



Annual report **2001**

Société Générale Group



GROUP

RETAIL BANKING • ASSET MANAGEMENT • CORPORATE AND INVESTMENT BANKING

Contents

	Société Générale Group on the move
01	Profile
02	Interview with Daniel Bouton, Chairman and Chief Executive Officer
04	Key Figures
06	The Société Générale share price
08	Group values

I. Sustainable growth

10	Strategy
12	Sustainable development
12	Société Générale and society
13	Société Générale and the environment
14	Société Générale and its customers
14	Société Générale and its shareholders
15	Société Générale and its employees

II. Activity 2001

18	Retail Banking
20	Société Générale network France
26	The Crédit du Nord Group network
29	Retail Banking outside France
32	Specialized Financial Services
36	Asset Management and Private Banking
38	Asset Management
42	Private Banking
44	Corporate and Investment Banking

III. Corporate Governance

54	Information on Corporate Governance
56	Board of Directors
59	Executive Committee
60	General Management Committee
61	Remuneration of Senior Managers
62	The Société Générale share
63	Stock options
64	Investor relations

IV. Financial Statements

	Consolidated financial statements
66	Group Management report
76	Risk management
88	Regulatory ratios
90	Consolidated financial statements
136	Report of the Statutory Auditors
	Parent company financial statements
137	Management report
139	Financial statements
141	Five-year financial summary
142	List of subsidiaries and affiliates
149	Report of the Statutory Auditors
150	Information on common stock
154	Major changes in the investment portfolio in 2001
156	Activities of principal subsidiaries and affiliates

V. Legal information

161	Reports and resolutions submitted to the General Meeting
180	Société Générale's by-laws
186	Capital increase reserved for employees
188	Additional information
190	Person responsible for the reference document and persons responsible for the audit of the financial statements

The original version of this Reference Document in French was registered with the French Securities and Exchange Commission (Commission des Opérations de Bourse) on March 21, 2002, in accordance with regulation 98-01 of the said Commission. It may be used in connection with a financial transaction only if completed by an Information Notice also duly registered with the Commission.



1997

Retail Banking

Acquisition of Crédit du Nord – France

Private Banking

Acquisition of Hambros – United Kingdom

1998

Investment Banking

Acquisition of Cowen and Co. – United States

Asset Management

Takeover of Yamaichi ICM – Japan

Creation of SGAM UK – United Kingdom

Société Générale
Group's development
on the move

Photo:
Los Angeles financial district,
TCW tower.

1999

Retail Banking

Acquisition of Romanian
Development Bank – Romania,
BFV – Madagascar,
BTCD – Chad

2001

Retail Banking

Acquisition of SKB Banka – Slovenia,
Komerční Banka – Czech Republic

Specialized Financial Services

Acquisition of GEFA and ALD – Germany

Private Banking

Acquisition of Banque De Maertelaere – Belgium

Asset Management

Acquisition of TCW – United States

In 1996

4 million sight accounts

46,000 employees,
including **26%** outside France

Assets under management:
EUR 63 billion

Net banking income:
EUR 6.6 billion

ROE: 8.7%

In 2001

Over **13 million** customers
in retail banking

86,500 employees,
including **43%** outside France

Assets under management:
nearly EUR 300 billion

Net banking income:
EUR 13.9 billion

ROE: 15.5%



Profile

The Société Générale Group

is the sixth largest bank in the euro zone.

Its business mix is structured around three core businesses: Retail Banking, Asset Management and Private Banking, Corporate and Investment Banking.

The Group is implementing a sustainable growth policy based on the selective development of its products and services, a client-focused culture of innovation in its different markets, and sustained organic growth coupled with acquisitions.

Over **13** million customers
in retail banking

4th largest corporate
and investment bank
in the euro zone

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

13th largest market
capitalization on the Paris Bourse
(EUR 27 billion)*

AA- (Standards & Poor's),
Aa3 (Moody's),
AA (Fitch)**

* December 28, 2001

** December 31, 2001

Interview with Daniel Bouton

How would you describe the business environment in 2001?

After the highly favorable conditions seen in 1999 and 2000, the economic climate dampened in 2001, which proved a difficult year. From the very start of the year, growth forecasts were repeatedly revised downwards in the United States and then Europe. Subsequently, the tragic events of September 11 exacerbated the sense of uncertainty and resulted in significant volatility on the financial markets. The combination of these factors led to a sharp drop on the global equity market.

Against this backdrop, the Société Générale Group turned in an excellent performance,

thereby demonstrating the robustness of its development model, its adaptability and its values – professionalism, team spirit and innovation.

How would you characterize the 2001 financial year for Société Générale?

In accordance with its strategic and financial plan, the Group implemented a dynamic acquisitions policy in business segments that have been targeted for their growth potential. Major transactions were concluded in Specialized Financial Services with the takeover of Deutsche Bank's European subsidiaries, in central European Retail Banking with the acquisition of Komerční Banka in the Czech Republic and SKB Banka in Slovenia, and in Asset Management with the purchase of TCW in the United States.

With these deals, Société Générale has further consolidated its positioning on these segments and now figures among the top tier of players in these growth businesses.

Overall, Société Générale again demonstrated in 2001 that the complementarity and profitability of the Group's three core businesses (Retail Banking, Corporate and Investment Banking, Asset Management and Private Banking) enable it to draw on a diversified range of growth drivers and to weather a downturn in the economy.

Over the financial year, the Société Générale Group generated a net income of EUR 2,154 million and a satisfactory ROE of 15.5% in a less favorable environment.

« **The Société Générale Group** turned in an excellent performance, thereby demonstrating its robustness in a difficult environment »

What are the Group's current objectives?

They remain unchanged, with the same focus on profitable growth. To this end, the Group has set itself two priorities:

- Improve its cost/income ratio through a strict cost control policy. The Group has continued to implement major cross-business programs to enhance productivity, which will represent annual savings of EUR 500 million by 2004.
- Develop business units that offer strong potential in terms of growth and profitability: Retail Banking, Asset Management and Private Banking, Specialized Financial Services, and certain selective sectors in Corporate and Investment Banking.

This policy enables us to leverage economies of scale in businesses where we possess significant competitive advantages.

What are your thoughts on Société Générale's stockmarket performance?

While down 5% over 2001, Société Générale's stock outperformed the EURO Stoxx Bank index of main European banks by 14% and the CAC 40 index by 17%.

This performance reflects the level of profitability generated by the Group throughout the year in a more sluggish environment, as well as the confidence shown by investors in the Group's strategy.

A quick word to sum up?

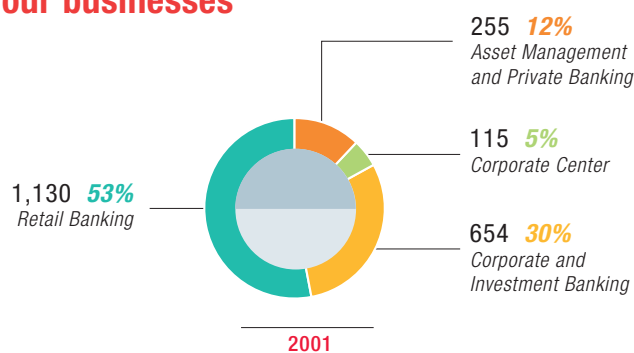
At a time when France has just witnessed the successful introduction of euro notes and coins, it should be noted that this would not have been possible without the professionalism, dynamism and readiness shown by employees of the country's banks. In this respect, I would like to thank in particular all the staff of Société Générale.

Over and above the efficiency of its staff, the performance of a financial services group is directly linked to the loyalty of its customers. Improving customer service is a prerequisite for creating value. This is our ambition.

Key figures for 2001

In 2001, net income amounted to EUR 2.15 billion, down 20% on the exceptional level seen in 2000 and up 9% in relation to 1999. This performance, which was achieved in a difficult environment, attests to the robustness of Société Générale's development model.

Strong profitability of our businesses



CONTRIBUTION TO GROUP NET INCOME

in millions of euros and as % of net income

Group consolidated figures

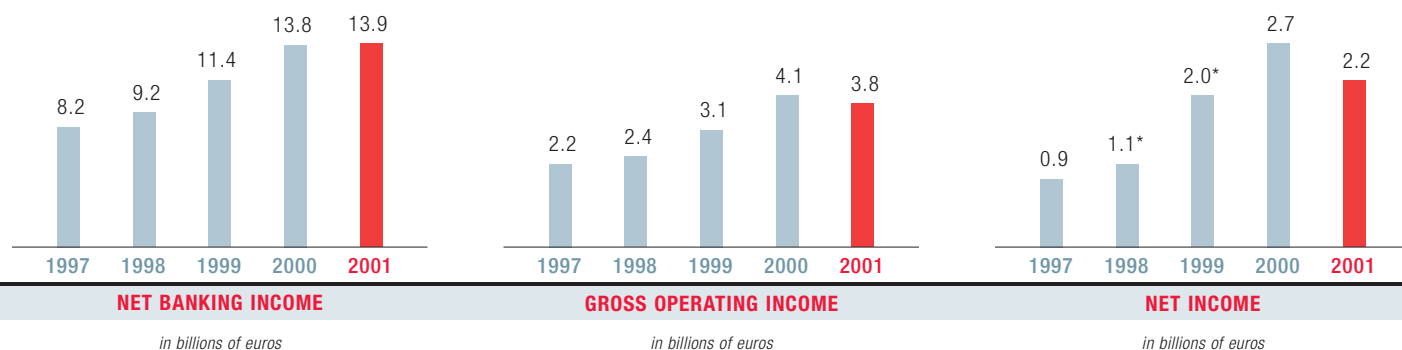
	2001	2000	1999**	1998	1997
Résultats (in millions of euros)					
Net banking income	13,874	13,799	11,409	9,238	8,243
Operating income	2,703	3,392	2,402	976	1,020
Net income before minority interests	2,327	2,877	2,066*	1,028*	965
Net income	2,154	2,698	1,980*	1,073*	933
Retail Banking ⁽¹⁾	1,130	1,012	852	725	576
Asset Management and Private Banking ⁽¹⁾	255	257	173	151	114
Corporate and Investment Banking ⁽¹⁾	654	1,143	713	(67)	105
Corporate Center and other ⁽¹⁾	115	286	242*	264*	137

* Excluding impact of SG Paribas project.

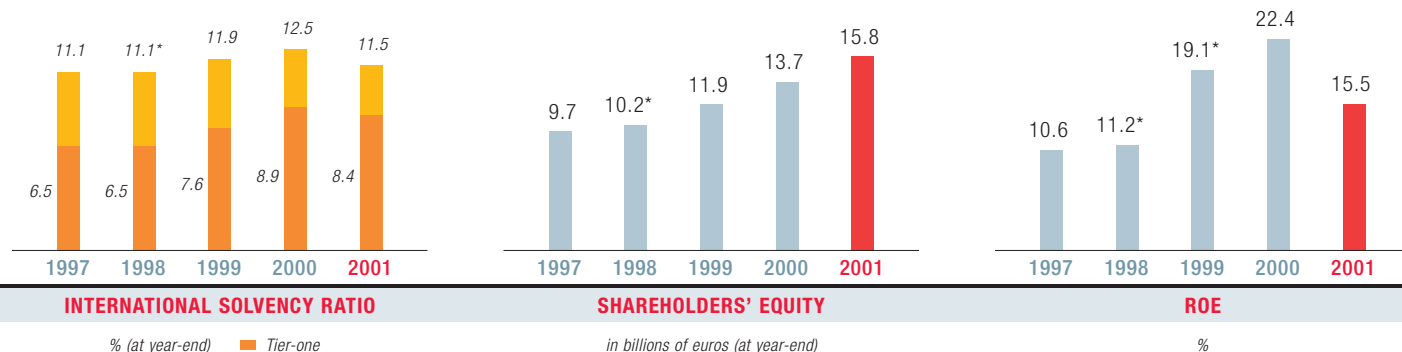
** Figures restated against those presented in the 1999 reports to take into account regulation 99-07 of the French Accounting Regulation Committee (Comité de la réglementation comptable).

(1) 1999 and 2000 figures restated for internal changes to Group structure made in 2001.

Growth trend in results over the medium term



Solid fundamentals



* Excluding impact of SG Paribas project

	2001	2000	1999**	1998	1997
Activity (in billions of euros)					
Total assets	512.5	455.9	435.5	383.5	374.9
Customer loans	167.5	148.5	132.8	126.1	122.0
Customer deposits	150.5	123.7	116.4	103.4	93.9
Assets under management	297.7	203.9	184.0	150.1	103.1
Equity (in billions of euros)					
Consolidated shareholders' equity	15.8	13.7	11.9	10.2*	9.7
Total equity ⁽²⁾	19.9	16.9	14.2	11.8*	11.5
Employees	86,574	71,149	66,020	58,600	55,465

(2) Shareholders' equity, minority interests, fund for general banking risks and preferred shares.

The Société Générale share price

The Société Générale share

Stock market performance

In 2001, Société Générale's share price outperformed the CAC 40 index by 17% and the EURO STOXX Bank index by 14%. The closing price was EUR 62.85 (-5%), compared with EUR 66.20 at the end of 2000.

At December 31, 2001, Société Générale's shares were valued at a price-to-book of 1.63 (book value per share of EUR 38.6). At the same date, the bank's stockmarket capitalization amounted to EUR 27.1 billion, which ranked it sixth among banks in the EURO STOXX Bank index and thirteenth among CAC 40 stocks.

Société Générale's shares were highly liquid in 2001, with an average daily trading volume of around EUR 101 million, 0.37% of capital (0.30% in 2000). In value terms, Société Générale's shares are the twelfth most actively traded in the CAC 40 index.

Stock exchange listing

Société Générale's shares are listed on the Paris Bourse (deferred settlement market, continuous trading group A, share code 13080). They are traded in the United States under an American Depositary Receipt (ADR) program and are also listed on the Tokyo stock exchange.

Stock exchange indices

Société Générale is a component stock of the CAC 40, EURO STOXX 50, MSCI Europe, FTSE Eurotop and Dow Jones Sustainability Group Index.

Total return* for shareholders

The following table shows the overall return on investment for Société Générale shareholders over different periods ending December 31, 2001. Figures are given as a cumulated total and as an annualized average.

For example, a shareholder holding Société Générale shares from December 31, 1996 to December 31, 2001 (five years) would have received a cumulated total return* of 204% over the period, or 25% per year on average.

DURATION OF SHAREHOLDING	CUMULATED TOTAL RETURN*	ANNUALIZED AVERAGE TOTAL RETURN*
5 years (1997-2001)	204%	25%
4 years (1998-2001)	108%	20%
3 years (1999-2001)	89%	24%
2 years (2000-2001)	13%	6%
1 year (2001)	- 2%	- 2%

Source: Bloomberg – appreciation of price + gross dividend reinvested in shares.

* Total return = capital gain + gross dividend reinvested in shares.

Steady growth in dividend payment

Between 1997 and 2001, the dividend paid by the Société Générale Group increased by 27% per year on average.

Dividend, payout ratio and gross yield on Société Générale's share

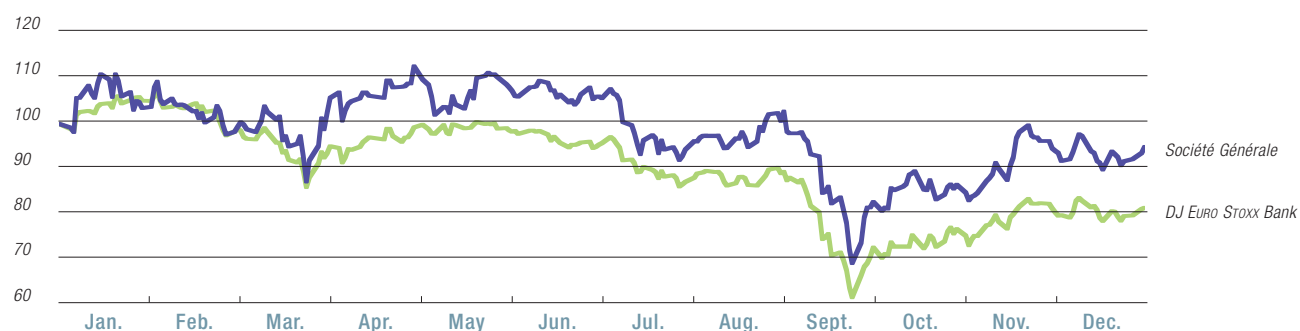
	2001	2000	1999	1998	1997
Net dividend (EUR)	2.10 ⁽¹⁾	2.10	1.55	0.94	0.80
Gross dividend (EUR) ⁽²⁾	3.15 ⁽¹⁾	3.15	2.33	1.41	1.20
Payout ratio (%) ⁽³⁾	39	31	31	35	31
Gross yield (%) ⁽⁴⁾	5.0	4.8	4.0	4.1	3.8

(1) To be submitted for the approval of the AGM.

(2) Net dividend + 50% tax credit.

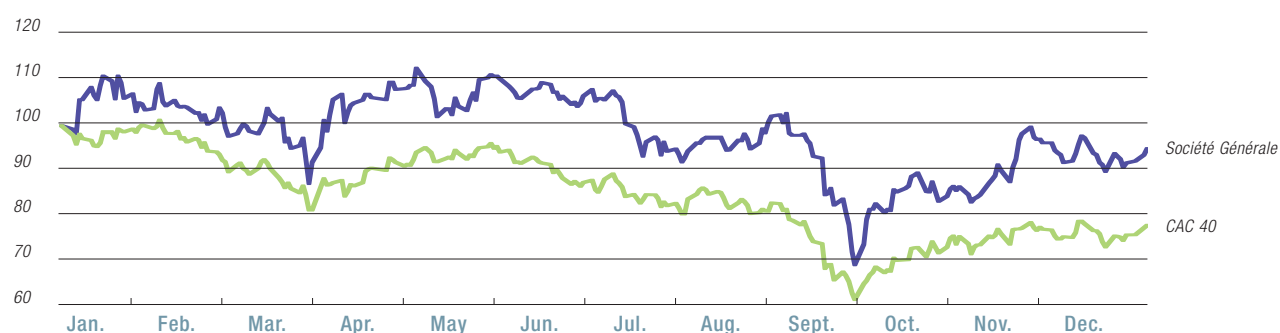
(3) Net dividend/earnings per share.

(4) Gross dividend/closing price at end-December.



SHARE PERFORMANCE/DOW JONES EURO STOXX BANK - BASE 100 (OVER 2001)

■ Société Générale ■ Dow Jones Euro Stoxx Bank Index



SHARE PERFORMANCE/CAC 40 INDEX - BASE 100 (OVER 2001)

■ Société Générale ■ CAC 40

Stockmarket Data

	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 1998	Dec. 31, 1997
Common stock (number of outstanding shares) ⁽¹⁾	431,538,522	423,248,418	417,322,484	408,732,592	394,726,996
Market capitalization (EUR billion)	27.1	28.0	24.1	14.1	12.3
EPS (EUR)	5.35	6.78	4.90*	2.72*	2.54
Book value per share – At year-end (EUR)	38.6	34.4	29.6*	25.4*	25.1
Share price (EUR)					
High	74.6	70.1	58.5	57.3	35.5
Low	45.9	48.2	32.5	20.3	20.3
Close	62.9	66.2	57.8	34.5	31.3

(1) Nominal value: EUR 1.25 per share. * Excluding impact of SG Paribas project.

Generating value from our values



In recent years, the Société Générale Group's core businesses have grown rapidly, with improvement in performance and a number of developments in France and around the world.

With a view to sharing and promoting the values that enabled the Group to become a leading international player, an internal communication campaign,

was launched for the 86,500 employees in March 2002.

Based on the theme "Generating value from our values", this campaign was launched in 19 languages and via different media (brochure, intranet, etc.) to promote the values that foster cohesion within the Group and that define its identity: **professionalism, team spirit and innovation.**