

Media Release:

Societe Generale, Taipei Branch Outlook Revised To Negative Following Similar Action On Parent; 'twAA+/twA-1+' Ratings Affirmed

May 19, 2020

Overview

- S&P Global Ratings has revised the outlook on its long-term issuer credit rating on Paris-based Societe Generale to negative from stable and affirmed the long- and short-term ratings on the bank.
- The ratings and outlook on SG Taipei move in tandem with those on its parent, which reflects our view that the branch has the same credit profile as its parent.
- We are therefore revising the outlook on our long-term issuer credit rating on SG Taipei to negative from stable. We are also affirming the long- and short-term issuer credit ratings at 'twAA+/twA-1+'.

Rating Action

Taiwan Ratings Corp. today revised the outlook on its long-term issuer credit rating on **Societe Generale, Taipei Branch** (SG Taipei) to negative from stable. At the same time, we affirmed the long- and short-term issuer credit ratings at 'twAA+/twA-1+'.

Rationale

On May 15, 2020, S&P Global Ratings revised the outlook on Paris-based Societe Generale to negative from stable and affirmed the long- and short-term issuer credit ratings at 'A/A-1'.

The outlook revision on SG Taipei branch is in accordance with the rating action taken by S&P Global Ratings on the parent bank Societe Generale, given our view that the Taipei branch has the same creditworthiness as the parent. We expect the parent to fulfill the Taipei branch's obligations on a timely basis, if needed. SG Taipei follows the policies and procedures as its headquarters with good integration on its risk management framework. SG Taipei's capital has remained adequate since it began operations and the parent headquarters has supported most of its funding needs.

Outlook

The negative outlook on SG Taipei reflects the outlook on its parent's credit profile. The ratings on SG Taipei will move in tandem with those on Societe Generale.

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Related Criteria & Research

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Jul 01 2019
- General Criteria: Group Rating Methodology, Jul 01 2019
- Understanding Taiwan Ratings' Rating Definitions, Jun 26 2018
- General Criteria: Methodology For National And Regional Scale Credit Ratings, Jun 25 2018
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, Apr 19 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, Jul 20 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, Apr 07 2017
- General Criteria: Guarantee Criteria, Oct 21 2016
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, Apr 27 2015
- General Criteria: Principles For Rating Debt Issues Based On Imputed Promises, Dec 19 2014
- Criteria | Financial Institutions | Banks: Assessing Bank Branch Creditworthiness, Oct 14 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, Jul 17 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Wed Nov 09 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov 09 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sep 14 2009
- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, Mar 23 2004

Related Research

- Societe Generale Outlook To Negative On Profitability Challenges; Ratings Affirmed; Hybrid And Sub Debt Downgraded, www.capitaliq.com - May 15, 2020.
- Societe Generale Outlook To Stable As Profitability Prospects Falter In The Face Of COVID-19; 'A/A-1' Ratings Affirmed, www.capitaliq.com - April 3, 2020.
- Full Analysis: Societe Generale, www.capitaliq.com - January 14, 2020

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

Ratings List

Ratings Affirmed; Outlook Action

	To	From
Societe Generale, Taipei Branch		
Issuer Credit Rating	twAA+/Negative/twA-1+	twAA+/Stable/twA-1+

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.taiwanratings.com for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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