

**Societe Generale SA**

Société Générale is one of France's largest commercial banks in Europe. The group has developed strong positions in wholesale and investment banking, with particular strength in global equity derivatives. It also has retail operations in Eastern Europe and the Mediterranean basin. Revenues grew 2% y/y to EUR6.8bn (an 8% beat, adj.: +4% y/y) on growth across all business lines. GBIS revenues were up 6% y/y to EUR2.3bn (adj.: +4% y/y, an 8% beat) on strength in FICC (+34% y/y) and equities (+1% y/y), as well as growth in SS (+4% y/y) and F&A (+7% y/y, adj.: +2% y/y). IRB & FS revenues rose 14% y/y on an adj. basis to EUR2.2bn (+6% y/y, a 10% beat) on adj. y/y growth in IRB (+13%), FS (+19%), and Insurance (+2%). Revenues from FRB rose a mere 1% y/y to EUR2.2bn (a 3% beat; adj. for PEL /CEL : -1% y/y, rate increases coming through, while impacted by an increase in regulated savings rate), as growth in fees (+7% y/y) was largely offset by weaker net interest margins (-8% y/y). The bank achieved positive OL again, with the increase in revenues outpacing underlying costs (+2% y/y), leading to an underlying CIR (excluding [ex] SRF) that improved ca 1.1ppt y/y to a reasonable 60.7%. It reported a PAT of EUR1.5bn (-6% y/y; adj.: -7% y/y; RoTBV: 11.2%), beating expectations by 32% on an adj. pre-tax profit basis, driven predominately by better revenues and EUR60m better LLPs (EUR456m, +133% y/y, 31bps annualised of loans; two thirds for prudent reserving on performing loans), partly offset by 1% higher costs (performance-related). The CET1 ratio was up 13bps q/q to 13.1% (a 40bps beat), mainly led by organic capital generation. TBVPS rose 3.5% q/q to EUR 61.5. SG reiterated 2022 CoR at a moderate 30bps-35bps, while it now expects CIR (ex SRF) of below 64% (vs 64%-66% earlier). SG made no change to 2025 financial targets, which include a revenue CAGR (2021-2025) of over 3%, a CIR of below 62%, CoR of ca 30bps, an RoTBV of 10%, and a 50% payout ratio (up to 40% in share buybacks).

Corporate Ratings	Periodicity	Fiscal Quarterly	Currency	Default	Parent/Consolidated	C	Data	Adjusted (if Available)
S&P	A							
Outlook	Stable							
Moody's	-							
Outlook	Stable							
Fitch	A-							
Outlook	Stable							
CDS Data								
5 YR CDS	64.10							
% 3 Months	-11.39							
% 6 Months	-9.89							
% 1 Year	67.74							
52 Week Low	35.73							
52 Week High	119.90							
Profitability								
EBIT	--							
Operating Margin	29.27							
Pretax Margin	29.31							
Return on Assets	0.33							
Return on Common Equity	7.68							
Return on Capital	0.77							
Asset turnover	0.02							
Structure								
Current Ratio	--							
Quick Ratio	--							
Total Debt to Total Assets	44.00							
Total Debt to Com Equity	1064.41							
Acct Receivable Turnover	--							
Inventory Turnover	--							
Gross Margin	--							
EBIT / Total Inter	--							
Growth Potential								
Sales 1yr Growth	9.84							
Asset 1yr Growth	0.17							
Capital 1yr Growth	9.45							

  

Income Statement Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Revenue	7,040.7	6,298.5	27,794.0	6,828.0	7,065.0	7,281.0	6,620.0	6,672.0	6,261.0	6,245.0	5,838.0
Operating Income	867.3	1,337.0	8,136.0	2,264.0	2,681.0	1,391.0	1,800.0	2,407.0	2,215.0	620.0	1,205.0
Pretax Income	876.0	1,314.5	8,146.0	2,268.0	2,685.0	1,391.0	1,802.0	2,767.0	2,217.0	623.0	1,215.0
Income bef XO Items	545.7	620.3	3,561.0	1,751.0	-1,225.0	1,040.0	1,995.0	1,781.0	1,615.0	947.0	582.0
Net Income	618.4	855.9	5,087.4	1,588.8	1,205.3	840.5	1,452.9	1,809.1	1,582.6	373.9	873.0
Basic EPS Before XO Items	--	--	5.98	1.94	1.45	0.87	1.72	2.13	1.67	0.27	1.03
Basic EPS	0.57	0.92	3.51	1.92	-1.93	0.87	2.65	2.13	1.50	0.79	0.36
Diluted EPS Before XO Items	--	--	5.98	1.94	1.45	0.87	1.72	2.13	1.67	0.27	1.03
Diluted EPS	--	--	3.03	1.83	-1.78	0.87	2.11	1.88	1.50	0.79	0.55
Dividends per Share	--	1.36	--	--	--	--	--	--	--	--	--
EBITDA	--	--	--	--	--	2,460.0	--	--	--	--	--
Return on Common Equity	4.4	6.3	3.9	3.9	4.1	8.4	8.0	6.5	5.3	1.2	-1.4

  

Balance Sheet Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Total Current Assets	--	--	--	--	--	--	--	--	--	--	--
Total Long-Term Assets	--	--	--	--	--	--	--	--	--	--	--
Total Assets	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0	1,461,952.0
Total Current Liabilities	--	--	--	--	--	--	--	--	--	--	--
Total Long-Term Liabilities	--	--	--	--	--	--	--	--	--	--	--
Total Liabilities	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0	1,394,973.0
Total Shareholders' Equity	71,637.0	71,637.0	71,637.0	71,637.0	71,637.0	71,637.0	71,637.0	71,637.0	71,637.0	71,637.0	71,637.0
Shares Outstanding	817.8	817.8	817.8	817.8	817.8	817.8	817.8	817.8	817.8	817.8	817.8
Book Value per Share	73.8	70.2	81.1	81.1	77.7	79.2	78.3	74.8	74.3	74.1	72.7
Tangible Book Value / Sh	72.5	72.5	72.5	73.0	69.9	71.4	70.5	67.2	66.8	66.6	65.0
Shareholder Equity/Total Liab	4.5	4.5	4.5	4.5	4.6	4.5	4.8	4.5	4.6	4.5	4.6

  

Cash Flow Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Net Income	545.7	620.3	2,645.0	1,498.0	-1,482.0	842.0	1,787.0	1,601.0	1,439.0	814.0	470.0
Depreciation and Amortization	--	--	--	--	--	--	--	--	--	--	--
Change in Working Capital	--	--	--	--	--	--	--	--	--	--	--
Cash - Operating Activities	--	--	--	--	-1,265.0	--	--	--	--	--	--
Capital Expenditures	--	--	--	--	--	--	--	--	--	--	--
Cash - Investing Activities	--	--	--	--	--	--	--	--	--	--	--
Cash - Financing Activities	--	--	--	--	--	--	--	--	--	--	--
Net Changes in Cash	--	--	--	--	-1,265.0	--	--	--	--	--	--
Free Cash Flow	--	--	--	--	--	--	--	--	--	--	--

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