



Activity

2001





Retail Banking



Over **13** million individual customers

Present in **38** countries in **4** key geographic regions: France, the French overseas territories and Africa, Central and Eastern Europe, the Mediterranean basin

A **pan-European** player in Specialized Financial Services

Leader in mutual funds in France by market share: **12.8%***

** Including Barep and Lyxor.*

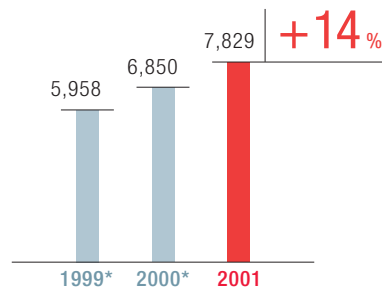
The Group's Retail Banking activities include the domestic networks of Société Générale and the Crédit du Nord Group, Specialized Financial Services and Retail Banking Outside France.

The franchise stepped up its development in 2001, on the back of the continued deployment of the multi-channel banking model and major acquisitions outside France.

Results reflect the high level of commercial and financial performance in a less favorable economic environment: Retail Banking accounted for 53% of Group net income (+12% in relation to 2000), for an ROE of 18.2%.

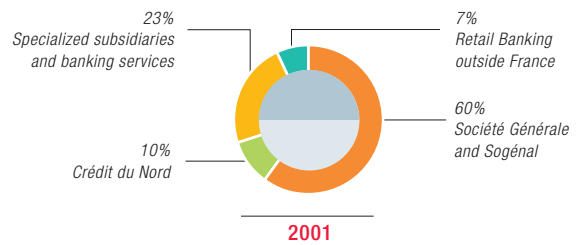
KEY FIGURES 2001

* Figures restated for internal changes to Group structure made in 2001.

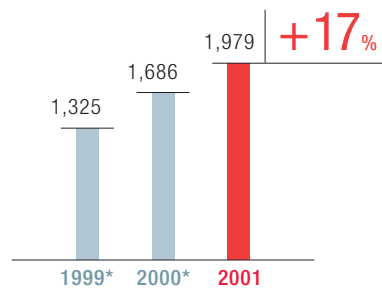


NET BANKING INCOME

in millions of euros

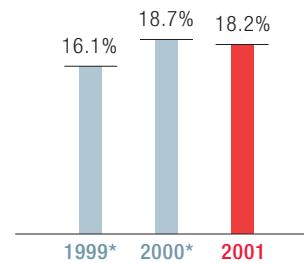


NET INCOME BY BUSINESS LINE

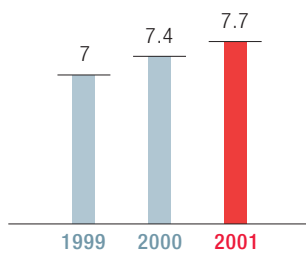


OPERATING INCOME

in millions of euros

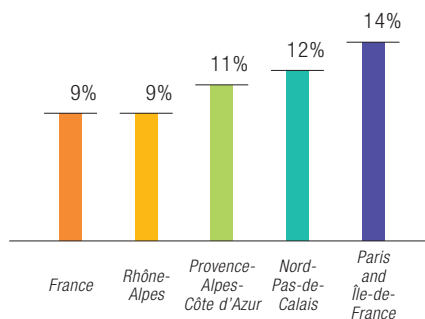


ROE

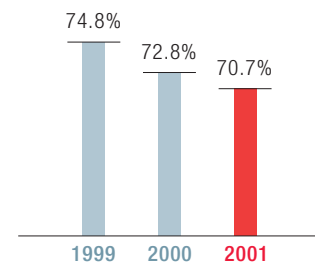


INDIVIDUAL CUSTOMERS OF FRENCH NETWORKS

in millions



STRONG POSITIONS IN MAIN REGIONS (DEPOSIT/LOAN MARKET SHARES)



COST/INCOME RATIO OF FRENCH NETWORKS



Société Générale network

Strong growth and profitability

Nearly **5** million sight accounts

6.9 products per individual customer sight account

Leader on the student market

95 million customer contacts via remote channels: +32%

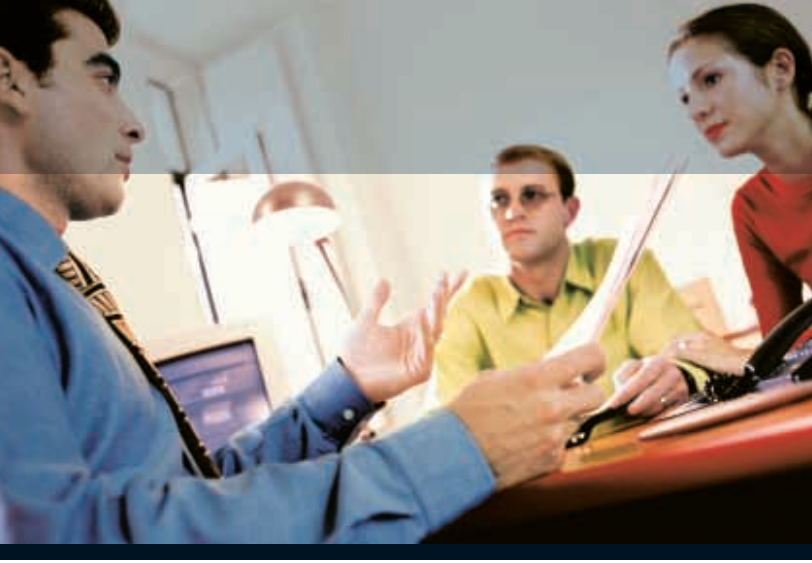
Strategy

Strong growth in franchise and customer loyalty

Presence on all markets (individual customers, businesses, professionals) and deployment of multi-channel model

Innovation, quality and expertise serving customers

Pooling expertise with other Group business lines



Highlights

Growth in franchise and customer loyalty

The growth in the franchise gathered pace during 2001.

The total number of sight accounts increased by 3.7%, to nearly 5 million units. The stock rose by nearly 180,000 sight accounts, compared with 120,000 in 2000.

Société Générale further reinforced its position among young customers, thereby ensuring the renewal of its franchise. On this market, the total number of sight accounts increased by 3.6%, and more than half of the young people with a current account subscribed to the "Pack Jeunes".

Société Générale is the leading bank among students, with an overall penetration rate of 17%, and 28% of students from the *Grandes Ecoles* (prestigious French universities)⁽¹⁾.

Customer loyalty continued to improve, illustrating the quality of the services offered and the success of the sales teams. The cross-sell rate continued to rise, from 6.6 at the end of 2000 to 6.9 at year-end 2001. A survey⁽²⁾ of 86,700 individual customers with a sight account showed that customers have been with Société Générale for an average of 18 years.

(1) Source: IEPE 2000 – 2,000 people surveyed.

(2) Private customer satisfaction barometer, first half 2001.

Sogénal

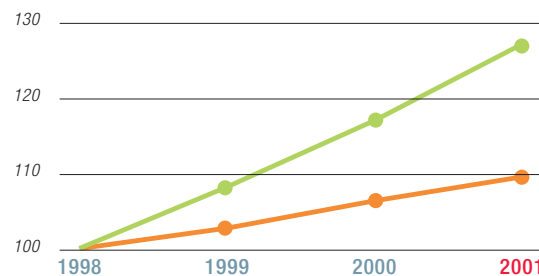
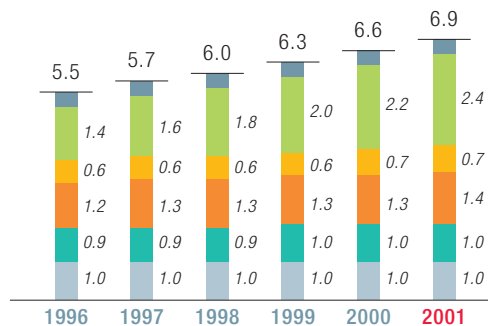
Integration of the activities of the 102 branches within Société Générale's domestic network.

Société Générale/Groupama partnership

An agreement was signed for the creation of a multi-channel bank for the 8 million members and customers of Groupama, to be 40% owned by Société Générale and 60% by Groupama.

Targets:

- operational launch in the first half of 2003,
- profitable as of 2005,
- 500,000 customers by year-end 2006.



CROSS-SELL RATE PER INDIVIDUAL CUSTOMER SIGHT ACCOUNT

INDIVIDUAL SIGHT ACCOUNTS AND CROSS-SELL RATE

Loans, Services, Asset management/life insurance, Special savings accounts, Cards, Sight accounts

Sight accounts, Products, 100 = 1998

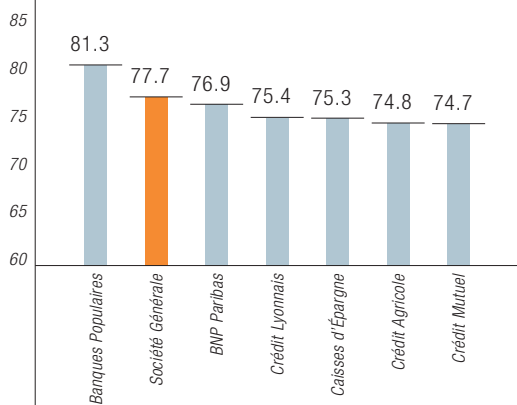
Retail Banking



Highlights

Image of banks held by their customers

Source: IOD survey November 2001. 760 people surveyed.
0 = very bad image 100 = excellent image



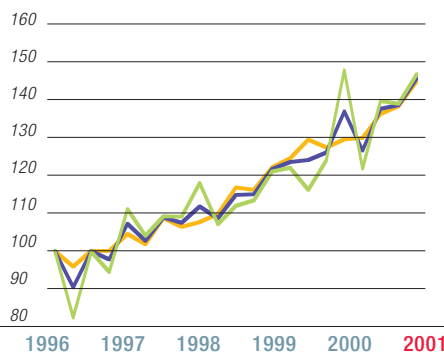
Diversity of customer base and activities

Société Générale has a multi-market strategy: individuals, businesses, self-employed professionals (professions, craftsmen, shopkeepers, farmers), local and regional authorities, and non-profit organizations. All customer segments contributed to the 6.8% increase in net banking income in 2001.

The 4.3% rise in fee and commission income in 2001 confirms the effectiveness of the diversified approach,

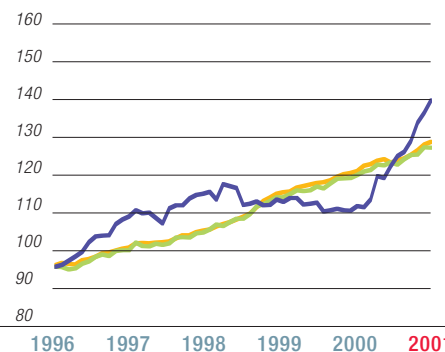
with the 11% increase in service-related fees more than offsetting the 9% fall in fees on securities transactions.

2001 saw a sharp increase in outstanding sight deposits (+8%) and loans, notably to individual customers (+7.6%). New mortgage loan production was excellent, with the volume of loans granted up by 37.2% in relation to 2000, with an improvement in the margin.



OUTSTANDING SIGHT DEPOSITS

■ Total ■ Households ■ Businesses 100 = Q4 1996



OUTSTANDING INDIVIDUAL LOANS (WITH DETAIL OF MORTGAGE LOANS AND REVOLVING CREDIT)

■ Revolving credit ■ Mortgage loans ■ Individual loans 100 = Q4 1996



Highlights

A year of innovation

— Individual customers were offered **particularly innovative savings products**, including the guaranteed fund *Sogetrium*, multi-manager funds, and alternative management. The *Séquoia* multi-vehicle life insurance contract was extended, with the financial protection offered to beneficiaries reinforced and two new investment vehicles added. In life insurance with annuity payments, the “*Garantie des Accidents de la Vie*” product – a solution to compensate victims who suffer physical injury from personal, medical or technological accidents, terrorism, assaults or natural disasters – is currently being marketed to all customers following successful trials.

- **Société Générale was the first bank to be certified by AFAQ** (the French association for quality standards) for the “*Jet Pro*” credit offer for professional customers. This competitive advantage reinforces the bank’s reputation on this market.
- In employee savings for SMEs, Société Générale launched **the first intercompany savings plan**, PEI Arcancia. It also extended its **retirement savings plan** for employees (*Palissandre Entreprises*) and its **life insurance** offer for business leaders (*Pallia homme clé*).

Loan production: an excellent year

- *A very good performance was registered in mortgage loans, with the volume of loans granted close to the exceptional level of 1999. With a view to meeting customer requirements by providing a global solution to their real estate projects, Société Générale extended its offer via packaged products that combine finance with services such as home protection solutions, electronic surveillance, a financial reserve for recurrent maintenance, and rental payment insurance for investors.*
- *Another lending highlight of 2001 was the increasing success of the Alterna revolving credit product: outstanding credit increased by 42%, under the combined impact of efforts to attract new customers and initiatives targeted at existing accounts.*



Highlights

e-banking

- **Logitel Net, the banking website,** recorded a twofold increase in traffic in one year, with 55% of stock market orders transmitted via this channel. The site was voted “**website of the year**” in the “banking” category by 4,000 internet users.
- **The online banking service for retail customers** was awarded the **Interactive Website Prize** by *Téléperformance* in 2001. New functions were added to the site and browsing was made easier.
- **95 million customer contacts** were made via remote channels, up 32% against 2000 (voice servers, call centers, internet, Minitel, SMS messages, interactive television and WAP).

The integrated multi-channel distribution model: a crucial stage

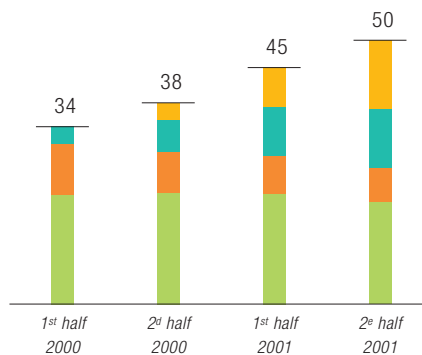
Société Générale launched its integrated multi-channel distribution model – the 4D program (Tomorrow’s Retail Banking Distribution System) – in 2000, with a budget of EUR 260 million, opting for one of the leading Customer Relationship Management (CRM) solutions on the market.

2001 marked a decisive stage in **this program as the CRM solution was integrated within IT systems** on time and on budget.

Nearly 7 million customers and 45 million products and services can now be consulted via a single database “Contact”, which will be installed on the workstations of customer advisors and call center operators from 2002.

In this multi-channel environment, Société Générale has chosen to optimize its distribution network around three key divisions:

- sales divisions, which have been tested with 5 groups since september 2001 will be at the heart of the management of the multi-channel customer relationship and will be focused on advisory services and sales. The first divisions will be set up in 2002;



**REMOTE CHANNELS
NUMBER OF CONNEXIONS**

■ SMS ■ Minitel *in millions*
■ Internet ■ Voice servers *of connexions*



Highlights

- multimedia customer relations centers (CRCm), specialized in remote channels (telephone, e-mail), will complement and support the network. Since April 2001, the first center of this kind has been operating in Lyon, covering 4 branch groups with around a hundred operators. Two other centers are due to be opened during 2002;
- regional customer service divisions will eventually group the middle and back office activities currently carried out by the 130 branch groups, with a view to standardizing the quality of service provided to customers.

Confirmation of high profitability

Despite the less favorable economic environment, the network recorded a high level of profitability, with a ROE of 19.4%, and a limited cost of risk.

Growth in results combined with cost control produced a 2.6 point drop in the cost/income ratio to 69.8%.

Euro: Challenge met...

All teams were involved in organizing this project and informing customers about euro-related issues.

4.5 million euro check books were distributed to customers between April and October 2001.

As of January 4, 2002, all ATMs were issuing euros.

The successful introduction of euro coins and banknotes and the transfer of millions of bank accounts into euros attest to the efforts made by Société Générale in this area.

Between December 2001 and February 2002, 6,000 people were involved to guarantee the highest quality of service to customers.

This major event ran smoothly notably due to the professionalism and the mobilization of the network.



The Crédit du Nord Group Network

A high level of profitability confirmed

30,000 new sight accounts opened

157% increase in internet connections

Strategy

A strong position combining tradition with modernity: bankers.today

A federation of eight regional banks focusing on proximity and the customer relationship

A Group-wide information system in place since November 1, 2001

A multi-channel offer enabling customers to contact their bank "how they want, when they want and where they want."

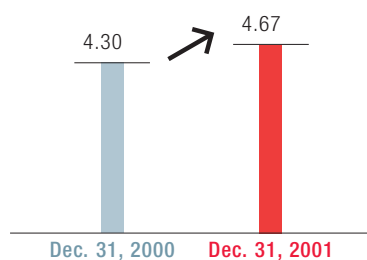


Highlights

A leader in multi-management

Etoile Multi Gestion™, a range of five risk-profiled funds based on the Multi-asset, Multi-style and Multi-manager concept, was launched in November 2000 and proved a great success among customers seeking to diversify their asset portfolio. Over EUR 865 million in assets were invested during 2001. The performance of the funds was in line with targets, with four of the five funds ranked in the top performance quartile.

This inflow of new money increased the Crédit du Nord Group's market share in risk-profiled funds from 4.30% to 4.67%.



MARKET SHARE OF CRÉDIT DU NORD GROUP IN RISK-PROFILED FUNDS

in %

Strong growth in lease finance activities

In 2001, the Crédit du Nord Group recorded a 29.6% increase in lease finance production, compared with market growth of around 6%. These transactions are carried out by Star Lease, a wholly-owned subsidiary of the Crédit du Nord Group, which replaced Norbail. Administrative management relating to the transactions is delegated to Franfinance.

Increase in the number of products held by professional customers

31.6% of professional customers had three or more products or services in 2001, up from 25.7% the previous year.

Convention Alliance: an offer tailored to professionals

Convention Alliance is a range of services for professional customers, tailored to major business types. The offer is designed to reflect the different requirements of legal and healthcare professionals, shopkeepers and craftsmen, and micro-enterprises.

With Convention Alliance, professionals enjoy preferential terms on a range of banking services adapted to the expansion of their business.





New Communication



Highlights

**Internet:
dedicated websites**

The Group has set up three portals dedicated to Individual, Professional and Business customers, and has revised the graphics and design of its institutional sites.

- www.particuliers.credit-du-nord.fr
- www.professionnels.credit-du-nord.fr
- www.entreprises.credit-du-nord.fr



www.groupe.credit-du-nord.com

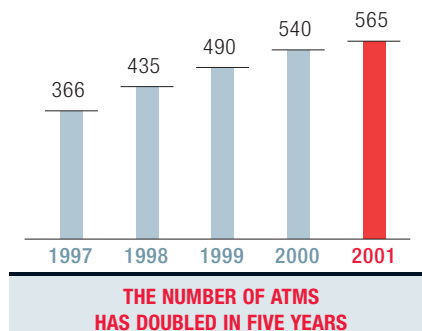
A high-performance multi-channel offer

The Crédit du Nord Group has a comprehensive multi-channel banking offer (telephone, Minitel, internet and Wap), with a major advantage for customers: remote transactions are recorded in real time, in the same way as transactions carried out in the network's branches. The strong performance of the Group's remote banking channels was confirmed in 2001. For the third consecutive year, Etoile Directe – the Group's telephone banking service – was awarded the "Casques d'or" trophy in the "best customer relations" category at the Best Call Center Awards.

Alongside the development of remote channels, customer advisers remain pivotal to the customer relationship.

70% of new customers are referred

Customer satisfaction has resulted in sharp growth in the individual customer base. 70% of new customers open an account with one of the Group's banks following a personal recommendation from an existing client. The number of sight accounts has increased by 11.3% in three years. In addition, 65% of individual customers had subscribed for three or more products by the end of 2001, an increase of 2.6 points in three years.



Retail Banking outside France

A sharp pick-up in growth

Strategy

Export domestic Retail Banking expertise to subsidiaries in three key geographic regions:

- Central and Eastern Europe
- Mediterranean Basin
- Africa and French Overseas Territories

Implement sustained and targeted development policy in growth markets

Reinforce synergies with all the Société Générale Group businesses

3.9 million customers: +100%

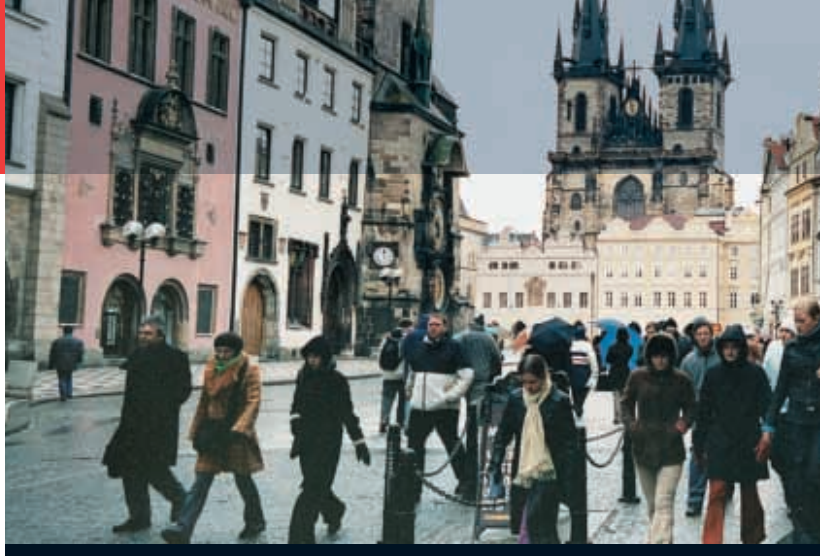
Over EUR 20 billion in deposits: +100%

25,000 employees: +80%

1,100 branches: +60%

25 banking subsidiaries:

Algeria, Argentina, Bulgaria, Burkina Faso, Cameroon, Chad, Ivory Coast, Cyprus, Czech Republic, Egypt, Equatorial Guinea, French Polynesia, French West Indies, Greece, Guinea, Jordan, Lebanon, Madagascar, Morocco, New Caledonia, Romania, Senegal, Slovenia, United Arab Emirates, Yugoslavia.



Highlights

With 2.7 million customers, the Société Générale Group is the **4th largest bank in Central and Eastern Europe**

Strategic acquisitions:

Komerční Banka

2nd largest Czech Bank

A population of 10 million, among the richest in Central and Eastern Europe (GDP per capita, PPP: USD 12,000).

Number 1 bank for businesses (market share in deposits: 30%).

Number 2 bank for individuals (market share in deposits: 15%).

1.2 million customers, including more than 900,000 individuals.

Deposits of EUR 9 billion.

350 branches, 10,000 employees.

SKB Banka

Largest private bank in Slovenia

A population of 2 million, with the highest level of wealth in Central Europe (GDP per capita, PPP: USD 14,400).

Market share: 10%.

140,000 clients.

Deposits of EUR 1.2 billion.

58 branches, 1,100 employees.

Sustained and targeted development

External growth in Central and Eastern Europe

The acquisitions of SKB Banka in Slovenia and Komerční Banka in the Czech Republic during 2001 were fully in line with the Group's strategy:

- providing a platform for development in growth markets,
- earnings growth forecasts above those for the domestic activities,
- integration process focused on risk management, management control and marketing.

The acquisition by Société Générale of a 60% stake in Komerční Banka was the Group's largest retail banking acquisition outside France in recent years.

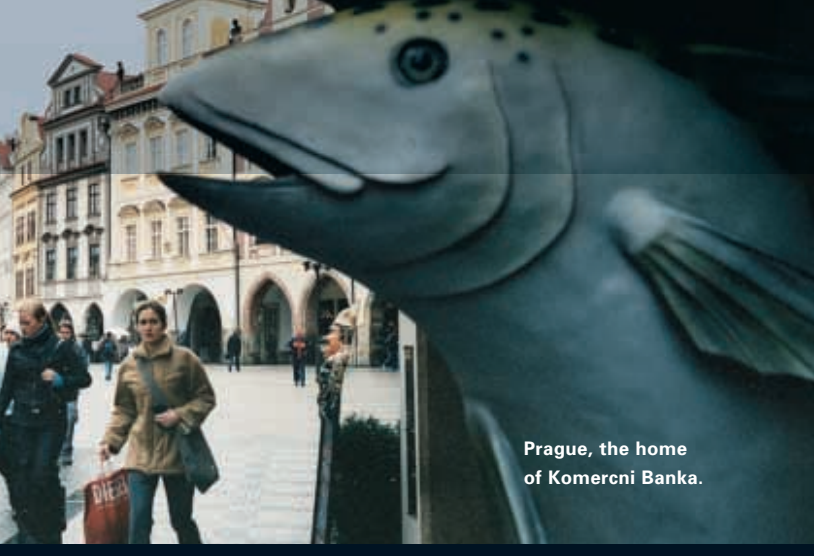
Komerční Banka is a major financial player in the Czech Republic, and is active in all banking businesses via a network of branches and specialized subsidiaries.

Komerční Banka is an innovative bank in many respects:

- it was among the first to issue bank cards on the Czech market and now offers a wide range of cards,
- it also anticipated the growth of remote banking channels, offering telephone banking, electronic banking and launching online banking services in April 2001.

Komerční Banka was integrated according to plan and the implementation of Société Générale's business model is advancing well.

Overall, the acquisitions of Komerční Banka and SKB Banka reinforced Société Générale's presence in Central and Eastern Europe, where it was already a leading player, with a strong presence in Romania and Bulgaria.



Prague, the home of Komerční Banka.

Highlights

Organic growth

The expansion of the franchise outside France can also be attributed to very strong organic growth, with a 30% increase in individual customers in one year, including:

Romania:

Over one million individual customers: +45%
 675,000 bank cards: +127%
 EUR 1,514 million in deposits: +27%

Bulgaria:

172,000 individual customers: +47%
 66,350 bank cards: +240%
 EUR 243 million in deposits: +40%

Morocco:

193,000 individual customers: +27%
 98,000 bank cards: +27%
 EUR 1,861 million in deposits: +21%

Reinforcing synergies

The development of the universal banking model for individual and business customers is based on pooling expertise between all of the Société Générale Group's businesses, notably:

Sogécap for insurance products, with the opening of subsidiaries outside France (Lebanon, Morocco);

Franfinance for extending consumer credit expertise throughout all subsidiaries;

SG Asset Management for securities, with subsidiaries in Greece and Romania;

SG Private Banking for wealth management in all subsidiaries;

ALD Automotive for full-service vehicle leasing;

CGA for factoring;

SG Investment Banking for structured finance.

Continued development of remote banking channels

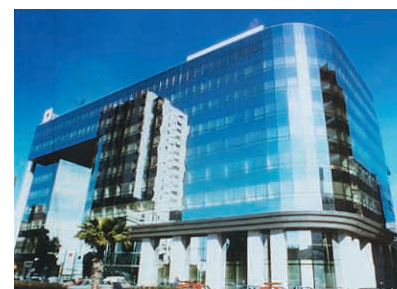
The highlights of 2001 include:

- the creation of call centers (Egypt, New Caledonia);
- the launch of institutional websites for all subsidiaries, and transactional websites and mobile telephone services for some subsidiaries (French Polynesia, Slovenia);
- the optimization or widespread implementation of distribution channels such as telephone banking, account consultation terminals and ATMs, etc.

Bancassurance in Morocco

Acquisition of one of the leading life insurance companies in Morocco, Marocaine-Vie (21% of the individual insurance market).

The Group intends to develop its retail banking activities in Morocco, via a presence that will benefit from Sogécap's expertise and the support of Société Générale Marocaine de Banques.



Casablanca: the new Head-office of Société Générale Marocaine de Banques.



Specialized Financial Services

Société Générale: a major player in Europe

Number 3 in Europe

in business finance

Number 4 in Europe

in full-service multi-brand vehicle leasing

**European leader in information
technology leasing and management**

Leader in France

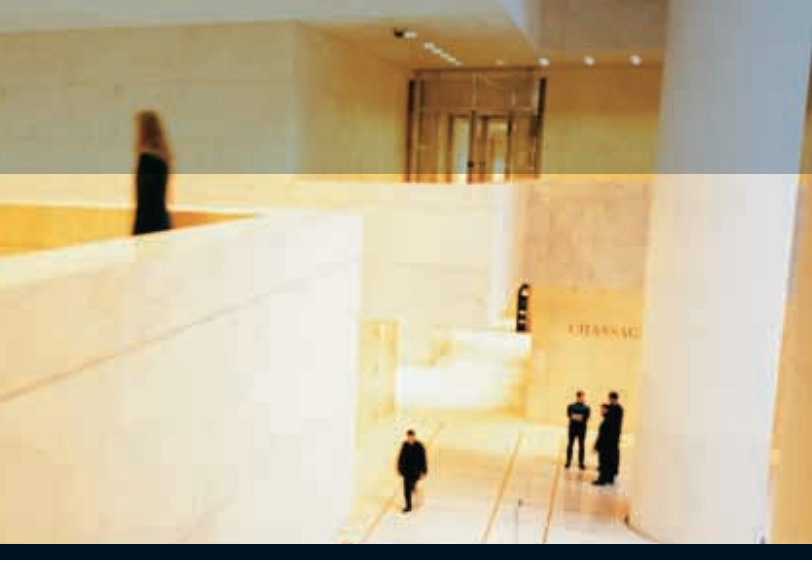
in unit-linked life insurance policies

Strategy

Rebalance the product mix
in favor of services and advisory

Develop the pan-European offer
in business finance, vehicle leasing
and fleet management

Reinforce partnerships between
specialized subsidiaries and
with the Group's business lines



Société Générale has consolidated its position as one of the leading players in Specialized Financial Services in Europe. During 2001, it enhanced its leadership position in several European countries via strategic acquisitions (GEFA and ALD).

The Group ranks among the top European players providing securities services to institutional investors.

Diversified businesses

Insurance: *Innovation and quality*

Innovation and quality once again characterized the Group's two insurance subsidiaries in 2001:

Sogécap

Launch of the Oradea Vie subsidiary designed to set up partnerships with brokers; extension of the Savings and Life Insurance range; creation of a specialized offer for UK customers; development in Morocco via the subsidiary Marocaine-Vie (controlled by Sogécap since July 2001).

Sogécap once again recorded a high level of profitability,

with net income of EUR 118.6 million and a ROE of 27.3 % (26.9% in 2000). Mathematical reserves amounted to EUR 32 billion, including EUR 14.2 billion relating to unit-linked policies.

Sogessur

Extension of the product range with the launch of *Sécurité Habitat* (a home surveillance offer marketed as of May); trials of the *Garantie des Accidents de la Vie* range at the end of 2001; extension of vehicle insurance coverage to professionals and foreign-registered vehicles.

Sogessur once again registered nearly 110,000 new contracts in 2001.

Consumer credit: *a strengthened position*

Franfinance developed all its consumer lending activities in 2001, and outstanding loans amounted to EUR 5,486 million at December 31, 2001 up by more than 14%. Franfinance was awarded ISO 9002 certification in July 1999, and manages more than 1.7 million loan files.

Highlights

GEFA and ALD: **strategic acquisitions**

In April 2001, Société Générale acquired Deutsche Bank's two specialized subsidiaries: ALD, leader in Germany for multi-brand vehicle leasing and financing and GEFA, leader in Germany in business finance. This transaction enabled the Group to achieve critical mass by extending its European presence from 5 to 14 countries and reinforcing its position in these activities. As a result of the acquisition, outstanding vendor finance to businesses rose by EUR 8 billion and the fleet of vehicles managed increased by 200,000 vehicles.



Highlights

Quality rewarded in 2001

Sogécap

Awards for top customer service and best Luxembourg life-insurance contract for Sogelux Investissement (Sogelife).

Le Revenu trophy for the best online life insurance contract for "Sicav On Line".

Sogessur

Excellent customer satisfaction for claims management: 77% for property insurance and 82% for vehicle insurance.



At the end of 2001, Société Générale reinforced its presence in Italy with the acquisition of Unicredito Italiano's 50% stake in Fidelity. The Group is now the sole shareholder in this company, which has a market share of 6% in Italy, with outstanding loans amounting to EUR 2.2 billion.

Computer leasing: *European leader*

European leader in information technology leasing and asset management, the ECS Group recorded growth in activity of nearly 9% in 2001, with sales of EUR 1,862 million.

The group's key strengths include the diversity of its offer, which was bolstered with new services in 2001 (network supervision, back-up and security services, internet module "OptimMOVE"), and its local sales network (45 branches in 9 European countries).

In 2001, the ECS group generated net income of EUR 22.8 million (+28%).

Business finance: *a leading European player*

The merger between Franfinance and GEFA ranks the Group third in Europe, with a presence in 14 countries.

The two subsidiaries complement each other in terms of both geographical presence and sectoral specialization: GEFA is well-placed in transport and equipment finance and Franfinance has a strong position in the high-tech sector (European leader in high-tech business finance).

New finance amounted to over EUR 5.8 billion in 2001, up 10.3%, and outstanding finance rose to EUR 10.4 billion.

Synergies with the retail banking networks were reinforced during 2001, notably via the creation of Starlease – a partnership between Franfinance and Crédit du Nord. The Crédit du Nord Group network's equipment lease finance operations are now carried out by Starlease and managed by Franfinance.



Highlights

Full-service vehicle leasing and finance: expansion and commercial success

With the acquisition of ALD from Deutsche Bank early in the year, Société Générale is Europe's fourth largest multi-brand vehicle leasing company. Besides the development of its international activities (creation of a subsidiary in Morocco), the Group enjoyed major commercial successes in 2001, with contracts signed with Sernam, Jet Services and the Auchan Group, and partnership agreements set up with ADA and Toyota.

Following the successful sales drive implemented in 2001 (85,000 new contracts signed), the Group managed and financed a fleet of 291,000 vehicles at the end of 2001.

CGI, which specializes in point-of-sale financing (motor vehicles, motorcycles, boats and equipment) improved its performance, with new finance amounting to EUR 1,042 million (+15%).

Securities services for institutional investors: Société Générale ranked number 4 in the euro zone

The strategy adopted by the institutional securities services business is to position Société Générale on all peripheral asset management businesses, namely custodian services, liabilities management, valuation and reporting and performance measurement, while pursuing the business's traditional local custody, multiple clearing and global custody activities.

Number 4 euro-zone bank in Institutional Securities Services, with a presence in 11 countries.

In mid-2001, Société Générale acquired EuroVL, the mutual fund and portfolio valuation specialist previously owned by SCOR and Arjil. It was also awarded excellent ratings by Moody's (MQ1) and Fitch-AMR (aa and aa-) for its custody control and securities custody services. Assets managed by the custody business increased by 9.8% to EUR 807 billion.

Two new brands in Europe

Following the mergers of Franfinance/GEFA and Temsys/ALD, Société Générale created two new international brands: SGVS (Société Générale Vendor Services) and ALD Automotive. These brands provide the entities concerned with a strong commercial identity.

SGVS is present in 14 countries and groups the vendor finance activities in the transport, high-tech and industrial equipment sectors under a single brand.

ALD Automotive, which had 291,000 vehicles under management and was present in 8 countries at the end of 2001, has a broad product offer that meets the requirement of major European companies, professionals and individuals.





Asset Management and Private Banking



Nearly EUR **300** billion in assets under management

3rd largest euro-zone bank in asset management

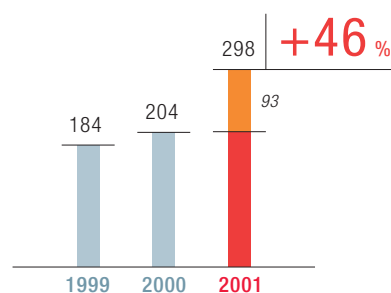
Launch of first inter-company employee savings plan

In 2001, the Group's Asset Management and Private Banking business acquired TCW, one of the leading independent asset management companies in the United States.

Owing to this acquisition and organic growth recorded by SG Asset Management and the Private Banking business, assets under management amounted to nearly EUR 300 billion at the end of December 2001.

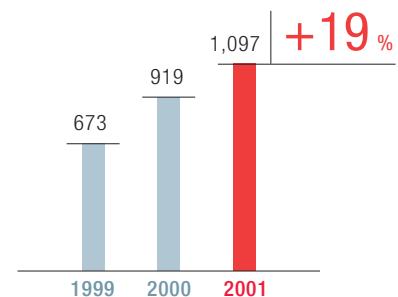
The results of the Asset Management and Private Banking business in 2001 were stable against those of 2000, in a tough stock market environment.

KEY FIGURES 2001



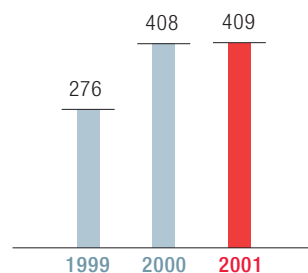
ASSETS UNDER MANAGEMENT

in billions of euros ■ TCW



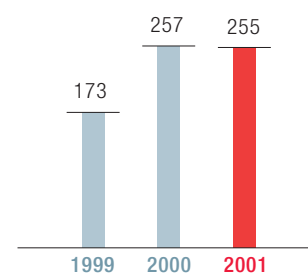
NET BANKING INCOME

in millions of euros



OPERATING INCOME

in millions of euros



NET INCOME

in millions of euros

Asset Management



Asset Management

SG Asset Management bolsters its international platform by acquiring TCW

EUR 258 billion in assets under management⁽¹⁾

EUR 22 billion in 2001 in net new money inflows⁽²⁾

3rd largest asset manager among the euro-zone banks

Rated aa+ by Fitch-AMR



(1) Including Étoile Gestion, the asset management arm of Crédit du Nord.
(2) Including TCW (pro forma – annual basis).

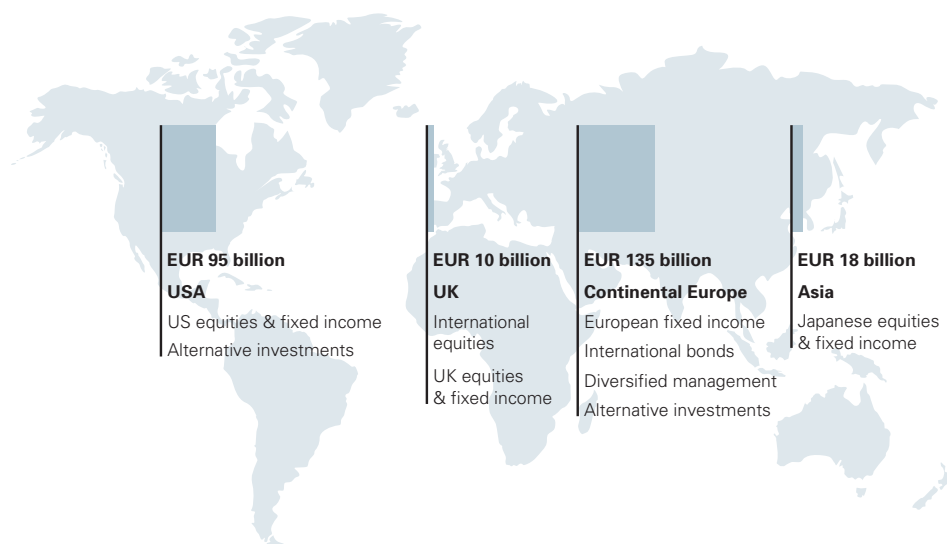
Strategy

Focus strategic development on distribution, taking advantage of the best asset management capabilities in each major investment region

Develop cross-selling between SG Asset Management's four management centers to offer our customers the widest range of products managed by the best specialists

Increase our distribution capacity around the world, via partnerships and framework agreements

Enhance the Group's leadership in alternative investments



TCW, SG Asset Management's US platform

With TCW (Trust Company of the West), SG Asset Management has acquired a team of talented asset management professionals recognized for their know-how, as well as a solid distribution platform in the United States and one of the most impressive customer bases on the market.

TCW was founded in Los Angeles by Robert A. Day in 1971, and currently employs more than 600 people.

Assets under management top USD 80 billion (equities, fixed-income products and alternative investments).

TCW's strengths are derived from the great commitment of its teams, who are experts in different management styles, ranging from traditional US equities (small, mid and large caps, growth, value and core), to sectoral management, and from cash and corporate bonds to mortgage-backed securities and high-yield bonds.

TCW also has a strong position in alternative investments (USD 9.4 billion), in leveraged finance, mezzanine financing and international private equity.

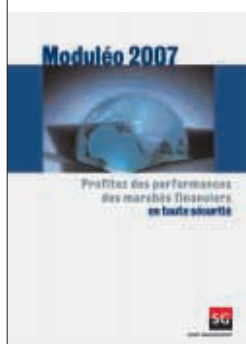
After working for many years with major US public- and private-sector pension funds, multi-nationals and large associations, since 1997, TCW has successfully extended its activities to include retail clients. TCW manages funds amounting to USD 17.6 billion for this clientele. In addition, there has been strong growth in the proportion of assets managed for high net worth individuals.



Highlights

Alternative investments

A force for innovation and success

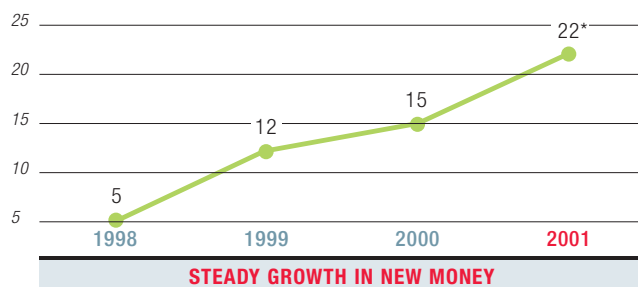


Growth and innovation

Strong inflow of new money

In spite of a less favorable environment and high volatility on the markets, SG Asset Management recorded a strong inflow of new money inflows during 2001, amounting to EUR 9.3 billion (excluding TCW).

This excellent result was linked to both a dynamic policy of launching products that meet customer requirements and the strong development of the sales teams.

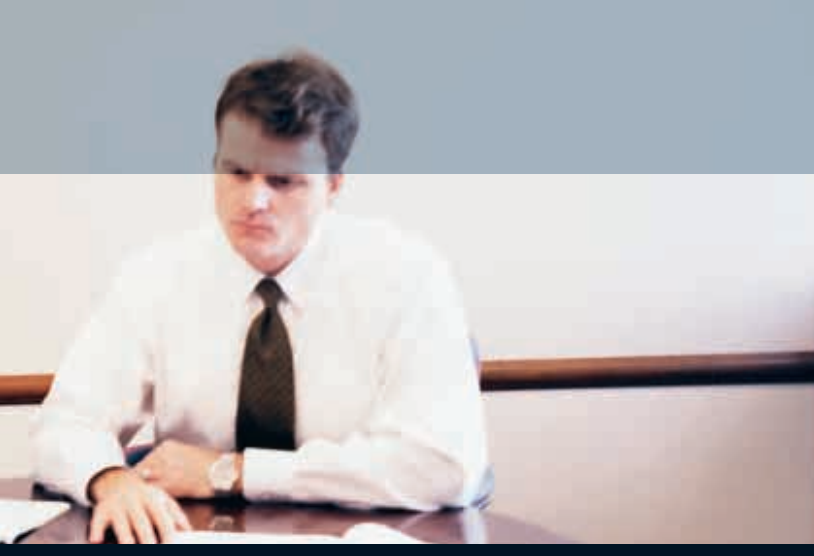


in billion of euros * including TCW over 12 months

Product innovation

In anticipation of potential stock market problems, since 1998 SG Asset Management has been actively developing its capabilities in alternative investments (products that are decorrelated from traditional markets). Initially limited to structured products, the Group's expertise has gradually extended to guaranteed management, private equity and hedge funds, with an offer that includes different strategies. With assets under management of EUR 23.8 billion (including TCW), SG Asset Management now ranks among the leading players on the alternative management market, which is set to see very strong growth in the future.

Market professionals recognized the Group's successes in 2001, and SG Asset Management's alternative investment activities were awarded two innovation prizes – one by *La Tribune* newspaper for Barep Alizé Euro, which invests in weather and insurance derivatives and another by the *Forum de l'Investissement* for SG Asset Management *Premier Cru*, a venture capital fund that invests in vintage wines.



Highlights

Singapore

A dynamic sales drive

Supported by the Group's capacity to put together structured products.

SG Asset Management launched nine new products for individual investors in Singapore and Hong Kong, which this year attracted new money amounting to USD 1.1 billion. These are distributed by the major banks that are active in the region, notably Citibank, HSBC and Standard Chartered.



SG Asset Management has also demonstrated its innovative capacity in the field of employee savings, which has been given a boost by the new French law that extends their scope to SME/SMLs.

SG Asset Management is a major player on this market, with a market share of 14%. It set up the first French inter-company savings plan for the 30,000 employees of the Carrefour group's franchised stores, and launched "Pei Arcancia", the first inter-company savings plan open to all French SME/SMLs, which is marketed via the Société Générale network.

Professionalism and rigor

Since its creation in 1997, SG Asset Management has applied the highest quality standards to its operations. Risk management

has been considerably reinforced, with the creation of a 25 strong Risk Department, which is responsible for making all operational and investment processes secure.

This tight level of control has paid off:

- Fitch-AMR renewed its aa+ rating in 2001, the highest rating awarded to an asset management company for its overall structure.
- The annual survey of financial managers of the largest French companies carried out by Option Finance magazine in 2001 named SG Asset Management as the "top performing fund manager".

Private Banking

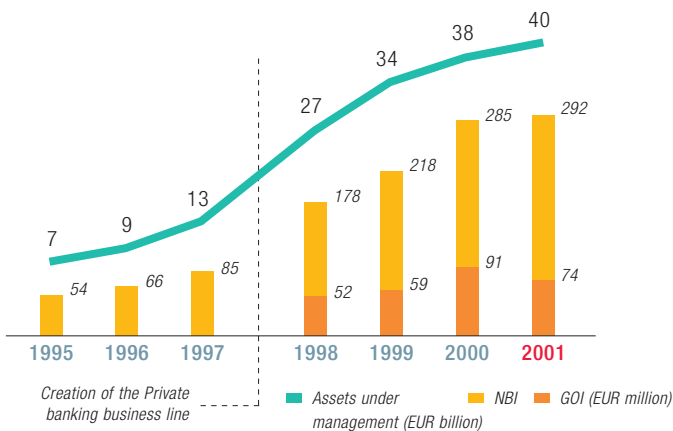


Private Banking

A major growth area for the Société Générale group

Assets under management* :
EUR 40 billion

3 priority regions:
France, Europe, Asia



* Plus EUR 76 billion in assets managed for prime mass affluent clients of Société Générale's domestic network (assets under management of more than EUR 150,000).

Strategy

A business line dedicated to high net worth individuals (with financial assets of over EUR 1 million and prime mass affluent clients)

A highly personalized relationship with clients and a global approach to their requirements based on advisory services

A major potential client base in the Société Générale Group's networks in France and internationally

A single brand that groups national brands (SG Hambros Bank, SG Rüeegg Bank, etc.)



2001: Growth in net new money inflows and satisfactory results

Despite the less favorable stock market environment, the Société Générale Group's Private Banking business was able to win over new customers, resulting in a 7% increase in net new money inflows (EUR 2.6 billion).

Net banking income rose by 2%, to EUR 292 million, and net income amounted to EUR 55 million.

This performance confirmed the attractive and innovative nature of the Group's model, which focuses on:

- a global approach to customer requirements based on advisory services,
- international diversification solutions underpinned by a comprehensive and high-performance range of products and services,
- dedicated teams of asset engineering specialists.

The business line has improved its productivity and extended its geographical footprint, while reinforcing its technical and sales capabilities.

It actively proposes to existing and prospective clients new products that are particularly well suited to the current environment (alternative management, structured products).

SG Private Banking has set ambitious growth and profitability targets, which will be achieved as a result of:

- the effectiveness of its growth model,
- recent investments and continued efforts to pool resources,
- the development of on-shore networks and optimization of the sales drive.

Highlights

Acquisition in Belgium of Banque De Maertelaere

Banque De Maertelaere has a strong presence in Flanders, and is specialized in asset management for prime mass affluent and high net worth individuals. Assets under management amount to EUR 2.4 billion.

Compliance

Société Générale was among the signatories of the Wolfsberg anti-money laundering principles in the field of Private Banking.



Corporate and Investment Banking



The **4th**-largest corporate and investment bank in the euro zone

Equity Derivatives: Equity Derivatives House of the Year 2001 *(IFR, Risk Magazine and Asia Magazine)*

Project finance: **3** prestigious nominations *(Euromoney, The Banker, IFR)*

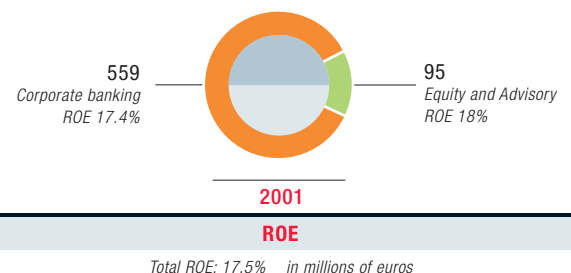
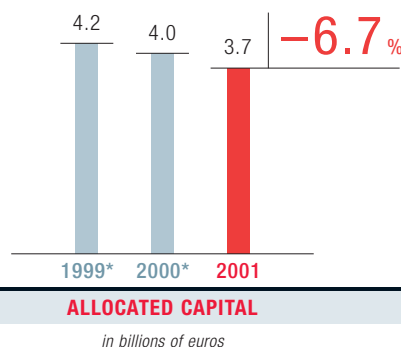
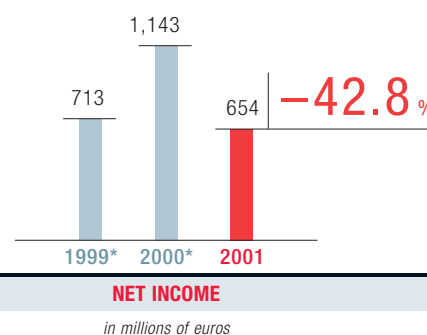
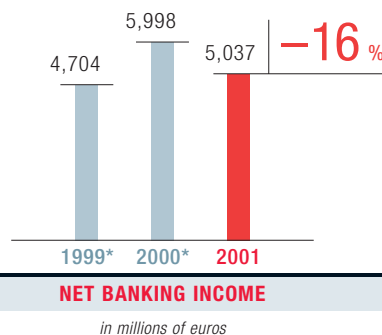
Export finance: number **2** global arranger *(Trade Finance)*

SG, the Société Générale Group's Corporate and Investment Banking division, serves corporate clients and investors in nearly 50 countries. It offers its clients integrated and innovative solutions that meet their financing requirements and strategic goals. Its aim is twofold:

- To be one of the leading European corporate and investment banks for:
 - clients with whom the Group has developed a close, long-term relationship,
 - clients in the Group's strategic sectors;
- To bring its target customers solutions that combine advisory, technical expertise and financing capacity, via a precise understanding of their markets.

KEY FIGURES 2001

* Figures restated for internal changes to Group structure made in 2001.



Corporate and Investment Banking



Strategy

Focused client approach

Continued selective development of businesses

Value creation through permanent innovation

Highlights

A **focused** sectoral approach

INDUSTRIAL SECTOR	GEOGRAPHICAL FOCUS
Commodities and energy	Global
Telecoms/Media	Global with priority on Europe
Technology	Global
Healthcare	Priority on the United States and Europe
Utilities	Priority on the United States and Europe

Balanced, high-performance services

Continued implementation of business strategy

Focused approach

In 2001, the **policy of refocusing** on 3,000 target clients was extended throughout the division:

- systematic efforts from the various players within the division to develop cross-selling;
- a selective approach to financial institutions: 350 investors and 50 issuers.

The sectoral approach was systematically applied in order to facilitate client contact for the different specialists in the division (client relationship managers, sectoral investment bankers, product specialists):

- for each geographical area, organization of the sales teams around selected industrial sectors,

in line with the segmentation of equity research;

- efforts concentrated on **five priority industrial sectors** (commodities/energy, telecoms/media, technology, healthcare, utilities)⁽¹⁾, representing approximately 30% of the total global economy⁽²⁾. The goal is to provide customers with solutions based on in-depth understanding of the issues and trends of their markets.

Selective development

The European market appears particularly promising in the next few years, due to current deregulation and consolidation processes.

Against this background, and bolstered by its strong positioning in France, SG will continue its selective development, with an emphasis on Europe:

(1) Our activity in the transport sector, which was originally a multi-product business, was refocused on mergers & acquisitions and project finance in 2001. Our activities with financial institutions were also refocused.

(2) This estimate takes into account our priority geographic focus and the target market segments within each industrial sector.



Highlights

Senior bankers

The principal commercial transactions set up with major clients are reviewed once a week by a committee comprising the Chairman, Chief Executive Officer and senior bankers. Each senior banker is responsible for securing a top-tier global banking relationship with a small number of strategic clients and developing a coordinated commercial approach to promote the Group's different activities to these customers.

France

<i>T. Aulagnon</i>	<i>A. Deloz</i>
<i>P.-J. Brenugat</i>	<i>B. de Font-Réaulx</i>
<i>P. de Cailleux</i>	<i>J.-C. Nohen</i>
<i>J.-L. Clavel</i>	<i>R. Sabot</i>

Europe excluding France

<i>F.-X. d'Aligny (Germany)</i>	<i>C. Garsin (Netherlands)</i>
<i>L. Constanzo (Italy)</i>	<i>J. H. Perez (Spain)</i>
<i>J. Couret (Spain)</i>	<i>G. Rosa (Italy)</i>

America

<i>R. Campbell</i>	<i>J. Lochtenberg</i>
<i>W. Connolly</i>	<i>G. Lynch</i>
<i>P. Dalle-Molle</i>	<i>J. Moreno</i>
<i>S. Fercho</i>	<i>J. Nangle</i>

Asia

<i>B. Chapman (Australia)</i>	<i>K. Tan (Singapore)</i>
<i>S. Koh (Korea)</i>	<i>Y. Wang (China)</i>
<i>J. Im (Hong Kong)</i>	<i>C. Wong (China)</i>
<i>S. Nurishi (Japan)</i>	

- further efforts in primary bonds (in particular corporate bond issues) and in structured credit products,
- strengthening of our pan-European equity business and our M&A origination capacity,
- technological investments in our global equity derivatives platform to reinforce the Group's leadership position.

The reorganization of our major businesses in 2001 goes hand in hand with this development:

- given the convergence of fixed-income and debt markets, these activities were grouped together to develop an integrated production chain from the issuer to the investor. Nearly EUR 100 million of revenue synergies resulting from the creation of the Debt Finance division were generated in 2001.

The goal is to continue integrating these business lines and achieve EUR 200 million of annual synergies in 2003;

- integration of the cash equity and M&A business lines in Europe within the new investment banking platform (Global Investment Banking Division), with a view to developing a coordinated approach by industrial sector. This integration extends the existing American model (SG Cowen) to Europe;
- reinforcement of synergies between trading activities on cash equities and equity derivatives;
- SG's financing and investment banking origination expertise in the telecoms/media sectors was pooled following the strategy applied to the commodities and energy sector.



Highlights

Tracker funds

In 2001 – SG pioneered the launch of the first tracker funds in Europe: CAC 40 Master Unit, DJ EURO STOXX 50 Master Unit, Dow Jones Industrial Average Master Unit, MSCI US Tech Master Unit (the first tracker that replicates the performance of a MSCI sector index for the information technology sector). Since the launch of the first fund in January 2001, assets under management have exceeded EUR 1 billion, representing a market share of nearly 20% in Europe.

Clickoptions

In May 2001, the equity derivatives teams launched Clickoptions, which offers individual customers the opportunity to invest online in a new generation of financial products. Customers can transform their assumptions on stock market trends into almost immediate gains. The range, so far only available on the French market, includes 2,500 products covering forty underlying instruments (shares and global indexes).

This selective development was underpinned by **active cost management**. In 2001, the reallocation of resources resulted in:

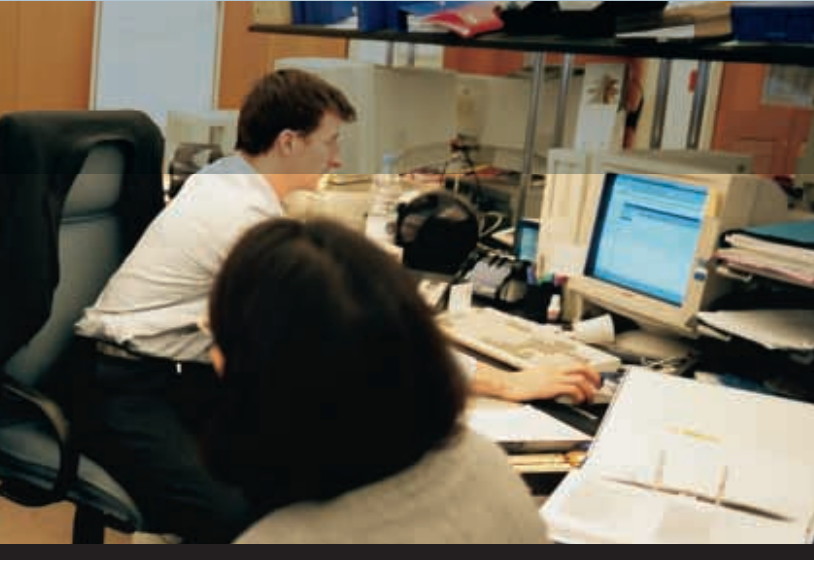
- the closure of non-strategic activities, distribution such as cash equity to institutional investors of emerging European and Japanese stocks, and M&A advisory in Australia, and the restructuring of investment banking services in London and the United States; these measures have led to a 12% reduction in front-office staff in the investment banking activities;
- the parallel adaptation of support functions linked to these activities;
- the successful completion of the plan to centralize western European operations management in Paris, which will generate recurrent savings of EUR 63 million from 2002.

Innovation

SG's development is based on continuous innovation:

- new products: the launch of the first tracker funds* in Europe;
- new concepts: the launch of a new business focused on the standard or synthetic securitisation of credit risks, to assist banks in managing their balance sheet and offer investors innovative investment products;
- new distribution channels: the launch of Centradia, the first online multi-product, multi-bank marketplace, dedicated to treasury and currency products and services.

* Tracker funds: exchange traded index-linked funds, which replicate the performance of a share index or a basket of securities.



Good results in a difficult environment, thanks to the diversity of the Group's businesses

Corporate and Investment banking is organized around 2 arms : Debt Finance and Equity and Advisory.

Corporate banking: sharp rise in activity

With net banking income up by 46%, 2001 was a successful year for all **debt and financing** activities, which were grouped together into the new Debt Finance division in February. All business lines registered growth in activity.

Currency and treasury activities in particular benefited from the decline in interest rates.

This favorable environment, along with a strengthened commercial approach, allowed SG to expand on the **debt and derivatives markets**, vis-à-vis both issuers and investors. The teams' innovative abilities helped them to win new mandates, such as the first issue of euro-zone

inflation-indexed bonds for Agence France Trésor, for EUR 6.5 billion, which received the "Sovereign Bond 2001" award from *IFR* magazine. Other bond issues managed by SG in 2001 included many successful operations, like Aventis (which received the "Europe Investment-Grade Corporate Bond 2001" distinction from *IFR*), France Télécom, Alcatel and Toys"R"us, as well as the Kingdom of Belgium and the Republic of Portugal.

SG is thus pursuing its expansion on the euro European bond market, rising from 18th to 13th position in 2001 (source *IFR*). SG has also confirmed its position among the top ten arrangers of syndicated loans in Europe (source *IFR*). The Group's efforts to develop new structured debt products also paid off, with, for instance, the hybrid debt issue for British insurance company CGNU for GBP 700 million and EUR 800 million (which was named "Financial bond – subordinated debt 2001" by *IFR*) and securitisation deals totalling AUD 1 billion for the Australian company Resimac.

Highlights

Centradia

A unique online offer

In November, SG launched the Centradia platform, in partnership with the Royal Bank of Scotland, Santander Central Hispano and San Paolo IMI.

www.centradia.com is aimed at a diverse European clientele, consisting of businesses and institutional investors. It is the first online marketplace dedicated to treasury and capital markets products and services that combines a multi-product, multi-service, multi-bank and multi-lingual offer.



Highlights

Results of **Corporate Banking** activities

<i>In millions of euros</i>	1999	2000	2001
Net banking income	2,439	2,469	3,083
Gross operating income	756	599	1,199
Net income	303	326	559
ROE	7.4%	9.3%	17.4%

Italenergia

Financing arranged for the acquisition of the Italian group Montedison and its subsidiary Edison by the consortium Italenergia (a subsidiary of Fiat and EDF) for EUR 6.5 billion. The Group's reactivity, teamwork, and structuring and distribution capabilities were decisive in obtaining this major mandate.

The strong results recorded by the **specialized financing activities** over the past few years were confirmed in 2001, and the Group's leading positions strengthened. The **export finance** business line was ranked number 2 worldwide in 2001, and thus figured among the top three banking institutions worldwide for the 7th consecutive year, according to Trade Finance magazine's market recognition survey. In **project finance**, SG ranks among the world leaders with several prestigious nominations: "World's Best Project Finance House of the Year" (*Euromoney*), "Best Project Finance Bank 2001" (*The Banker*) and "Americas Project Finance Loan House 2001" (*IFR*). SG's expertise in **asset finance** and leasing allowed for the development of these activities, namely in the industry, transport and real estate sectors. Several major **acquisition finance** transactions, like Italenergia's buy-out of Montedison and Edison (see highlights), illustrate the Group's performance.

Despite the difficult economic climate, activity remained strong in the new **media and telecom sector**, with the signing of sizeable transactions: SG was the financing arranger for wireless operator Amena in Spain for EUR 2.4 billion.

SG's diverse expertise in the **commodities/energy sector** allows it to offer customers innovative solutions (securitisation of debt providing access to capital markets, deconsolidation of stocks) and to launch new projects with strong growth potential, like the electronic marketplaces Intercontinental Exchange and Powernext and the creation of the energy trading company Gaselys in partnership with Gaz de France. SG confirmed its excellent position in this sector and has ranked 2nd in Trade Finance magazine's market recognition survey for the past 3 years.

2001 was an excellent year for **brokerage on organized futures markets**, for the Group's subsidiary Fimat, which again improved its position as one of the world's top clearing houses: Fimat's global market



share reached 5% in 2001 (7.0% in clearing), compared with 4.2% in 2000 (6.1% in clearing). In all, these excellent performances in terms of corporate banking earnings generated a ROE of 57%.

Equity and Advisory: encouraging results in a difficult environment

The **cash equity and M&A advisory activities** were grouped within a new division during 2001– the Global Investment Banking Division – with a view to providing institutional and corporate clients with an integrated offer. In these businesses, the Group’s priorities are to:

- consolidate its dominant position in France,
- reinforce its multi-product, pan-European offer, so as to accompany the international expansion of French clients and reinforce its market penetration in Europe, in a context of increasing unification between domestic markets,

- focus its expertise on a limited number of priority sectors outside Europe (technology, healthcare, telecommunications and media, utilities, energy and commodities), in which the Group provides value-added services to its clients.

The equity markets were highly unsettled during 2001, with low trading volumes, depressed prices and a sluggish M&A market. SG nonetheless consolidated its position:

- in Europe, where the **primary equity market** contracted by nearly 50%, SG improved its positions in particular thanks to the French market, where SG is ranked number 1: France Telecom’s IPO of Orange for EUR 9.4 billion, the sale of a block of Vivendi Environnement shares block by Vivendi Universal for EUR 1.2 billion (the biggest sale of the year in Europe). On the **secondary equity market**, SG was once again the top broker on the French market and remained the leading foreign player on the Milan Stock Exchange.

Highlights

Results of Equity and Advisory activities

<i>In millions of euros</i>	1999	2000	2001
Net banking income	2,265	3,529	1,954
Gross operating income	635	1,275	117
Net income	410	817	95
ROE	106.9%	159.6%	18%

SG’s ranking in investment banking businesses

Source: Thomson Financial

	REGION	2000	2001
Primary equity (bookrunner classification by amount of issues lead-managed)	France	2	1
	Europe	13	8
	All international issues	16	9
	Mergers & acquisitions (finalized transactions)		
	France ⁽¹⁾	9	9
	Europe ⁽²⁾	19	16

(1) French target: all buyers.

(2) European target or buyer.

In mergers & acquisitions, SG was involved in major transactions, advising Arbed in its merger with Usinor and Aceralia, and advising Debswana in the USD 17.6 billion restructuring of DeBeers.

In the United States, investment banking transactions were few and far between, in particular in the growth sectors in which SG Cowen is specialised (technology, healthcare). Some significant transactions were nonetheless carried out, including an advisory mandate for Cabletron Systems in its acquisition of Enterasys Networks for USD 2.6 billion. The last quarter was marked by an encouraging upswing in activity, as the Group was awarded the mandate to advise Cephalon on its acquisition of the pharmaceuticals group Lafon for USD 450 million, and lead-managed 3 transactions on the primary market, including the USD 125 million capital increase for the biotechnology company Transkaryotic Therapies.

In Asia, activity was limited in 2001 due to the sluggish market.

On the **convertible bonds** market, SG consolidated its position among the world's top ten lead arrangers (source: *IFR*). SG was joint bookrunner for transactions such as the Carlton Communications Plc. issue of bonds

exchangeable for Thomson Multimedia shares for EUR 638 million, the biggest convertible euro bond transaction on the UK market in 2001, and the Vivendi Universal issue of bonds exchangeable for Vivendi Environnement shares for EUR 1.8 billion, named the "Deal of the Year" by *Corporate Finance* magazine.

In **equity derivatives** – an activity in which SG is market leader – the Group recorded good results in 2001, particularly in the sale of structured products.

SG is pursuing its strategy of innovation and adaptation to customers' needs. In 2001, new structured products, like Kilimanjaro and Annapurna, followed on from the first products of the range (Everest, etc.). In listed products, the launch of tracker funds was a huge success (see highlights page 48).

SG's dominant position in equity derivatives was again recognized: SG was named the "Equity Derivatives House of the Year" by *IFR* magazine, and by *Risk Magazine* for the second year in a row.