

FITCH PLACES MAJOR FRENCH BANKS ON RWN

Fitch Ratings-London/Paris-13 October 2011: Fitch Ratings has placed BNP Paribas's ('aa-'), Credit Agricole's ('aa-') and Societe Generale's ('a+') Viability Ratings on Rating Watch Negative (RWN). At the same time, BNP Paribas's ('AA-'), Credit Agricole's ('AA-') and Banque Federative du Credit Mutuel's ('AA-') Issuer Default Ratings have been put on RWN. Societe Generale's 'A+' Long-term IDR has been affirmed as it is at its Support Rating Floor. All four banks Short-term IDRs have been affirmed at 'F1+'. A full list of rating actions is at the end of this comment.

The RWNs are in conjunction with a broad assessment of the ratings for the largest banking institutions in the world, where Fitch is conducting a review of the larger and relatively highly rated European banks in its rating portfolio (see 'Fitch Places Five Major European Commercial Banks on Rating Watch Negative' and 'Fitch Reviewing Global Trading and Universal Banks; Places Seven on Rating Watch Negative', both dated 13 October 2011 at www.fitchratings.com, and related research below.)

Fitch expects to resolve the RWN within a short time frame. Any downgrades of VRs would be by either one notch or a maximum two notches. Any downgrades of Long-term IDRs will be limited to one notch as IDRs will not fall below the major French banks' Support Rating Floors of 'A+'. It also possible that certain banks would have their ratings affirmed at current levels.

The review of large European banks identifies increasing pressure on banks globally and European banks in particular. The agency, in its Special Report, 'European Banks and Market Turmoil' published on 20 September 2011 at www.fitchratings.com noted that credit risk, and thus ratings, for many large and currently highly rated banks face greater downside pressure. This pressure is reinforced by the collective impact of the following: below-trend economic growth prospects, ongoing sovereign risks in peripheral Europe, the costs and ambiguities of additional bank regulation, less compelling business models and returns for banks, political pressure to reduce or eliminate implicit state support, the consistent vulnerability of banks to market sentiment and the market's growing realisation of and pricing for all of the above.

Rating watches for BNP Paribas and Societe Generale should also be put in the context of Fitch's ongoing review of global trading and universal banks. The agency views these institutions' business models as particularly sensitive to the increased challenges the financial markets are facing. These challenges result from a myriad of regulatory changes as well as economic developments, particularly in the euro area.

In resolving the RWN, Fitch will concentrate on concerns highlighted in its Special Report "French Banks: Under Market Fire" published on 29 September 2011 at www.fitchratings.com, notably regarding exposure to southern European countries, capital, funding and liquidity.

French banks have the most cross-border sovereign and non-sovereign exposure to Greece, Italy, Ireland, Portugal and Spain (GIIPS). While exposure to Greece, Ireland and Portugal is modest, inclusion of Spain and, in particular Italy, significantly increases the totals. Fitch considers any additional write-downs needed on Greek government bonds to be affordable relative to earnings and capital. Any problems with Italian government debt or a major recession in Italy would be more worrying, but Fitch considers that even under a severe stress there will not be a default of the Italian sovereign. However, the market is increasingly viewing GIIPS exposures in the aggregate and looking at mark-to-market valuation rather than potential loss, which drives concerns about overall capital adequacy.

The agency expects the large French banks' capital ratios to rise over time as a result of earnings retention and other balance sheet management measures. However, current and target ratios compare less favourably to benchmarks set by some other major European banks and global trading

and universal banks or their regulators. Market participants are increasingly seeking capitalisation improvement in the short term to ease concerns about the banks' GIIPS exposure. Banks' recent announcements on asset reductions may not sufficiently allay concerns.

French banks' public long-term issuance is currently only on a secured basis. Most banks have already completed their 2011 funding programme, but Fitch expects market pressure to continue until the euro zone crisis has been resolved. Limited appetite for unsecured debt in 2012 in the public market is increasingly likely. Banks could address this first by issuing larger volumes of secured bonds and structured notes. They could also increase issuance through their large retail branch networks.

Tightening liquidity is a concern to Fitch if it is prolonged. Declining access to short-term US dollar funding has to date been mitigated by high levels of liquidity in euros. A complete drying up of the interbank market would be problematic. In this scenario, French banks could deploy their large stocks of assets eligible for repo with central banks.

The rating actions are as follows:

BNP Paribas and its subsidiaries:

BNP Paribas

Long-term IDR: 'AA-' placed on RWN

Short-term IDR: affirmed at 'F1+'

Viability Rating: 'aa-' placed on RWN

Individual Rating: 'B' placed on RWN

Support Rating: affirmed at '1'

Support Rating Floor: affirmed at 'A+'

Short-term debt: affirmed at 'F1+'

Long-term senior debt: 'AA-' placed on RWN

Market linked securities: 'AA-emr' placed on RWN

Subordinated debt (lower Tier 2): 'A+' placed on RWN

Upper Tier 2: 'A' placed on RWN

Hybrid capital: 'A' placed on RWN

BNP Paribas Securities Services:

Long-term IDR: 'AA-' placed on RWN

Short-term IDR: affirmed at 'F1+'

Support Rating: affirmed at '1'

BNP Paribas Arbitrage Issuance BV

Long-term senior debt: 'AA-' placed on RWN

Market linked securities: 'AA-emr' placed on RWN

BNP Paribas Capital Trust III, BNP Paribas Capital Trust IV, BNP Paribas Capital Trust VI

Preference shares: 'A' placed on RWN

BNP Paribas Public Sector SCF

Long-term IDR: 'AA-' placed on RWN

Short-term IDR: affirmed at 'F1+'

Support Rating: affirmed at '1'

BNP Paribas Finance Inc.

Commercial paper: affirmed at 'F1+'

BNP Paribas US Medium-Term Notes Programme LLC

Short-term debt: affirmed at 'F1+'

Long-term senior debt: 'AA-' placed on RWN

Market linked securities: 'AA-emr' placed on RWN

Subordinated debt: 'A+' placed on RWN

Fortis Bank

Long-term IDR: 'A+' placed on RWN

Short-term IDR: 'F1+' placed on RWN

Viability Rating: 'bbb-' unaffected

Individual Rating: 'C/D' unaffected

Support Rating affirmed at '1'

Short-term debt: 'F1+' placed on RWN

Senior unsecured: 'A+' placed on RWN

Subordinated: 'A' placed on RWN

Support rating: affirmed at '1',

Hybrid capital instruments (ISIN BE0117584202 and BE0119806116): 'A-' placed on RWN

CASHES instruments (ISIN BE0933899800) 'BB' unaffected

BNP Paribas Fortis Funding

Short-term debt: 'F1+' placed on RWN

Senior unsecured: 'A+' placed on RWN

Market linked notes: 'A+emr' placed on RWN

Subordinated debt: 'A' placed on RWN

Subordinated debt (upper Tier 2): 'A-' placed on RWN

Fortis Funding LLC

Short-term debt: 'F1+' placed on RWN

BGL BNP Paribas

Long-term IDR: 'A+' placed on RWN

Short-term IDR: 'F1+' placed on RWN

Viability Rating: 'bbb+' unaffected

Individual Rating: 'C' unaffected

Support Rating affirmed at '1'

Short-term debt: 'F1+' placed on RWN

Senior unsecured rating: 'A+' placed on RWN

Market linked notes: 'A+emr' placed on RWN

BancWest Corporation

Long-term IDR: 'A+' placed on RWN

Short-term IDR at 'F1+' placed on RWN

Individual Rating: 'B/C' unaffected

Support Rating affirmed at '1'

Bank of the West

Long-term IDR: 'A+' placed on RWN

Short-term IDR: 'F1+' placed on RWN

Viability Rating: 'a-' unaffected

Individual Rating: 'B/C' unaffected

Support Rating affirmed at '1'

FDIC-guaranteed long-term debt affirmed at 'AAA';

Long-term deposits: 'AA-' placed on RWN

Short-term deposits: 'F1+' placed on RWN

First Hawaiian Bank

Long-term IDR: 'A+' placed on RWN

Short-term IDR: 'F1+' placed on RWN

Viability Rating: 'a-' unaffected

Individual Rating: 'B/C' unaffected

Support Rating: affirmed at '1'

Long-term deposits: 'AA-' placed on RWN

Short-term deposits: 'F1+' placed on RWN

Banca Nazionale del Lavoro
Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Viability Rating: 'bbb+' unaffected
Individual Rating: 'C' unaffected
Support Rating: affirmed at '1'
Long-term senior debt: 'AA-' placed on RWN
Market linked securities: 'AA-emr' placed on RWN

Credit Agricole and its subsidiaries:

Credit Agricole:

Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Viability Rating: 'aa-' placed on RWN
Individual Rating: 'B' placed on RWN
Support Rating: affirmed at '1'
Support Rating Floor: affirmed at 'A+'

Credit Agricole S.A. (CA's central body):

Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Support Rating: affirmed at '1'
Support Rating Floor: affirmed at 'A+'
Senior debt: 'AA-' placed on RWN
Short-term debt: affirmed at 'F1+'
Lower Tier 2: 'A+' placed on RWN
Hybrid Capital Instruments: 'A' placed on RWN
Innovative Tier 1: 'A' placed on RWN
Non-Innovative Tier 1: 'A' placed on RWN

CA Consumer Finance:

Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Support Rating: affirmed at '1'
Senior debt: 'AA-' placed on RWN
Short-term debt: affirmed at 'F1+'

Eurofactor:

Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Support Rating: affirmed at '1'
Certificate of Deposit: affirmed at 'F1+'

CA Preferred Funding Trust: Preferred stock: 'A' placed on RWN
CA Preferred Funding Trust II: Preferred stock: 'A' placed on RWN
CA Preferred Funding Trust III: Preferred stock: 'A' placed on RWN

Credit Agricole Corporate and Investment Bank:

Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Support rating affirmed at '1'
Individual rating: 'C' unaffected
Senior debt: 'AA-' placed on RWN
Market-linked securities: 'AA-emr' placed on RWN
Short-term debt: affirmed at 'F1+'

Credit Agricole CIB Finance (Guernsey):

Senior debt: 'AA-' placed on RWN

Market-linked securities: 'AA-emr' placed on RWN
Short-term debt: affirmed at 'F1+'
Credit Agricole CIB Financial Products (Guernsey):
Senior debt: 'AA-' placed on RWN
Market-linked securities: 'AA-emr' placed on RWN
Short-term debt: affirmed at 'F1+'

Credit Agricole Corporate and Investment Bank (South Africa Branch):
Long-term senior debt: 'AA-' placed on RWN
Long-term senior debt: affirmed at 'AAA(zaf)'

Credit Agricole North America:
Commercial paper: affirmed at 'F1+'

Le Credit Lyonnais (LCL):
Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Viability Rating: 'a-' placed on RWN
Individual Rating: 'B/C' placed on RWN
Support Rating: affirmed at '1'
Certificates of Deposit: affirmed at 'F1+'
"Bons a Moyen Terme Negociables" (BMTN): 'AA-' placed on RWN

CL Capital Trust I:
Trust Preferred stock: 'A' placed on RWN

Union de Banques Arabes et Francaises:
Long-term IDR: 'A' placed on RWN
Short-term IDR 'F1' placed on RWN
Viability Rating: 'bbb-' unaffected
Individual Rating: 'C' unaffected
Support Rating: affirmed at '1'
Certificates of Deposit: 'F1' placed on RWN

Agos Ducato:
Long-term IDR: 'A+' placed on RWN
Short-term IDR: 'F1' placed on RWN
Support Rating: affirmed at '1'

FGA Capital S.p.A.'s
Long-term IDR: 'BBB+' placed on RWN
Short-term IDR: 'F2' placed on RWN
Individual Rating: 'C' unaffected
Support Rating: affirmed at '2'
Senior debt: 'BBB+' placed on RWN

Societe Generale and its subsidiaries:

Long-term IDR: affirmed at 'A+'; Outlook Stable
Short-term IDR: affirmed at 'F1+'
Viability Rating: 'a+' placed on RWN
Individual Rating: 'B/C' placed on RWN
Support Rating: affirmed at '1'
Support Rating Floor: affirmed at 'A+'
Commercial paper: affirmed at 'F1+'
Senior unsecured debt: affirmed at 'A+'
Lower Tier 2 notes: affirmed at 'A'
Upper Tier 2 notes: 'A-' placed on RWN
Hybrid capital instruments: 'A-' placed on RWN

Societe Generale SCF
Long-term IDR: affirmed at 'A+'; Stable Outlook
Short-term IDR: affirmed at 'F1+'
Support Rating: affirmed at '1'

Societe Generale SFH
Long-term IDR: affirmed at 'A+'; Stable Outlook
Short-term IDR: affirmed at 'F1+'
Support Rating: affirmed at '1'

Societe Generale Acceptance N.V.
Market-linked guaranteed notes: affirmed at 'A+emr'
Senior notes: affirmed at 'A+'
Short-term debt: affirmed at 'F1+'

SG Option Europe
Market-linked guaranteed notes: affirmed at 'A+emr'
Short-term debt: affirmed at 'F1+'
Senior notes: affirmed at 'A+'

SG Capital Trust III
Preferred stock: 'A-' placed on RWN

Banque Federative du Credit Mutuel and its subsidiaries:

Banque Federative du Credit Mutuel (BFCM)
Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Support Rating: affirmed at '1'
Support Rating Floor: affirmed at 'A+'
Senior Unsecured debt: 'AA-' placed on RWN
Market linked notes: 'AA-emr' placed on RWN
Lower Tier 2: 'A+' placed on RWN
Hybrid Capital Instruments: 'A' placed on RWN
Commercial paper: affirmed at 'F1+'
Certificate of deposit: affirmed at 'F1+'

Credit Industriel et Commercial (CIC)
Long-term IDR: 'AA-' placed on RWN
Short-term IDR: affirmed at 'F1+'
Individual rating: 'B/C', unaffected
Support rating: affirmed at '1'
Senior unsecured debt: 'AA-', placed on RWN
Certificates of deposit: affirmed at 'F1+'

Banque de l'Economie du Commerce et de la Monetique (BECM)
BMTN program: 'AA-' placed on RWN

The ratings of the covered bonds and secured obligations of the above mentioned banks are unaffected.

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Additional information is available at 'www.fitchratings.com'. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria, 'Global Financial Institutions Rating Criteria', dated 16 August 2011; 'Rating Hybrid Securities', dated 28 July 2011; 'Rating Criteria for Banking Structures Backed by Mutual Support Mechanisms', dated 11 April 2011; Treatment of Hybrids in Bank Capital Analysis, dated 11 July 2011, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Global Financial Institutions Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=649171

Rating Hybrid Securities

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=647091

Rating Criteria for Banking Structures Backed by Mutual Support Mechanisms

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=591785

Treatment of Hybrids in Bank Capital Analysis

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=641269

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