S&P Global
Ratings

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ALD S.A.

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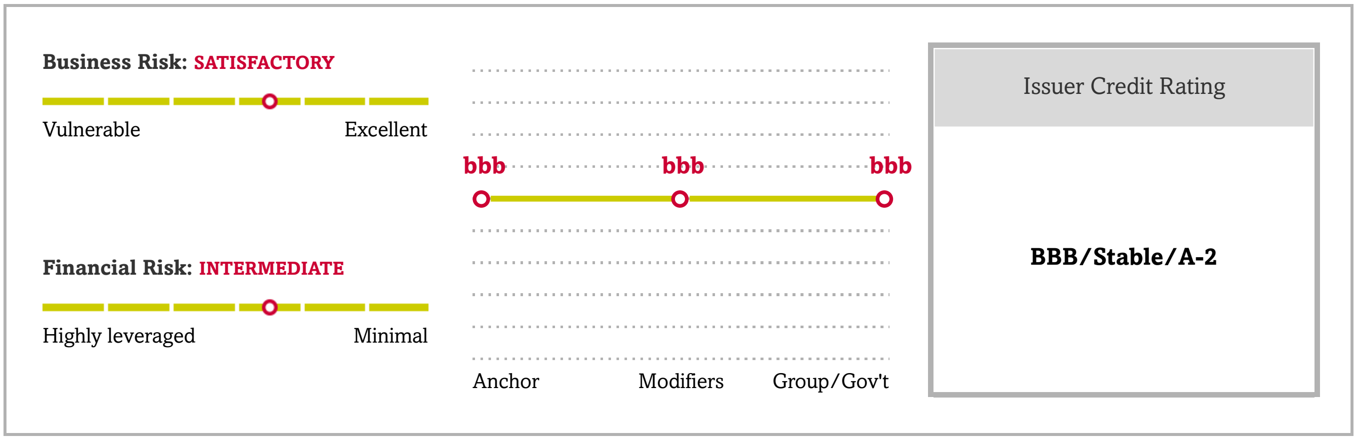
ALD S.A.



One or more of the Credit Ratings referenced within this article was assigned by deviating from S&P Global Ratings' published Criteria. For further information, please see "ALD Downgraded To 'BBB' On Societe Generale's Lower Capacity To Provide Extraordinary Support; Outlook Stable," published June 4, 2020, on RatingsDirect.

Credit Highlights

Overview	
Key strengths	**Key risks**
Leading fleet leasing franchise globally	Residual value risk, heightened by a recessionary environment and gradual changes in consumer preferences (to more environmental friendly models)
Stable and predictable cash flows	High financial leverage
Membership in the Societe Generale (SG) group, which provides synergies between ALD and SG's corporate segment and distribution network, and which also supports ALD's funding profile	

The COVID-19-related impact on ALD S.A's financial performance is still to come. ALD's first-quarter results were relatively strong and stable (€130 million reported net income compared with €136 million in first-quarter 2019), particularly in a SG group context (€326 million loss). The impact from COVID-19 was minimal in the first quarter, reflected in a €9 million impairment on the stock of vehicles and €4 million provision linked to a higher probability of default (equivalent to just two basis points of earning assets as of year-end 2019). Nevertheless, we expect to see effects from the recessionary environment in the coming quarters.

The main risk facing ALD is residual value risk (see chart 1). Overall, we expect the company's profitability to be under pressure in 2020. ALD could post a loss this year on the sale of used cars, in our view, one of its regular revenue streams. In addition, we expect a significant rise in the cost of risk. We believe that an accelerating transition to electric and hybrid vehicles and higher unemployment across Europe will weigh on the price of used cars. We expect a higher cost of risk, particularly in the retail segment (9% of fleet), and cannot exclude single-name credit issues on the corporate one. At this stage, we expect a recession of close to 8% in the eurozone in 2020, where most of ALD's business lies, followed by a strong recovery in 2021. In the absence of a dynamic recovery in 2021, we could see additional pressure on the company's financial risk profile.

We believe ALD is relatively well prepared to weather the challenging operating environment, although we cannot exclude significant earnings pressure. ALD has substantial loss absorption capacity from structurally high and stable earnings (ROE at or above 15%). Also, ongoing internal funding from SG (68% of funding as of year-end 2019) reduces the sensitivity of its cost of funding to market conditions and refinancing risks. Finally, ALD's operating (electronic sales of used cars, including across borders) and commercial capabilities (leasing of used cars) should allow it to manage and somewhat contain residual value risk.

Chart 1

Residual Value Risk Has Suddenly Moved Center-Stage
"Used Cars" Occurrences In Quarterly Investor Calls

Source: S&P Global Ratings.

S&P Global Ratings acknowledges a high degree of uncertainty about the evolution of the coronavirus pandemic. The consensus among health experts is that the pandemic may now be at, or near, its peak in some regions but will remain a threat until a vaccine or effective treatment is widely available, which may not occur until the second half of 2021. We are using this assumption in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Outlook: Stable

Our stable outlook reflects the headroom ALD has at the 'BBB' long-term rating level as it enters a more challenging operating environment over the next 18-24 months. It also factors in our view of potential for extraordinary support from SG should ALD's financial profile, especially refinancing, were to be under heightened pressure. We currently assume a moderate rise in the cost of risk, some losses on used cars, and a modest increase in the cost of funding in 2020, followed by a normalization in 2021-2022.

Downside scenario

We could lower our long-term rating on ALD if we concomitantly saw in the next 18-24 months:

- Additional strain on SG's creditworthiness that suggests a lower capacity to support ALD in extraordinary circumstances. Pressure on the rating on SG could also have negative repercussions for ALD, notably via its access to and cost of funding, even if challenges at SG come from other businesses; and
- Heightened risks to ALD's financial risk profile from a substantial decline in EBIT, notably due to higher-than-expected cost of risk or materialization of residual value risk, pushing EBIT interest coverage durably well below 3x.

Upside scenario

We see limited rating upside in the next two years. We expect ALD's business model to face several transformational challenges, like the auto industry as a whole. In particular, the company will have to face rising risks on residual values, due to economic difficulties in many countries where it operates and shifting consumer preferences, notably environmental.

Our Base-Case Scenario

Assumptions

Our forecasts for 2020-2021 assume the following:

- Fleet growth in units of 2% in 2020 and 5% in 2021
- Financial debt growth of 3% in 2020 and 7% in 2021
- Leasing and services margin growth of 2% in 2020 and 5% in 2021
- Car sales results per vehicle of negative €50 in 2020 and positive €150 in 2021
- Operating expenses decreasing by 2% in 2020 and increasing by 3% in 2021

Key Metrics

	2019A	2020F	2021F
EBIT interest coverage (x)	3.4	2.4	2.4
Debt/total capital (%)	81.8	82	82
FFO/debt (%)	23.3	22	21

FFO--Funds from operations. A--Actual. F--Forecast.

- Average interest expense increasing to 2.0% in 2020 and 2.2% in 2021 from 1.7% in 2019
- Dividend payout ratio of 50%
- Cost of risk increasing to 35 basis points (bp) in 2020 and 30 bp in 2021 from 21 bp in 2019

Base-case projections

We expect some deterioration in EBIT interest coverage over 2020-2021 EBIT interest coverage, our primary metric to assess ALD's financial risk profile, decreased to 3.4x at year-end 2019 from a very strong 4.0x at year-end 2018. The decline is predominantly due to a significant rise in interest expenses (26%), reflecting both an increase in financial debt (9%) and a higher cost of funding overall. We expect this ratio to decline further over 2020-2021, possibly temporarily below 3x, as weak operating environment will weigh on financial metrics. Beyond 2021, we still expect this metric to remain at about 3x, or higher, assuming a normalized operating environment in 2021-2022.

We expect ALD to continue operating with high leverage owing to structurally stable cash flows Our FFO-to-debt and debt-to-total-capital ratios of 23.3% and 81.8% at year-end 2019, respectively, reflect this high leverage. We expect little change in those ratios in 2020. Still, we believe the company's stable and predictable cash flows from lease contracts allow it to operate with higher leverage than similarly rated corporate entities. This is why EBIT interest coverage is our primary metric.

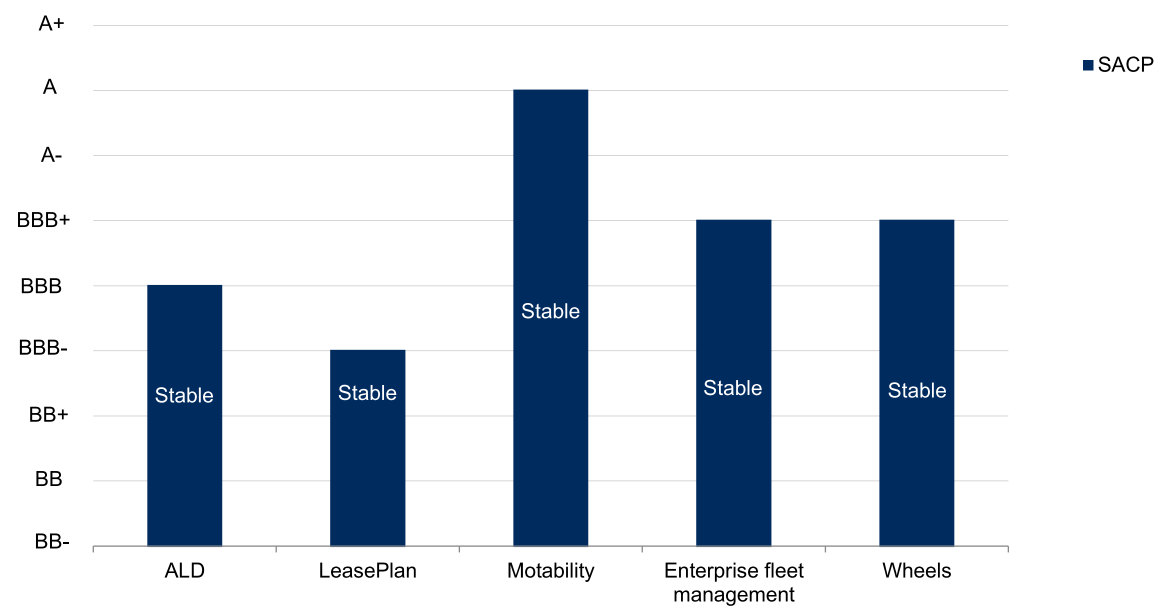
Company Description

ALD is the world's second-largest fleet leasing company with a managed fleet of 1.8 million vehicles at year-end 2019. It operates in more than 40 countries, predominantly in Europe, where it provides full-service leasing (79% of the fleet as of end 2019) and fleet management services (21%). The company works essentially with corporates (91% of contracts at year-end 2019), of a generally high credit quality (two-thirds being investment grade). It operates as a subsidiary of French banking group SG, which owns 80% of ALD, down from 100% following the company's partial IPO in June 2017. ALD is one of the best-performing subsidiaries of SG, generating 14% of its reported earnings in 2019 with only 2% of SG's consolidated assets.

Rated peers operating in the same industry (see chart 2) include Dutch-based bank LeasePlan Corp. N.V. (BBB-/Stable/A-3); U.K.-based Motability Operations Group plc (A/Stable/A-1); and U.S.-based Wheels Inc. (BBB+/Stable/A-2) and Enterprise Fleet Management Inc. (BBB+/Stable/--).

Chart 2

The Rating On ALD Is Lower Than That On U.S. Peers, Partially Due To Exposure To Residual Value Risk
Rating constructs in ALD's peer group



SACP--Stand-alone credit profile. Source: S&P Global Ratings.

Business Risk: Satisfactory

Our satisfactory assessment of ALD's business risk profile reflects:

- Favorable structural trends in the car leasing industry and ALD's leadership within this industry;
- The good granularity of its exposures to customers, economic sectors, and auto brands; and,
- The company's integration within the SG group, including the benefits for its franchise.

ALD operates in an industry we view as relatively low risk structurally, although not immune to potentially severe economic disruptions in the context of COVID-19 (which could affect our assessment of the company's financial risk profile).

The fleet leasing industry benefits from high barriers to entry due to scale, which allows to service large corporates and provides favorable procurement conditions; geographical footprint, which matters to service large international corporates; and technology, needed to provide innovative tools for fleet managers (such as manage and track a vehicle in real time). This industry also has, in our view, favorable growth prospects based on structural factors: there is a societal shift to car usage from car ownership, an outsourcing trend at companies, and mobility solutions emerging (such as car sharing).

ALD is a market leader in this fleet leasing industry, no. 1 in Europe and no. 2 worldwide after LeasePlan, running a fleet of 1.8 million vehicles (compared with 1.9 million for LeasePlan). It operates in more than 40 countries (Western Europe predominantly), with top 3 positions in close to 30 of them.

Reflecting the company's scale, ALD benefits from a very good granularity of exposures:

- By customer: The largest 10 accounts represent less than 7% of the fleet;
- By sector: The largest sectoral exposure is by far to pharmaceutical, but its share remains overall limited; and
- By supplier and brand: The company covers a wide range of auto brands, in contrast with captives.

ALD's key strategic pillars are fleet transition, technological and product innovation, and growth, notably via partnerships. The company is transitioning from diesel vehicles swiftly to alternative powertrain vehicles (electric and hybrid) whose take-off is fast from a very low level. ALD claims to be leading the industry in this transition. We view it favorably because it highlights the company's preparedness, meaning its capacity to anticipate and adapt to changing customer preferences, environmental requirements and car industry technological standards. We believe ALD is also leading the industry with its technological capabilities, based on the degree of technological sophistication of some its new partners. These include Amazon Spain, which uses the company's digital platform to offer car leases entirely online; and Tesla, which has selected ALD as its main leasing provider in Europe.

In this fleet transition context, fleet growth has moved second stage, already before the outbreak of COVID-19. That said, the company has strong long-term growth drivers, in our view, from partnerships (with banks, car manufacturers, insurers, retailers, and car sharing companies) and expansion on the segment of retail customers. Growth of the fleet managed as part of partnerships (36% of the total managed fleet at end 2019) has been sustained; in 2019, it was twice as fast as the total fleet (12% versus 6% in units). By contrast, the impact of brisk growth of leases with retail customers is still limited. This is because strong growth on this segment (37% in 2019) is from a low base (153,000 contracts at year-end 2019). However, if ALD continues expanding in this segment steadily, it could lift the company's overall growth rate significantly in a few years (exponential growth effect), and the risk profile.

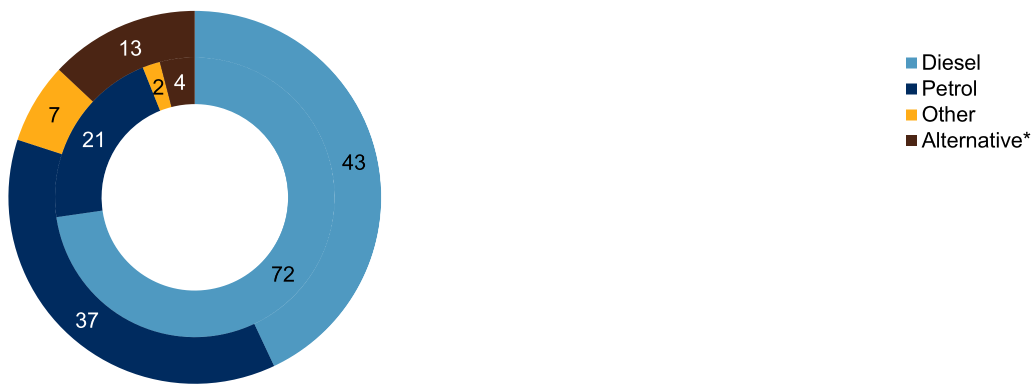
ALD benefits from being part of SG on a number of levels:

- Infrastructure: Some entities of ALD share premises with SG. ALD leverages SG's retail network in France and abroad as a distribution network and uses services from SG for a fee (IT, HR, secretary, tax, compliance, and internal audit). This, along ALD's organization of middle and back office functions in hubs, explain its relatively low cost-income ratio (49.0% excluding car sales in 2019).
- Risk management: ALD's risk-management is largely embedded in SG's risk management framework, with files above a certain thresholds being reviewed by SG.
- Funding and liquidity: SG accounts for 68% of ALD's reported funding base (as of year-end 2019), reducing structural refinancing risk, and SG's ownership supports a lower funding cost for ALD.

ALD's main risk embedded in its business model is its exposure to residual value risk. We believe the recession and ensuing government measures to support the auto industry in the form of subsidies for electric and hybrid vehicles may accelerate trends and catalyze risks which existed before COVID-19. In France, for instance, environmental bonuses for the purchase of an electric or plug-in hybrid vehicle and conversion premiums have been substantially increased following COVID-19, as part of a wider plan to support the automotive industry. An accelerated transition toward these vehicles in Europe, alongside rising unemployment, are likely to weigh negatively on residual values of used vehicles, particularly diesel. In this respect, although ALD is shifting away from diesel vehicles, its exposure to them remains high (see chart 3).

Chart 3

ALD Is Shifting Away From Diesel But Exposure To It Remains Substantial
Evolution of the breakdown of vehicle deliveries, 2016-2019



*Electric, hybrids and plug-in hybrids. Inner circle represents 2016. Outer circle represents 2019. Source: S&P Global Ratings.

We believe ALD has a good toolkit to manage residual value risk, through fleet diversification, pricing, contractual features and incentives to price this risk accurately as it does not act in support of vehicle sales. Exposure to this risk differentiates ALD from U.S. peers Wheels and Enterprise Fleet Management, who are not (or are hardly) exposed to this risk due to the open-ended nature of their leases.

Except in very few countries, we understand the leasing contract is in the country's local currency. Therefore, we view large losses from vehicles sold in a currency that would have depreciated against the currency of the contract as rather unlikely.

ALD's EBIT margin of 15.0% at year-end 2019 is high in a fleet leasing context, above that of most peers. It is less high in the wider operating leasing industry, where these margins can amount to 30%-60%. We consider the volatility of ALD's profitability, measured by the volatility of our EBIT margin, low but a bit higher than at Wheels and Enterprise Fleet Management, not exposed to the volatility of result on car sales.

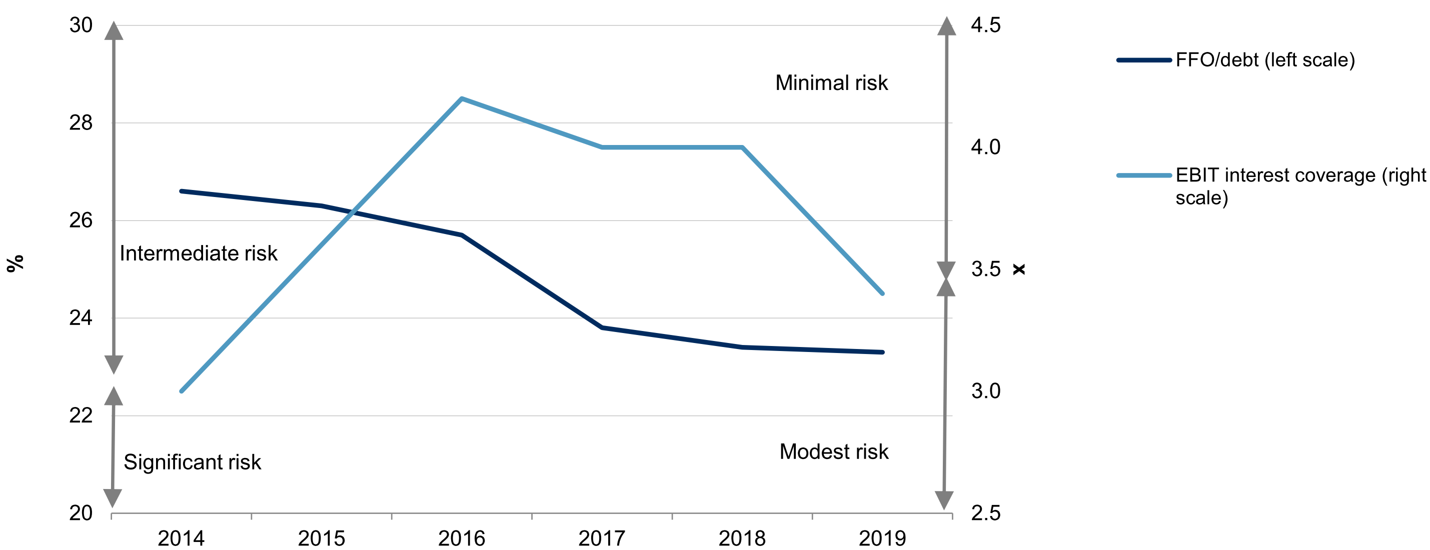
Financial Risk: Intermediate

Our analysis of ALD's financial risk profile, which we view as intermediate, focuses primarily on EBIT interest coverage, and to a lesser extent debt to total capital and FFO to debt.

The company's EBIT interest coverage is a rating strength. It decreased to 3.4x at year-end 2019 from a very strong 4.0x at year-end 2018, owing to a significant rise in interest expenses (26%), reflecting both an increase in financial debt (9%), and a higher cost of funding overall. We expect this ratio to deteriorate over 2020-2021, potentially below 3x, as the weak operating environment takes its toll. Still, assuming a normalization in the operating environment in 2021-2022, we expect this metrics to rise again to 3x, or higher, beyond 2021. This ratio exhibits some volatility (see chart 4), because the cost of funding can move swiftly due to the relatively short tenor of liabilities.

Chart 4

ALD Has Still-Strong Interest Coverage Despite Significant Leverage
Core and selected supplemental cash flow leverage ratios



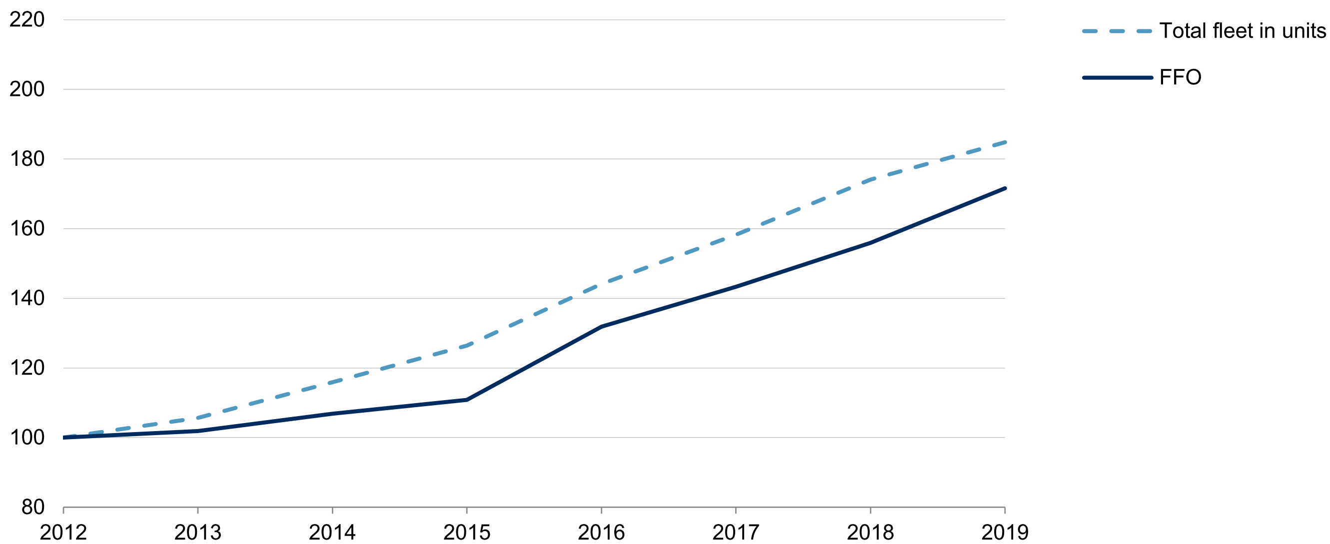
FFO--Funds from operations. Source: S&P Global Ratings.

Of note, if the €75 million result from used car sales in 2019 is rather insignificant compared to FFO of €4.2 billion (2%), it has more of an impact on EBIT of €1.0 billion in 2019 (8%).

High debt to total capital (81.8% at year-end 2019) and FFO to debt (23.3%) levels is evidence that ALD operates with structurally high financial leverage. Still, our secondary emphasis on these ratios reflect that ALD, like other fleet leasing companies, can operate at a higher leverage than similarly rated companies, due to the stability and predictability of its cash flows (see chart 5).

Chart 5

ALD Has A Track Record Of Stable And Predictable Cash Flows
Total fleet in units and FFO rebased (2012: 100)

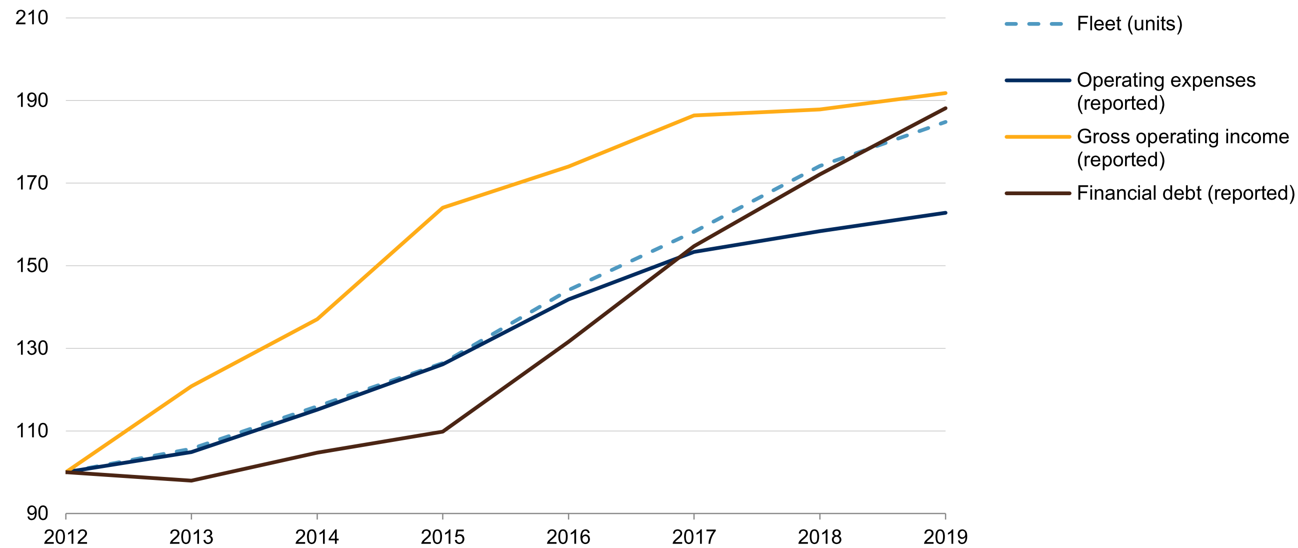


FFO--Funds from operations. Source: S&P Global Ratings.

We expect debt to total capital to be stable at about 82%, while FFO to debt to continue falling toward 21% over 2020-2021. Debt has been growing significantly faster than the fleet in units since 2016 (see chart 6), a structural trend, in our view, due to the evolution of the fleet mix (for instance, the rise of more expensive alternative powertrain vehicles). By contrast, FFO tends to grow more in line with the fleet. Other noteworthy trends include operating expenses growing slower than the fleet in units since 2016, highlighting the company's operating leverage, and gross operating income growing slower than the fleet since 2016, reflecting lower result on the sale of used cars. We expect these trends to continue this year and next.

Chart 6

Key Recent Trends: Debt Growing Quicker Than Fleet (Units) But Expenses Growing Slower Than Fleet (Units)
Fleet, operating expenses, gross operating income, and debt (rebased; 2012: 100)



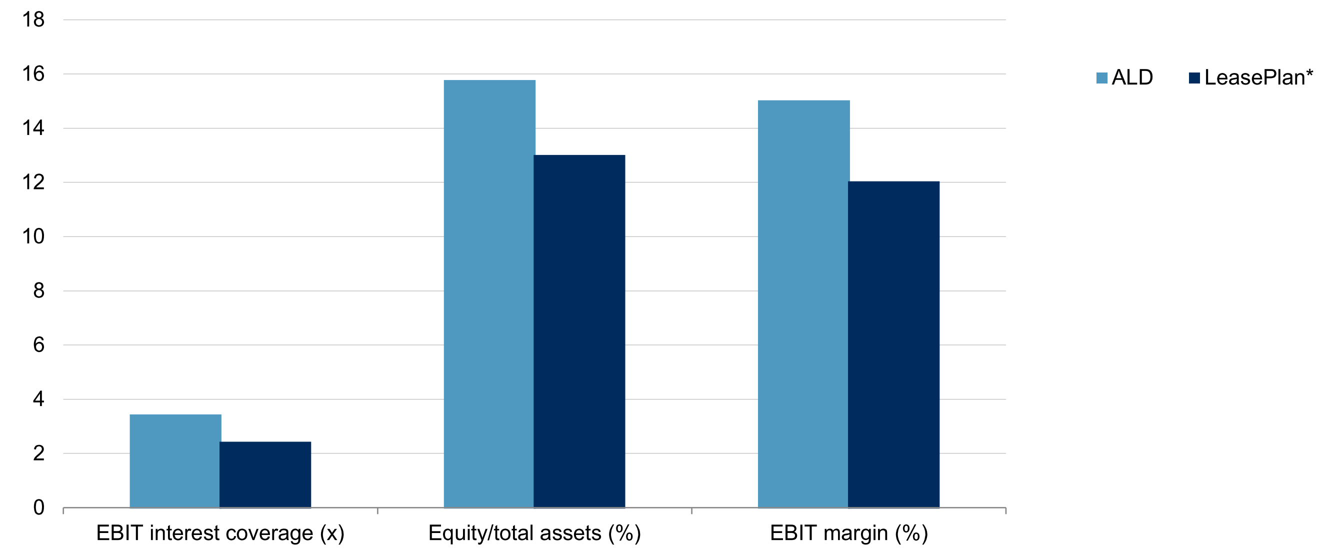
Source: S&P Global Ratings.

Our forecasts are subject to significant uncertainty due to a recessionary environment that will affect ALD's business growth, car sales result, cost of risk, and cost of funding, all of which is hard to forecast. We believe that in a scenario more severe than expected, for instance in the absence of a dynamic recovery in Europe in 2021, the company's financial risk profile may be under heightened pressure.

We compare ALD's financial risk profile with that of its most direct peer LeasePlan, rated under our bank rating methodology, by computing EBIT interest coverage and equity to total assets for LeasePlan (see chart 7). Even excluding LeasePlan's double leverage, ALD has a slightly stronger financial risk profile. This reflects, in our view, LeasePlan's more leveraged profile, costly deposits in times of very low interest rates and higher operating expenses due to its status as an independently regulated bank, not part of a larger group. Our one-notch rating difference between the two companies reflects this.

Chart 7

ALD Has A Stronger Financial Risk Profile Than LeasePlan
Selected profitability and leverage metrics



*Ratios calculated on the perimeter of LeasePlan Corporation N.V. Source: S&P Global Ratings.

Reconciliation

Reconciliation Of ALD S.A. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €)

	--Fiscal year ended Dec. 31, 2019--					
ALD S.A. reported amounts						
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**
Reported	18,394.9	3,992.9	4,557.8	969.5	294.9	4,576.7
S&P Global Ratings' adjustments						
Cash taxes paid	--	--	--	--	--	(34.0)
Cash taxes paid: Other	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	(310.6)
Reported lease liabilities	135.9	--	--	--	--	--
Postretirement benefit obligations/deferred compensation	8.1	--	0.1	0.1	0.1	--
Accessible cash and liquid investments	(385.6)	--	--	--	--	--
Share-based compensation expense	--	--	2.2	--	--	--
Nonoperating income (expense)	--	--	--	18.5	--	--

Reconciliation Of ALD S.A. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. €) (cont.)						
Noncontrolling interest/minority interest	--	35.9	--	--	--	--
EBITDA: Foreign exchange gain (loss)	--	--	31.3	31.3	--	--
EBITDA: Derivatives	--	--	(14.7)	(14.7)	--	--
Total adjustments	(241.6)	35.9	18.9	35.2	0.1	(344.6)
S&P Global Ratings' adjusted amounts						
	Debt	**Equity**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**
Adjusted	18,153.3	4,028.8	4,576.7	1,004.7	295.0	4,232.1

Liquidity: Adequate

We view ALD's liquidity as adequate, based on our assessment of sources and uses of liquidity, including SG's ongoing support. We exclude from liquidity uses maturing internal debt because our stand-alone credit profile (SACP) on ALD includes ongoing support from SG. We expect sources of liquidity will exceed uses by at least 1.2x in 2020 based on the following assumptions:

Principal Liquidity Sources	Principal Liquidity Uses
For 2020, we expect liquidity sources will include: • €500 million of cash and liquid investments • €4.1 billion of FFO • €2.8 billion undrawn borrowing facility from SG	For 2020, we expect liquidity uses will include: • €4.8 billion of net capital expenditures • €1.0 billion of external debt maturing • €200 million of dividend payment • €100 million of working capital outflow

Debt maturities

- June 2020: €400 million
- November 2020: €600 million
- February 2021: €800 million
- July 2021: €500 million
- July 2022: €600 million
- October 2022: €500 million
- July 2023: €500 million

Group Influence

We view ALD as being strategically important to SG (A/Negative/A-1). This makes the company eligible for ratings uplift (up to three notches as per our criteria), because we believe SG would financially support ALD in case of financial distress. However, we no longer include any notch of group support in our rating on ALD because the 'bbb+' group SACP on SG is now very close to ALD's own intrinsic creditworthiness, which we view at 'bbb'. In a scenario where we would lower ALD's SACP, we would include a notch of group support from SG, provided SG's group SACP remains at the current level, everything else being equal.

Our assessment of ALD's strategic importance to SG reflects the following:

- Our view that a substantial dilution of SG's stake in ALD that would lead to SG's loss of control of the company is highly unlikely. We view ALD's partial IPO in June 2017 as a way for SG to increase its financial potential in the context of sustained growth and innovation in the mobility sector;
- ALD's important contribution to the group's results (as detailed in the company description) and high profitability (return on average equity of 14.7% in 2019) supporting SG's profitability in the very low interest-rate environment. ALD is also an integral part of the corporate banking services SG offers to its large clients; and
- SG's capacity and incentives to help ALD meet its external debt obligations if needed, because we expect SG to remain ALD's main funding source (68% of total funding in 2019).

Ratings Score Snapshot

Issuer Credit Rating

BBB/Stable/A-2

Business risk: Satisfactory

- **Country risk:** Intermediate
- **Industry risk:** Moderately high
- **Competitive position:** Strong

Financial risk: Intermediate

- **Cash flow/leverage:** Intermediate

Anchor: bbb

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Strong (no impact)

- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : bbb

- **Group credit profile:** bbb+
- **Entity status within group:** Strategically important (no impact)

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | Industrials: Key Credit Factors For The Operating Leasing Industry, Dec. 14, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Financial Institutions | General: Issue Credit Rating Methodology For Nonbank Financial Institutions And Nonbank Financial Services Companies, Dec. 9, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- ALD Downgraded To 'BBB' On Societe Generale's Lower Capacity To Provide Extraordinary Support; Outlook Stable, June 4, 2020

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	**bbb/bbb-**	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of July 1, 2020)*	
ALD S.A.	
Issuer Credit Rating	BBB/Stable/A-2
Senior Unsecured	BBB
Short-Term Debt	A-2
Issuer Credit Ratings History	
04-Jun-2020	BBB/Stable/A-2
23-Apr-2020	BBB+/Negative/A-2
24-Oct-2018	BBB+/Stable/A-2
19-Oct-2017	BBB/Positive/A-2
Sovereign Rating	
France	AA/Stable/A-1+
Related Entities	
Credit du Nord S.A.	
Franfinance	
Komercni Banka A.S.	
Issuer Credit Rating	A/Negative/A-1
Resolution Counterparty Rating	A+/--/A-1
SG Americas Securities LLC	
Issuer Credit Rating	A/Negative/A-1
Resolution Counterparty Rating	A/--/A-1
Societe Generale	
Issuer Credit Rating	A/Negative/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
Foreign Currency	A/A-1
Local Currency	A-1
Junior Subordinated	BB
Junior Subordinated	BB+
Senior Subordinated	BBB
Senior Unsecured	A
Senior Unsecured	A-1
Subordinated	BBB-
Societe Generale Bank & Trust	
Issuer Credit Rating	A/Negative/A-1
Resolution Counterparty Rating	A+/--/A-1
Societe Generale (New York Branch)	
Issuer Credit Rating	A/Negative/A-1
Resolution Counterparty Rating	A+/--/A-1
Societe Generale SCF	
Senior Secured	AAA/Stable
Short-Term Secured Debt	A-1+

Ratings Detail (As Of July 1, 2020)*(cont.)	
Societe Generale, Taipei Branch	
Issuer Credit Rating	
Taiwan National Scale	twAA+/Negative/twA-1+
Sogecap S.A.	
Financial Strength Rating	
Local Currency	BBB+/Negative/--
Issuer Credit Rating	
Local Currency	BBB+/Negative/--
Subordinated	BBB-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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