Creditreform Bank Rating
Société Générale SA (Group)

Creditreform Rating

Rating Object	Rating Information	
Société Générale SA (Group)	Long Term Issuer Rating / Outlook: **A- / stable**	Short Term: **L2**
Creditreform ID: 552120222	Type: Update / Unsolicited	
Rating Date: **19 August 2024** Monitoring until: withdrawal of the rating Rating Methodology: CRA "Bank Ratings v.3.3" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.2" CRA "Environmental, Social and Governance Score for Banks v.1.1" CRA "Rating Criteria and Definitions v.1.3" Rating History: www.creditreform-rating.de	Rating of Bank Capital and Unsecured Debt Instruments: Preferred Senior Unsecured (PSU): Non-Preferred Senior Unsecured (NPS): Tier 2 (T2): Additional Tier 1 (AT1):	 A- BBB+ BB+ BB

Rating Action

Creditreform Rating affirms Société Générale's (Group) Long-Term Issuer Rating at A- (Outlook: stable)

Creditreform Rating (CRA) affirms Société Générale's (Group) Long-Term Issuer Rating at A-. The rating outlook is stable.

CRA affirms Société Générale's Preferred Senior Unsecured Debt at A-, Non-Preferred Senior Unsecured Debt at BBB+, Tier 2 Capital at BB+ and AT1 Capital at BB.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

Key Rating Drivers

- Significant net profit increase after last year's result was lower due to one-off effects in connection with the Russia-Ukraine conflict
- Large G-SIB with a substantial presence in France, western Europe and North America
- Overall above average asset-quality
- Exhibits average capital ratios with a slight decrease in Tier1 and Total Capital ratio

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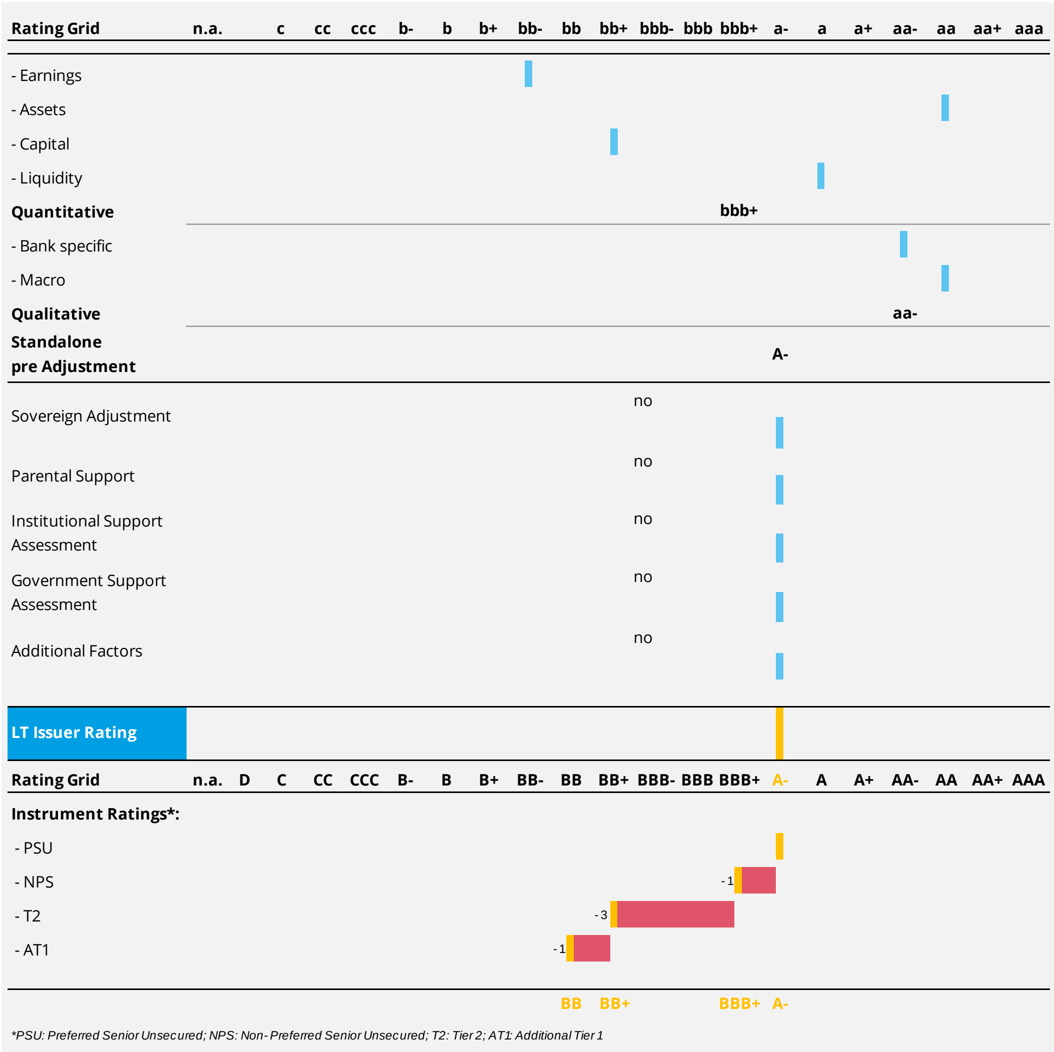
Executive Summary



The rating of Société Générale is prepared on the basis of group (Société Générale) consolidated accounts.

Creditreform Rating (CRA) affirms Société Générale SA (Group) Long-Term Issuer Rating at A-. The rating outlook is stable. The rating was affirms due to the improvement of the operating profit in 2023. We are also in favour of asset growth while maintaining the same level of quality. Based on the half-year figures for 2024, we expect SG's positive trend to continue so that the targets set remain achievable.

Company Overview

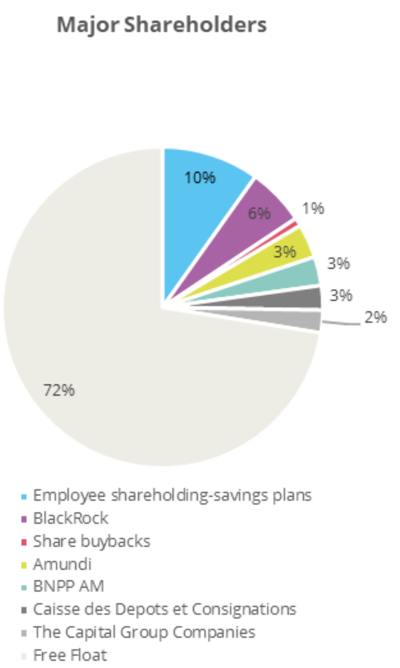
Société Générale (in the following: SG or bank) was founded in 1864 and thus belongs to one of the three oldest commercial banks in France. It is one of the largest European financial services groups and operates a diversified, universal banking model. The bank employs more than 126.8k staff in 65 countries and serves 25mn clients.

SG operates three core businesses: *French Retail Banking*, *International Retail Banking and Financial Services and Global Banking* and *Investor Solutions*. *French Retail Banking* comprises SG, Crédit du Nord (regional banks) and Boursorama (online bank) brands, each offering omni-channel products and services. *International Retail Banking* offers insurance and financial services to corporates with networks around the globe. *Global Banking* offers expertise, key international locations and integrated solutions.

SG announced the planned merger of SG and Crédit du Nord banking networks in December 2020 through the project VISION 2025. In 2022, the preparation of the legal merger was finalized and is effective since January 2023. The newly created single retail banking entity serves over 10 million customers. In the medium term, the leasing entity plan is set to become a third pillar alongside retail banking and insurance, and corporate and investment banking.

The shareholder structure per December 2023 is as follows:

Chart 1: Major Shareholders of SG| Source: Annual Report



Business Development

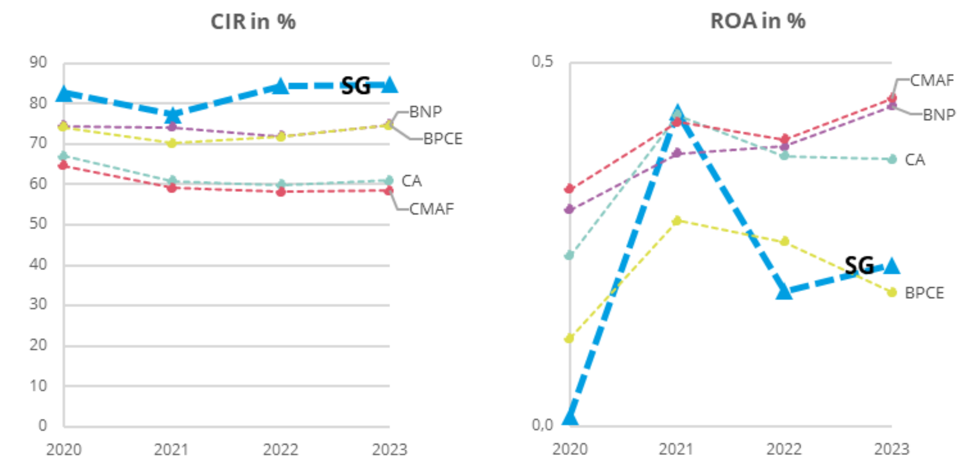
Profitability

Creditreform Rating AG follows a structural approach in the presentation of the income statement and balance sheet as well as in the calculation of key ratios. The presentation may therefore differ from that of the bank. Creditreform Rating pursues the goal of making financial statements of different banks as well as within the scope of consolidation as comparable as possible. Certain key ratios are also taken or calculated from the Bank's Pillar III Report for reasons of comparability. Balance sheet and income statement figures are taken from the consolidated financial statements of the respective years. One-off or exceptional items are, where possible, relegated to the line items non-recurring revenue and expense.

Net interest income was the key earnings driver in 2023, with a substantial EUR 10.3bn, representing roughly 25% of SG's operating income. There is no doubt that both interest income and expense increased significantly in 2023. However, it is clear that interest expenses grew significantly more than interest income. Overall, there was a 19.7% decrease in net interest income. Despite a decline in net results from transactions with customers, net fee and commission income rose by 7.1% to EUR 5.6bn, driven by higher net results in various services. The bank suffered a significant loss in net insurance income. This was mainly due to a significant loss from expenses in connection with newly concluded contracts. Net gains or losses from financial assets and liabilities at fair value through profit or loss recorded a profit of EUR 1.5bn, reversing a significant loss in the previous year. This resulted in a substantial increase in net trading and securities income.

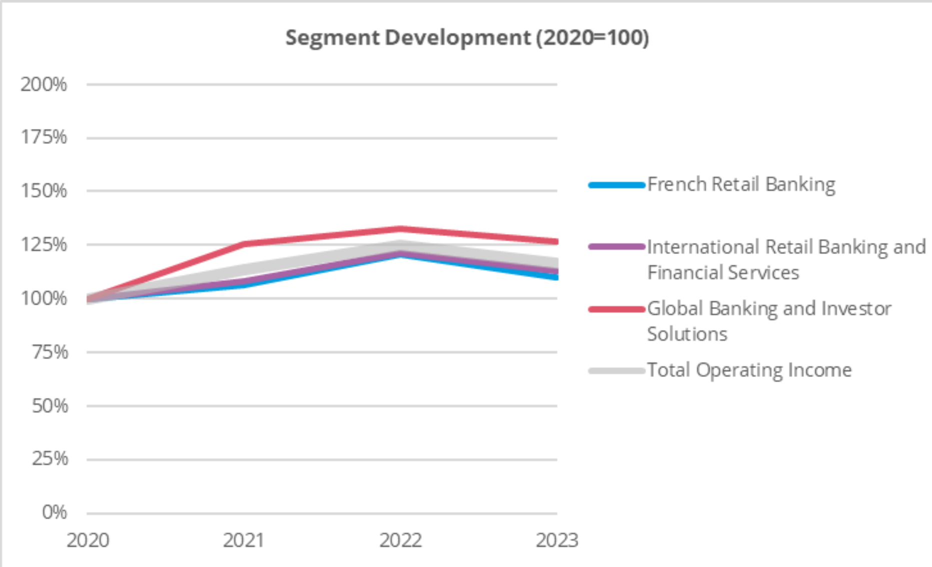
Additionally, operating expenses rose by 12.9%, largely due to higher costs associated with operating leases, including investment property. Consequently, operating expenses grew at a slightly faster rate than operating income, leading to an SG CIR increase to 84.6%. When benchmarked against the peer group CIR, it is evident that SG has significant scope for improvement in this area.

Chart 2: CIR and ROA of SG in comparison to the peer group | Source: eValueRate / CRA



SG reports mainly in three segments, namely *French Retail Banking*, *International Retail Banking and Financial Services*, and *Global Banking and Investor Solutions*. All three segments are similar in size and have relatively low volatility as can be seen in Chart 3.

Chart 3: Segment Income Development of SG | Source: Annual Report



The overall group cost of risk decreased to EUR 1.4 bn, due to an increase in customer loans expense. The net profit of SG increased significantly by 25.2% to EUR 3.4bn in 2023. However, despite this increase, the bank's earnings ratios still lag behind those recorded in 2021.

The merger with Crédit du Nord also affected the bank's income statement. Using the same data basis as in 2022, the bank's net banking income shows a loss of over EUR 300mn.

In the first half of 2024, the bank was able to significantly raise its forecast for the year as a whole. Profit is expected to increase by over 30% compared to the previous year. Furthermore, the CIR was reduced.

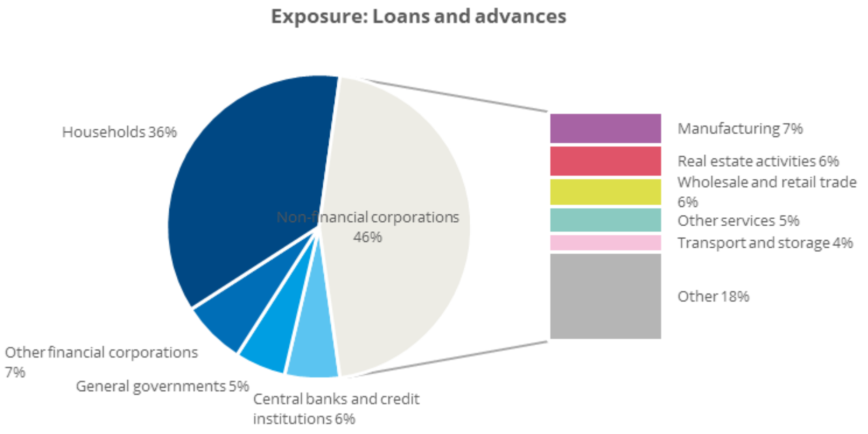
Asset Situation and Asset Quality

The volume of loans extended by SG declined by approximately 3.8% in 2023, following an increase in both 2022 and 2021. This was primarily attributable to a decline in the necessity for loans, which was a consequence of the weaker economic climate. The bank's non-performing loan (NPL) ratio exhibited a slight increase from 3.1% to 3.3%, while the potential problem loan ratio (stage 2) demonstrated a notable decline from 8.5% to 7.9%.

The overall quality of SG's assets remains exceptionally high in 2023. In terms of geography, the majority of the group's asset exposure is concentrated in France (67%), followed by Europe excluding France (17%). The remaining portion is concentrated in the Americas (9%), Asia/Oceania (5%), and Africa (2%). With respect to SG's business segments, the majority of the asset exposure is located at Global Banking and Investor Solutions (52.8%), followed by French Retail Banking (28.1%) and International Retail Banking and Financial Services (14%). SG was unable to enhance its RWA ratio any further. It reached 25%, which remains noteworthy and serves to illustrate the well-diversified nature of Société Générale's business portfolio.

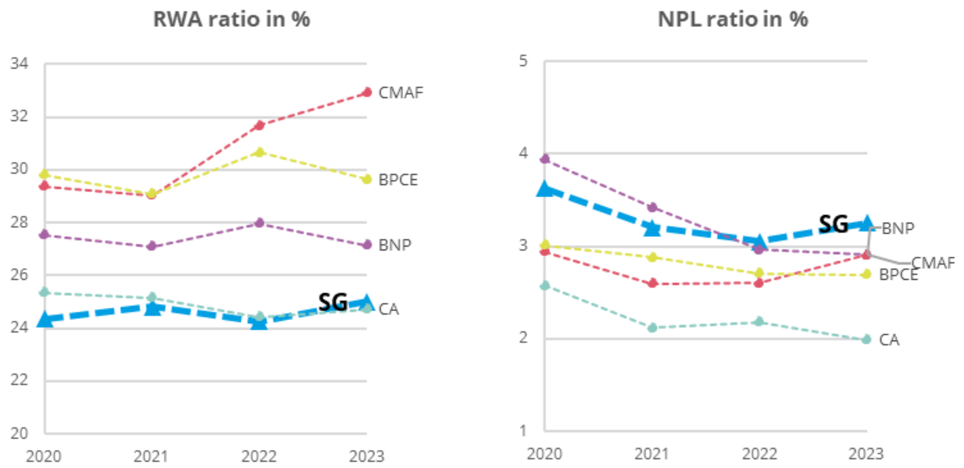
The favourable diversification of credit exposure across a range of industries and households is also demonstrated by the following chart:

Chart 2: Exposure Loans and Advances | Source: eValueRate / CRA



The comparison with the peer group (RWAs in relation to total assets) also illustrates the remarkable position of SG's asset quality: Regarding the NPL Ratio, SG lags behind its peer group.

Chart 5: NPL and RWA ratios of SG in comparison to the peer group | Source: eValueRate / CRA



The merger with Crédit du Nord had an inflating effect of EUR 51.76bn on the balance sheet total. The majority of this is attributable to growth in the area of customer loans amounting to around EUR 52.16bn, which resulted from the merger. It had a negative effect of EUR 15.4bn on loans to banks.

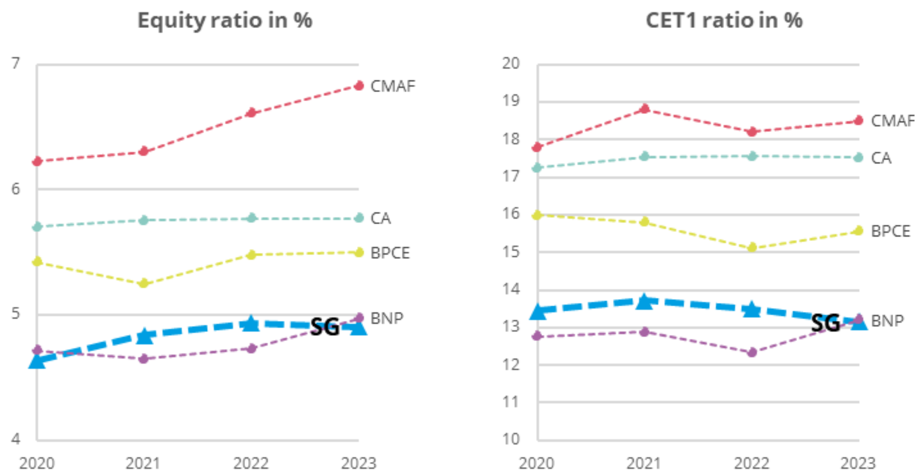
Over the course of the initial six-month period of the year, the bank was obliged to accept a decline in customer loans of over 5%. Total assets increased by almost 2.5%. The RWA remained almost unchanged in comparison to the previous year.

Refinancing, Capital Quality and Liquidity

As the total assets of Société Générale increased at a rate exceeding that of total equity, the total equity ratio experienced a slight decline and continues to underperform in comparison to the general market. With regard to the bank's capital ratios, there was a slight decrease in the CET ratio, which fell to 13.15% despite an increase in CET1 capital. This was primarily attributable to regulatory deductions and the rising RWA exposure. Consequently, SG ended 2023 with a CET1 buffer exceeding the SREP minimum requirement of 3.4%, with the potential for further improvement. Similarly, the Tier 1 ratio decreased from 16.1% to 15.5%, while the Total Capital ratio decreased from 19.2% to 18.2%. Overall, Société Générale exhibits average capital ratios. With regard to the liquidity situation, it remains satisfactory, with a liquidity coverage ratio of 159.3%, which is above the previous year's level, and an average NSFR of 118.8%.

A comparison with the peer group clearly shows that some of SG's peers are significantly better capitalized (CET1 ratio):

Chart 6: Equity and CET1 ratios of SG in comparison to the peer group | Source: eValueRate / CRA



On the liabilities side of the balance sheet, the merger with Crédit du Nord mainly had an impact on customer deposits, which showed an increase of EUR 52.65bn attributable to the merger. Other notable effects of the merger were a decrease of EUR 4.9bn in accruals and an increase of EUR 2.85bn in equity.

During the initial six-month period of 2024, the financial institution was able to achieve a modest growth in both customer deposits and equity. However, the equity ratio declined as a consequence of the expansion of the balance sheet. The leverage ratio, LCR and NSFR ratios also exhibited a slight decline. The ratios of regulatory capital remained essentially unaltered.

Due to SG's bank capital and debt structure, as well as its status as a G-SIB, the Group's Preferred Senior Unsecured Debt instruments are not notched down in comparison to the Long-Term Issuer Rating. Due to the seniority structure, SG's Non-Preferred Senior Unsecured debt is rated BBB+. SG's Tier 2 Capital is rated BB+ based on the SG's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 Capital is rated BB, reflecting the capital structure, seniority and a high bail-in risk in the event of resolution.

Environmental, Social and Governance (ESG) Score Card

Société Générale has one significant and two moderate ESG rating drivers

• Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated very posititve

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral due to relatively low amount of green bonds, Coporate Behaviour is rated negative

ESG Bank Grade

3,6 / 5

Grade Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
< = 1,75	Poor

	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	1.2 Exposure to Environ-mental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	2	( )
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating.	1	(+)
Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating.	1	(+)
Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated very positive in terms of the CRA ESG criteria.	4	(+ +)
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated negative in terms of the CRA ESG criteria.	3	(-)
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating.	1	(+ +)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
(-)	Negative
(- -)	Strong negativ

The ESG Grade is based on the Methodology "Environmental, Social and Governance Grade of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage https://creditreform-rating.de/en/about-us/regulatory-requirements.html. In addition, we refer to CRA's position paper "Consodering the Impact of ESG Factors".

Outlook

The outlook of the Long-Term Issuer Rating of SG is stable. In the medium term, CRA expects stable asset quality for Société Générale SA in the loan portfolio. As a result, we continue to expect a profitable business model, even with lower interest margins. Due to the low RWA ratio and the low NPL ratio, we do not expect a weakening economy.

Best-case scenario: A

Worst-case scenario: BBB+

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

Scenario Analysis

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of A in the "Best-Case-Scenario" and a Long-Term Issuer Rating of BBB+ in the "Worst-Case-Scenario". The ratings of Bank Capital and Senior Unsecured Debt would respond similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade SG's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt due to due to stable growth in the loan portfolio with unchanged asset quality ratios. At the same time, the interest margin should remain constant, so that the net income generated will further increase equity.

By contrast, a downgrade of SG's Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt due to a further weakening of the economy in France and the resulting higher write-offs on the loan portfolio or a higher NPL exposure.

Appendix

Bank ratings Société Générale SA

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **A- / L2 / stable**

Bank Capital and Debt Instruments Ratings Société Générale SA

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): **A-**
Non-Preferred Senior Unsecured (NPS): **BBB+**
Tier 2 (T2): **BB+**
Additional Tier 1 (AT1): **BB**

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Long-Term Issuer Rating	Rating Date	Result
Initialrating	23.05.2018	BBB+ / stable / L2
Rating Update	16.08.2019	BBB+ / stable / L2
Monitoring	24.03.2020	BBB+ / NEW / L2
Rating Update	17.11.2020	BBB+ / negative / L3
Rating Update	24.11.2021	BBB+ / positive / L3
Rating Update	06.12.2022	A- / stable / L2
Rating Update	07.11.2023	A- / stable / L2
Rating Update	19.08.2024	A- / stable / L2
Bank Capital and Debt Instruments	**Rating Date**	**Result**
Senior Unsecured / T2 / AT1 (initial)	23.05.2018	BBB+ / BB / BB-
PSU / NPS / T2 / AT1	16.08.2019	BBB+ / BBB / BB / BB-
PSU / NPS / T2 / AT1	24.03.2020	BBB+ / BBB / BB / BB- (NEW)
PSU / NPS / T2 / AT1	17.11.2020	BBB+ / BBB / BB / BB-
PSU / NPS / T2 / AT1	24.11.2021	BBB+ / BBB / BB / BB-
PSU / NPS / T2 / AT1	06.12.2022	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	07.11.2023	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	19.08.2024	A- / BBB+ / BB+ / BB

Tables Group (if applicable)

Figure 2: Income statement[1] | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	10.310	-19,7	12.841	10.718	10.473
Net Fee & Commission Income	5.588	+7,1	5.217	5.320	4.917
Net Insurance Income	-4.702	< -100	5.554	2.238	2.124
Net Trading & Fair Value Income	10.290	> +100	866	5.723	2.851
Equity Accounted Results	24	+60,0	15	6	3
Dividends from Equity Instruments	-	-	-	-	-
Other Income	21.005	+57,9	13.301	12.237	11.471
Operating Income	**42.515**	**+12,5**	**37.794**	**36.242**	**31.839**
Expense					
Depreciation and Amortisation	1.675	+6,8	1.569	1.645	1.604
Personnel Expense	10.645	+5,9	10.052	9.764	9.289
Tech & Communications Expense	2.440	-5,2	2.574	2.371	2.087
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-87
Other Expense	21.271	+20,1	17.714	14.248	13.457
Operating Expense	**36.031**	**+12,9**	**31.909**	**28.028**	**26.350**
Operating Profit & Impairment					
Operating Profit	**6.484**	**+10,2**	**5.885**	**8.214**	**5.489**
Cost of Risk / Impairment	1.356	-17,6	1.646	814	4.077
Net Income					
Non-Recurring Income	-	-	-	635	0
Non-Recurring Expense	-	-	-	-	12
Pre-tax Profit	**5.128**	**+21,0**	**4.239**	**8.035**	**1.400**
Income Tax Expense	1.679	+13,2	1.483	1.697	1.204
Discontinued Operations	-	-	-	-	-
Net Profit	**3.449**	**+25,1**	**2.756**	**6.338**	**196**
Attributable to minority interest (non-controlling interest)	956	+2,7	931	697	454
Attributable to owners of the parent	2.493	+36,6	1.825	5.641	-258

Figure 3: Key earnings figures| Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	84,75	+0,32	84,43	77,34	82,76
Cost Income Ratio ex. Trading (CIRex)	111,81	+25,40	86,41	91,84	90,90
Return on Assets (ROA)	0,22	+0,04	0,19	0,43	0,01
Return on Equity (ROE)	4,52	+0,76	3,76	8,94	0,29
Return on Assets before Taxes (ROAbT)	0,33	+0,04	0,29	0,55	0,10
Return on Equity before Taxes (ROEbT)	6,73	+0,94	5,78	11,34	2,09
Return on Risk-Weighted Assets (RORWA)	0,89	+0,12	0,76	1,74	0,06
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,32	+0,14	1,18	2,21	0,40
Net Financial Margin (NFM)	1,46	+0,45	1,01	1,43	1,14
Pre-Impairment Operating Profit / Assets	0,42	+0,02	0,40	0,56	0,38

Change in %- Points

[1] Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets| Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	223.048	+7,7	207.013	179.969	168.179
Net Loans to Banks	53.257	+5,5	50.502	45.788	52.442
Net Loans to Customers	488.394	-3,8	507.468	495.147	440.322
Total Securities	343.335	+8,0	318.026	197.026	193.497
Total Derivative Assets	93.687	-12,8	107.484	113.725	155.039
Other Financial Assets	209.730	+24,6	168.289	120.355	161.497
Financial Assets	**1.411.451**	**+3,9**	**1.358.782**	**1.152.010**	**1.170.976**
Equity Accounted Investments	227	+55,5	146	95	100
Other Investments	742	-16,4	888	12	12
Insurance Assets	459	+30,0	353	178.898	166.854
Non-current Assets & Discontinued Ops	1.763	+63,1	1.081	27	6
Tangible and Intangible Assets	64.921	+76,2	36.851	35.697	34.120
Tax Assets	4.717	+5,2	4.484	4.812	4.995
Total Other Assets	69.765	-15,2	82.315	92.898	67.341
Total Assets	**1.554.045**	**+4,7**	**1.484.900**	**1.464.449**	**1.444.404**

Figure 5: Development of asset quality| Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	31,43	-2,75	34,18	33,81	30,48
Risk-weighted Assets[1] / Assets	25,02	+0,74	24,28	24,81	0,00
NPL[2]/ Loans to Customers[3]	3,25	+0,20	3,05	3,20	3,63
NPL[2]/ Risk-weighted Assets[1]	4,10	-0,27	4,37	4,50	4,79
Potential Problem Loans[4]/ Loans to Customers[3]	7,91	-0,56	8,47	8,54	10,55
Reserves[5]/ NPL[2]	79,61	-0,29	79,89	80,73	76,32
Cost of Risk / Loans to Customers[3]	0,28	-0,04	0,32	0,16	0,88
Cost of Risk / Risk-weighted Assets[1]	0,35	-0,11	0,46	0,22	1,16
Cost of Risk / Total Assets	0,09	-0,02	0,11	0,06	0,28

Change in %-Points
1 RWA: Pillar 3, EU CR1
2 NPL: Gross; Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1
5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy| Source: eValueRate / CRA

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	122.587	-11,0	137.739	140.948	134.025
Total Deposits from Customers	533.842	+1,9	523.867	502.395	450.523
Total Debt	218.883	+9,3	200.225	197.104	186.554
Derivative Liabilities	102.654	-6,0	109.161	119.864	161.791
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	256.111	+34,1	190.948	165.254	207.477
Total Financial Liabilities	**1.234.077**	**+6,2**	**1.161.940**	**1.125.565**	**1.140.370**
Insurance Liabilities	141.723	+4,3	135.875	155.288	146.126
Non-current Liabilities & Discontinued Ops	1.703	> +100	220	1	0
Tax Liabilities	2.361	+50,1	1.573	1.501	1.137
Provisions	4.276	-8,1	4.651	4.926	4.822
Total Other Liabilities	93.658	-12,7	107.315	106.305	84.937
Total Liabilities	**1.477.798**	**+4,7**	**1.411.574**	**1.393.586**	**1.377.392**
Total Equity	**76.247**	**+4,0**	**73.326**	**70.863**	**67.012**
Total Liabilities and Equity	**1.554.045**	**+4,7**	**1.484.900**	**1.464.449**	**1.444.404**

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	4,91	-0,03	4,94	4,84	4,64
Leverage Ratio[1]	4,25	-0,12	4,37	4,87	4,77
Common Equity Tier 1 Ratio (CET1)[2]	13,15	-0,34	13,49	13,71	13,44
Tier 1 Ratio (CET1 + AT1)[2]	15,56	-0,73	16,29	15,94	15,97
Total Capital Ratio (CET1 + AT1 + T2)[2]	18,22	-1,12	19,34	18,85	19,21
CET1 Minimum Capital Requirements[1]	9,76	+0,41	9,35	9,02	9,02
Net Stable Funding Ratio (NSFR)[1]	118,77	+5,17	113,60	110,41	-
Liquidity Coverage Ratio (LCR)[1]	159,31	+17,90	141,41	135,95	160,14

Change in %-Points
1 Pillar 3 EU KM1
2 Regulatory Capital Ratios: Pillar 3 EU KM1

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the following methodologies and Rating Criteria and Definitions (v1.3):

- Bank ratings (v3.3)
- Rating of bank capital and unsecured debt instruments (v2.2)
- Institutional Protection Scheme Banks (v1.0)
- Environmental, Social and Governance Score for Banks (v1.1)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html

On 19 August 2024, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Société Générale SA, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Rating Endorsement Status: The rating of Société Générale SA (Group) was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

Conflict of Interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

Creditreform Rating AG guarantees that the provision of ancillary services does not cause a conflict of interest with its rating activities and discloses in the final rating report which ancillary services were provided for the rating object or for third parties associated with it. The following ancillary services were provided for this rating object or for related third parties:

Credit Service ancillary services for a related third party.

The final list of rating-related and credit services can be viewed on the Creditreform Rating AG website at https://www.creditreform-rating.de/de/wir-ueber-uns/regulatorische-anforderungen.html#nebendienstleistungen.

Rules on the Presentation of Credit Ratings and Rating Outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate

2. Annual Report and interim reports

3. Investors relations information and other publications

4. Website of the rated bank

5. Public and internal market analyses

6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the rating report or in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available in the rating report or the „Basic data" information card.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website: https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml.

An explanatory statement of the meaning of Creditreform's default rates are available in the credit rating methodologies disclosed on the website.

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