

Rated entity:

Bearer Notes with ISIN: XS0867725409 issued by SG issuer S.A.

Rating:

BBB+

Rating outlook / watch:

watch negative

Rating summary:

Object of this rating are the dual range accrual notes under the 5bn EUR Debt Instruments Issuance Programme (bearer notes) issued by SG Issuer S.A. (borrower). The net proceeds from the issue will be applied for the general financing purposes of Société Générale Group, which include making profit. The CRA rating of BBB+ / watch negative represents a highly satisfactory level of credit quality and a low to medium investment risk.

Primary key rating driver:

- (+) Unconditional and irrevocable guarantee of Société Générale Group
- (+) Guarantor with rating of BBB+ / watch negative (bank issuer rating) and a rating of its preferred senior unsecured debt of BBB+ / watch negative
- (+/-) Transaction is additionally secured by a specific collateral pool
- (-) Guarantor rating has a watch negative qualifier due to potential impact of COVID-19
- (-) Value of collateral pool depends on complex market value calculations and interest rate models of Société Générale
- (-) Broad eligibility criteria for collateral pool assets
- (-) Issuer of collateral pool assets and guarantor may share same idiosyncratic risk factors (both group companies of Société Générale)

Rating sensitivities:

Best-case scenario: In this scenario, we (ceteris paribus) notched up the rating of the guarantor by +1 Notch, resulting in a rating of A-.

Worst-case scenario: In this scenario, we (ceteris paribus) notched down the rating of the guarantor by -1 Notch, resulting in a rating of BBB.

ESG-criteria:

CRA generally considers ESG factors (environment, social and governance) within its rating decisions. In the present case, ESG criteria had no comprehensive impact to the rating.

On the subject of ESG (environment, social and governance), Creditreform Rating AG has published the basic document ("The Impact of ESG Factors on Credit Ratings"), which is available on the homepage under the following link:

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

Rating Date / disclosure to rated entity / maximum validity:

July 28, 2020 / July 31, 2020 / June 30, 2033

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

Initial rating date:

July 28, 2020

Lead-analyst – position / Person approving (PAC):

Stephan Giebler (Lead) – Senior Analyst

Lars Köhler (PAC) – Senior Analyst

Name & address of legal entity:

Creditreform Rating AG, Europadamm 2, 41460 Neuss, Germany

Status of solicitation:

The rating is a solicited rating. The degree of participation was as follows:

With Rated Entity or Related Third Party Participation: Yes

With Access to Internal Documents: Yes

With Access to Management: Yes

Rating methodology / Version / Date of application / Link:

[Rating Criteria and Definitions, Version 1.3, January 2018](#)

[Rating Methodology Financial Instruments \(Issue Ratings\), Version 1.3, July 2016](#)

[Technical Documentation Portfolio Loss Distributions, Version 1.4, July 2018](#)

Information on the meaning of a rating category, definition of default and sensitivity analysis of relevant key rating assumptions can be found at "Creditreform Rating AG, Rating Criteria and Definitions".

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

Regulatory requirements:

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.

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. In case of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

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. Transaction structure and participants
2. Transaction documents
3. Issuing documents
4. Other rating relevant documentation

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.