



The Chairman

Paris, January 24th

Dear Sir, Madam,

It is my duty to inform you that Societe Generale has been victim of a serious internal fraud committed by an imprudent employee in the Corporate and Investment Banking Division.

The individual in question has been dismissed and legal action will be taken against him.

The Group's Board of Directors approved my decision to terminate the mandates of the managers, including the executive managers, involved in the breakdown of the supervision systems.

I naturally informed the Governor of the Bank of France and the Chairman of the *Autorité des Marchés Financiers* as soon as the situation was brought to my attention on Sunday, January 20th.

We have suffered a very significant loss. All possible measures were taken as quickly as possible to limit its impact. Control procedures have been revised and reinforced to avoid any reoccurrence of further similar risk.

In agreement with the Governor, Societe Generale will launch a capital increase in the coming days in order to support capital adequacy levels and maintain external ratings at the highest international standards. The capital increase is fully guaranteed, and will offset the loss generated by the fraud.

With the confirmation of the Group's financial strength, Societe Generale's capacity to bounce back and renew with the profitable growth that has characterised the bank for many years, remains intact.

My priority in resolving this unfortunate affair has been to preserve the interests of our clients and to continue to merit their confidence.

Yours faithfully,

Daniel BOUTON