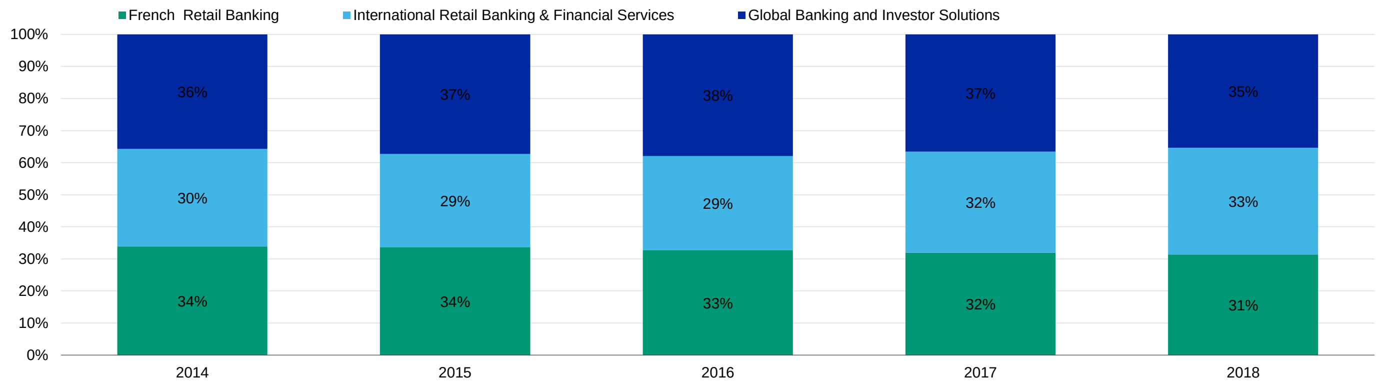
The Global Banking and Investor Solutions (GBIS) division houses the group's capital markets, financing and advisory, and asset management operations. We consider SG a tier-two global investment bank due to its multi-specialist business model, focussed on cross-asset solutions (structured equity and fixed-income) and flow equity derivatives. SG has strong expertise in structured products (with a global leadership in equity derivatives), exchange-traded funds (under the brand Lyxor), commodities, research and market making.

Detailed credit considerations

Well-diversified universal banking business model provides stable and predictable earnings but we expect profitability to remain constrained over the next 12-18 months

SG's three main businesses contribute roughly equal shares to the group's revenue (see Exhibit 3).

Exhibit 3
SG's net banking income breakdown by business line



Source: Company reports

We consider **FRB** as one of SG's key credit strengths and it also offers good cross-selling opportunities for products and services from the other divisions of the group. SG's domestic operations have historically proven very resilient to changes in operating conditions, although the prolonged low interest rate environment has translated into tangible declines in net interest income in French retail for SG and the other large domestic banks, due to large volumes of retail mortgage renegotiations. Thus far, this has partly been offset by declining credit costs, from which we do not expect further benefits over the next 12-18 months. However, we believe that a high degree of product and geographical diversification will allow SG to continue to mitigate these revenue pressures.

The product lines within **IBFS** have mixed risk-return profiles, and some of them in which SG is a European market leader (i.e., auto leasing and fleet managment, equipment finance) generate strong profitability levels at relatively limited risk. IBFS also includes consumer finance activity in Italy, carrying downside risks. However, the portfolios of operations are very diversified, both by product and region. Weaker exposures are contained compared with the group's sizeable loan book and the bank continues to plan exit from non-synergetic businesses. For instance, it recently finalised the disposal of its Private Banking activities in Belgium, Societe Generale Albania, Express Bank in Bulgaria and La Banque Postale Financement and announced the disposal of SKB in Slovenia.

Management has recently announced its intention to refocus its **GBIS activities**, with the planned closure of OTC commodities and of its proprietary trading subsidiary, with more selectivity in Prime Services and a downsizing of Fixed Income and Currencies operations. This should lead to a €8 billion reduction in risk-weighted assets by 2020 and an additional €500 million savings plan, mainly from the Global Market division, compared to the initial 2018-2020 strategy. SG aims to refocus growth on relevant franchises such as structured and asset finance, transaction banking or investment solutions and improve returns of GBIS operations that have been declining steadily since 2014.

SG has engaged in a digital transformation of all business segments, aiming to develop a fully digital bank in the medium term relying on open banking platforms and infrastructure and enhanced customer experience at a lower cost. Out of the circa €4 billion euros of IT spending annually, representing around 22% of the bank's operating expenses, above 40% is invested in new projects to change the bank, of which around 43% aim to improve infrastructures and efficiency, 29% to enhance the client's experience and 28% are related to regulatory requirements. The progress of the bank is on track to deliver around 200 data projects (or use cases) in production by 2020, more than 4000 new Application Programming Interfaces (APIs) and 80% migration of infrastructure to the Cloud by 2020. The bank expects for instance 100% online daily banking operations and 100% dematerialised standard products offers in FRB by 2020.

SG has historically maintained adequate profitability levels and has shown lower (and declining) earnings volatility compared with many of its global peers. We believe that the group has benefitted from the good diversification of its operations, which we recognise with a positive one-notch adjustment for Business Diversification in the qualitative section of our BCA scorecard.

SG's first quarter 2019 results reflected mainly weaker revenues in French retail, Global Markets and Investor Services and higher operating expenses. Despite robust loan growth (+4%), FRB continued to suffer from the low interest rate environment resulting in 5% decline in revenues in the quarter. In GBIS, weaker global market revenues (-7%) were offset by stronger performance in Financing and Advisory (+19%), but a slight increase in cost of risk resulted in lower profits year on year for the division (-16%). Fixed Income, Currencies and Commodities (FICC) and equity revenues dropped by 16% and 5%, respectively. Conversely, International Retail IBFS steady increase in revenues (+4%) remained supported by business growth across all markets. Excluding exceptional items, group's operating expenses were up 3%, primarily driven by business growth in IBFS.

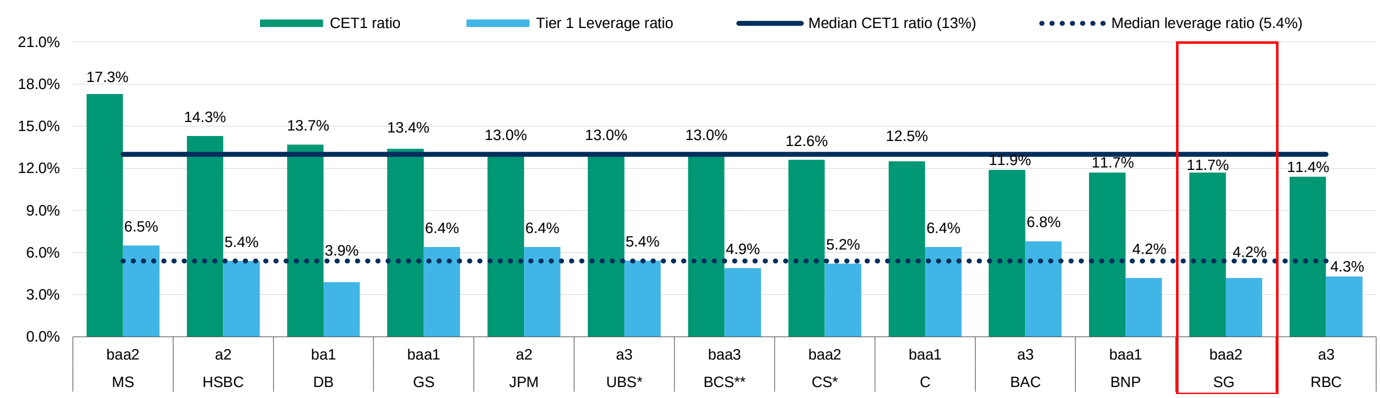
We assess that the bank's profitability prospects will remain constrained over the next 12-18 months, challenging the group's overall profitability, due to: (1) the current challenging operating conditions, including prolonged low interest rates in Europe; (2) and investment costs related to the ongoing digitalisation of its distribution platforms and businesses transformation that we expect will only provide positive jaws effect beyond 2019.

Our ba1 score reflects the bank's profitability challenges, while recognising the very low level of earnings volatility, which SG has demonstrated in recent years.

Regulatory capitalisation is good and improving, underpinned by a strong earnings generation capacity though leverage is higher than many of its global peers.

SG's regulatory capital improved materially in Q1 2019, with a fully loaded common equity tier 1 (CET1) ratio of 11.7% (11.2% in Q4 2018) taking into account the assumption of 50% take-up in the proposed dividend payment in shares. This quarter on quarter increase was mainly supported by a decline in RWAs (+30 bps), the finalisation of several announced disposals of non-strategic businesses (+20 bps) and earnings generation after dividends (+7 bps). In particular, market risk RWAs declined from the previous quarter and the bank started to implement its plan to reduce €8 billion of Global Market RWAs by the end of 2020, of which 75% should be achieved by the end of 2019 and €2.3 billion was already achieved in Q1 2019. SG announced the future disposal of SKB in Slovenia to OTP Bank, which will add to previously announced disposals in Eastern Europe that will contribute around 25 bps to the CET1 ratio in coming quarters, only partly offset by the acquisition of Commerzbank equity markets and commodities business (EMC, 10 bps). Although in line with the announced capital trajectory for 2020, the ratio remains at the lower end of the global peer group (Exhibit 4).

Exhibit 4
CET1 and Tier1 leverage ratios for Global Investment Banks, as at end-March 2019



Source: Company reports

The leverage ratio went slightly down in the quarter to 4.2% from 4.3%. With a Total Loss Absorbing Capacity ratio of 25.2% at end-March 2019 SG already meets 2019 and 2022 expected requirements of 19.5% and 21.5%, and it also meets the 24.4% Minimum Requirements for own funds and Eligible Liabilities (MREL) ratio notified to the bank in 2018.

Our a3 assigned score for Capital reflects both the bank's current good and improved capital position, and our expectation that its regulatory capitalisation, including leverage, will continue to improve over the next 12-18 months, mostly through earnings retention.

Elevated stock of confidence-sensitive wholesale funding is partly mitigated by strong liquidity, well-diversified funding sources and proven access to wholesale funding markets

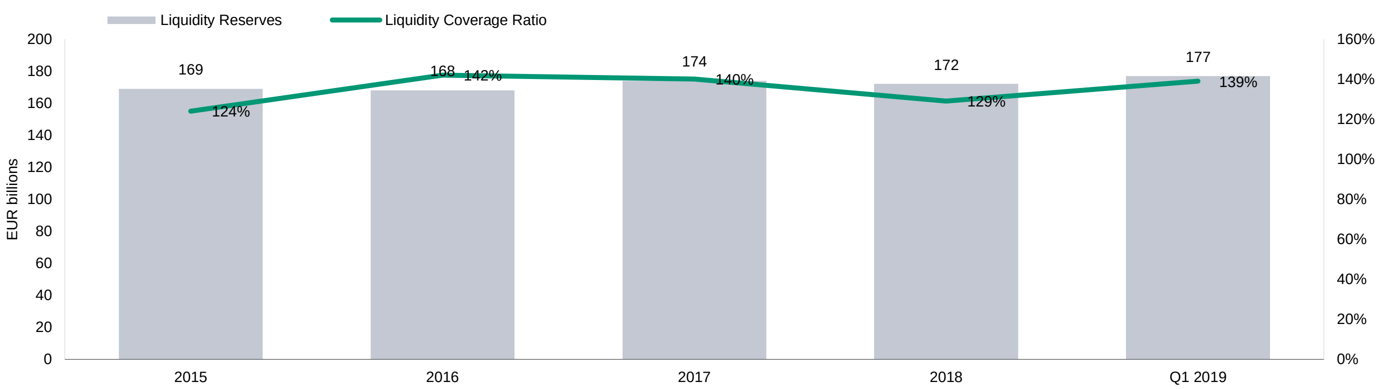
Similar to other French banks and some of its international peers with sizeable capital markets operations, SG has a high stock of wholesale funding on its balance sheet. We believe this exposes these firms to changes in market conditions and renders them more sensitive to swings in investor confidence compared with banks that have a greater proportion of deposits.

SG's capital markets funding stock was €243 billion as of March 2019, driven by large trading and investment portfolios. Around 38% of this funding was short term (including the portion of long-term debt maturing within the following 12 months). Our b1 assigned score for Funding Structure reflects the bank's elevated reliance on wholesale funding, whose associated refinancing risk is partly mitigated by the good diversification of the wholesale funding sources both by investor base and currency.

However, SG has a strong liquidity position, which has been improving over the last few years and is now in line with most of its international peers. As of end-March 2019, SG had a liquidity buffer of €177 billion, which covered around 2x the correspondent stock of short-term funding, inclusive of the long-term debt maturing within the following 12 months (see Exhibit 5). SG's strong liquidity position is also illustrated by its liquidity coverage ratio of 139% as at Q1 2019. Our assigned score of a1 for Liquid Resources reflects these considerations and partly mitigates the weak Funding Structure rating factor, resulting in a Combined Liquidity Score of baa3.

Exhibit 5

SG's liquidity reserves and liquidity coverage ratio



Source: Company reports

Credit quality profile is good, although exposures to some countries with weaker operating conditions than France weaken the bank's credit profile and pose downside risks

SG's Strong Macro Profile is largely driven by its exposure to France (Aa2 positive, Macro Profile: Strong+) and its sizeable operations in the US (Aaa stable, Macro Profile: Very Strong-), partly offset by the group's operations in Central and Eastern Europe, Russia and Africa, which have weaker Macro Profiles.

French banks benefit from operating in a country with a large and broadly diversified economy, a robust institutional framework and a very low susceptibility to event risk. Nevertheless, France's medium- and long-term economic performance will remain constrained by weak economic growth, which, coupled with institutional and political constraints, poses challenges for the material reduction in the government's high debt burden.

The main risk to which SG is exposed to is credit risk, which represented around 82% of the group's risk-weighted assets (RWA) as of end-March 2019 and mainly relates to lending in France, Central and Eastern Europe, and Russia. SG's customer loan book of around €437 billion as of end-March 2019 is exposed to country and sector concentration risks. Exposures to a few relatively large corporates in its financing activities and notable industry concentrations to the financial services sector in the capital market operations also affect SG's asset risk assessment.

SG's credit quality has improved in 2018, and problem loans were equal to 4.2% of gross customer loans at YE 2018 (5% at YE 2017), mainly driven by accelerated write-off measures and sales of non-performing loans. We expect this strategy to continue in the future, in view of the adoption by the European Council in April 2019 of new rules introducing a common minimum loss coverage for banks' non-performing loans, known as "prudential backstop". Although NPLs continued to decline in Q1 2019, SG's problem loans relative to its loan book remain higher than those of most domestic banks due to the firm's exposure to Eastern Europe, Russia and Africa, and its large presence in the mid-corporate French market.

As of YE 2018, the coverage ratio was adequate at 64%, including specific and portfolio-based provisions. The group's cost of risk remained at a low level of 21 bps in Q1 2019 (stable from 2018 average) below SG's 2020 target of 35-40 bps.

SG cost of risk remains at a low level as a result of tightened risk management, improved credit conditions in France helped by prolonged low interest rates, a stabilisation of economic conditions in Russia and write-backs in GBIS. We have reflected these factors in our assigned baa2 assigned score for Asset Risk. We expect marginal increase in the cost of risk, over the next 12-18 months, from the current very low level. Litigation risks also receded in November 2018 as the bank reached an agreement with US authorities for penalties of approximately €1.3 billion.

SG's diversified operations in Russia, which amounted to €16.9 billion of exposure at default (EAD) as of end-March 2019, representing around 2% of the group's total at the same reporting date, are benefiting from economic recovery although operating conditions remain weaker than in other European countries SG operate in. SG has also recently confirmed its Africa expansion strategy, which differentiates the group fro most large international peers. SG plans to increase Africa net banking income (around 5% of the group's net banking income) by around 8% annually until 2020. Although very diversified (19 countries) and focused in regions with more stable operations, such as West Africa, the group's expansion will increase the continent's share of the group risk exposure, in particular in the more vulnerable SME segment. As of December 2018, Africa and Middle East represented 4% of group credit risk exposure but 16% of group problem loans.

SG has sizeable capital market activities, which carry tail risk for creditors

Market risk has significantly decreased over the last two years, as illustrated by market risk RWA of €16 billion, representing only 5% of the total, as of end-March 2019. The average value-at-risk, which was €18 million in Q1 2019, is limited. In addition, counterparty risk and operational risk arise from SG's capital market activities, particularly from its large stock of financial assets and derivatives.

We believe that the firm's market risk appetite has declined and its risk management capabilities have been overhauled in recent years, following the financial crisis and in response to the rogue trader fraud in 2008.

Our baa2 assigned score for Asset Risk takes into account the risks associated with the group's investment banking activities.

We estimate that pure capital market activities, represented around 20% of total revenue as at YE 2018. Although this proportion is lower than those of some of the bank's global peers, it brings elements of earnings volatility, confidence sensitivity and complexity that reduce the value we attribute to these franchises. The high degree of volatility in capital market revenue and the inherent greater risks carried by these types of activities currently constrain the credit profile of SG and those of its global peers, and are reflected in a one-notch adjustment for Opacity and Complexity in the qualitative section of our BCA Scorecard.

Support and structural considerations

Loss Given Failure

We apply our advanced LGF analysis to SG as the bank is incorporated in France, which we consider to be an operational resolution regime because it is subject to the EU Bank Recovery and Resolution Directive (BRRD). For this analysis, we assume that equity and losses stand at 3% and 8%, respectively, of tangible banking assets in a failure scenario. We also assume a 25% run-off of junior wholesale deposits and a 5% run-off in preferred deposits. Moreover, we assign a 25% probability to junior deposits being preferred to senior unsecured debt. These are in line with our standard assumptions. We apply a standard assumption for European banks that 26% of deposits are junior.

Our advanced LGF analysis indicates an extremely low loss-given-failure for junior depositors and senior unsecured creditors, resulting in a three-notch uplift in the relevant ratings from the firm's baa2 Adjusted BCA. For junior senior creditors, due to the subordination of these instruments, our advanced LGF analysis indicates likely low loss severity in the event of the bank's failure, leading to a position in line with the bank's adjusted BCA.

The Assigned LGF notchings for long-term deposit, senior unsecured debt and junior senior unsecured bank are positioned one notch higher than the correspondent LGF notching guidance. This reflects our expectation that SG will continue to issue debt in line with its medium-term funding plan, to which management committed in November 2017, and will be able to maintain continued access to the capital markets. SG has communicated planned issuance of around €11 billion of bail-in-able liabilities despite already complying with its minimum TLAC requirement for 2019 and MREL initial requirement (the first notification indicates a requirement of 8% Total Liabilities & Own Funds equivalent to 24.36% of RWAs as of end-December 2016), to strengthen further its loss absorbing capacity.

Finally, for SG's junior securities, our LGF analysis shows a high loss-given-failure, given the small volume of debt and limited protection from more subordinated instruments and residual equity. We also incorporate additional notching for junior subordinated and preference share instruments, reflecting coupon suspension risk ahead of failure.

Government support

We assess a moderate probability of government support for SG's long-term senior unsecured and junior depositors, resulting in a one-notch uplift to the relevant A1 ratings. For other junior securities, we continue to believe that potential government support is low and these ratings do not include any related uplift.

Counterparty Risk Rating

CRRs are opinions of the ability of entities to honour the uncollateralised portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honoured. CRRs are distinct from ratings assigned to senior unsecured debt instruments and from issuer ratings because they reflect that, in a resolution, CRR liabilities might benefit from preferential treatment compared with senior unsecured debt. Examples of CRR liabilities include the uncollateralised portion of payables arising from derivatives transactions and the uncollateralised portion of liabilities under sale and repurchase agreements.

The counterparty risk rating of A1 reflects the Adjusted BCA of baa2, three notches of uplift reflecting the extremely low loss-given failure from the high volume of instruments that are subordinated to CRR liabilities. The CRR also benefits from one notch of systemic support, as an assumption of a very high likelihood of government support. The short-term CRR is P-1.

Rating methodology and scorecard factors

Exhibit 6

Societe Generale

Macro Factors						
Weighted Macro Profile **Strong**	**100%**					
Factor	**Historic Ratio**	**Macro Adjusted Score**	**Credit Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	5.0%	baa2	↑	baa2	Quality of assets	Market risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	12.2%	baa1	↑	a3	Capital retention	Stress capital resilience
Profitability						
Net Income / Tangible Assets	0.3%	ba3	←→	ba1	Return on assets	Loan loss charge coverage
Combined Solvency Score		baa3		baa2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	47.9%	b1	←→	b1	Term structure	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	43.5%	a1	←→	a1	Stock of liquid assets	
Combined Liquidity Score		baa3		baa3		
Financial Profile				baa2		
Qualitative Adjustments				Adjustment		
Business Diversification				1		

Opacity and Complexity	-1
Corporate Behavior	0
Total Qualitative Adjustments	0
Sovereign or Affiliate constraint	Aa2
Scorecard Calculated BCA range	baa1 - baa3
Assigned BCA	baa2
Affiliate Support notching	0
Adjusted BCA	baa2

Balance Sheet	In-scope (EUR Million)	% In-scope	At failure (EUR Million)	% At failure
Other liabilities	448,734	48.0%	482,153	51.6%
Deposits	327,643	35.1%	294,223	31.5%
Preferred deposits	242,456	26.0%	230,333	24.7%
Junior Deposits	85,187	9.1%	63,890	6.8%
Senior senior unsecured bank debt	0	0.0%	0	0.0%
Senior unsecured bank debt	93,034	10.0%	93,034	10.0%
Junior senior unsecured bank debt	13,400	1.4%	13,400	1.4%
Dated subordinated bank debt	13,618	1.5%	13,618	1.5%
Junior subordinated bank debt	217	0.0%	217	0.0%
Preference shares (bank)	9,483	1.0%	9,483	1.0%
Senior unsecured holding company debt	0	0.0%	0	0.0%
Dated subordinated holding company debt	0	0.0%	0	0.0%
Junior subordinated holding company debt	0	0.0%	0	0.0%
Preference shares(holding company)	0	0.0%	0	0.0%
Equity	28,025	3.0%	28,025	3.0%
Total Tangible Banking Assets	934,153	100.0%	934,153	100.0%

Debt Class	De jure waterfall		De facto waterfall		Notching		LGF notching guidance versus BCA	Assigned LGF notching	Additional notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De jure	De facto				
Counterparty Risk Rating	24%	24%	24%	24%	3	3	3	3	0	a2
Counterparty Risk Assessment	24%	24%	24%	24%	3	3	3	3	0	a2(cr)
Deposits	24%	7%	24%	17%	2	3	2	3	0	a2
Senior unsecured bank debt	24%	7%	17%	7%	2	2	2	3	0	a2
Junior senior unsecured bank debt	7%	5%	7%	5%	-1	-1	-1	0	0	baa2
Dated subordinated bank debt	5%	4%	5%	4%	-1	-1	-1	-1	0	baa3
Junior subordinated bank debt	4%	4%	4%	4%	-1	-1	-1	-1	-1	ba1
Non-cumulative bank preference shares	4%	3%	4%	3%	-1	-1	-1	-1	-2	ba2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency rating	Foreign Currency rating
Counterparty Risk Rating	3	0	a2	1	A1	A1
Counterparty Risk Assessment	3	0	a2(cr)	1	A1(cr)	
Deposits	3	0	a2	1	A1	A1
Senior unsecured bank debt	3	0	a2	1	A1	A1
Junior senior unsecured bank debt	0	0	baa2	0	Baa2	Baa2
Dated subordinated bank debt	-1	0	baa3	0	Baa3	Baa3
Junior subordinated bank debt	-1	-1	ba1	0	(P)Ba1	Ba1 (hyb)
Non-cumulative bank preference shares	-1	-2	ba2	0	Ba2 (hyb)	Ba2 (hyb)

[1]Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 7

Category	Moody's Rating
SOCIETE GENERALE	
Outlook	Stable
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Junior Senior Unsecured	Baa2
Junior Senior Unsecured MTN	(P)Baa2
Subordinate	Baa3
Jr Subordinate	Ba1 (hyb)
Pref. Stock Non-cumulative	Ba2 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1

Source: Moody's Investors Service

REPORT NUMBER 1176295

CLIENT SERVICES

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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