

Press Release

Paris, 27 April 2009

Denial : precisions from Société Générale

This morning, the French daily newspaper Libération published an article entitled “L’autre scandale de la Générale” (“The other Société Générale scandal”) in which it states that the bank is at the “centre of a new speculative fiasco,” and that 5 billion euros have “disappeared.”

1. **What is this about ?**

A portfolio of assets of certain funds managed by SGAM AI, a subsidiary of Société Générale Asset Management, became illiquid as a result of the financial crisis in the summer of 2007;

These are European assets that have nothing to do with American subprime assets; These assets were sold by the funds to Société Générale parent company for a total value of 11.2 billion euros. Société Générale decided to bear the effects of the crisis on these assets so as to guarantee the liquidity of the funds in the best interests of the client unit holders.

2. **Information which has already been communicated by Société Générale :**

The events mentioned date back to 2007 and the beginning of 2008 and are visible in the Group’s audited accounts, which are transparent and available to everyone. Société Générale, in accordance with regulatory recommendations, provides a thorough reporting on assets affected by the financial crisis as part of its market communication. Moreover, both the statutory auditors and the regulators have reviewed this reporting in recent quarters.

3. **The bank’s denial :**

The journalist suggests that Société Générale suffered a loss equivalent to the difference between the amount of the assets transferred to the balance sheet and their value on 31 December 2008. This is false, as a substantial amount of these assets had been sold in the meantime, against payment.

The pre-tax losses and write-downs recorded on illiquid assets in 2008 amount in total to 274 million euros in SGAM’s results and to 1.2 billion euros in SG CIB’s results (regarding the assets transferred to Société Générale), and were fully registered in the accounts for the 2008 financial year. They did not prevent Société Générale from generating a 2 billion euro profit in 2008.

The implication that 5 billion “disappeared” and that the final cost “could rise to 10 billion” euros is completely unfounded.

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Société Générale

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 163,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 30 million individual customers worldwide.
- Global Investment Management & Services: Société Générale is one of the largest banks in the euro-zone in terms of assets under custody (EUR 2 560 billion, December 2008) and under management (EUR 336 billion, December 2008).
- Corporate & Investment Banking: Société Générale ranks among the leading banks worldwide in euro capital markets, derivatives and structured finance.

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