



Profile

The Société Générale Group

is the ninth largest French company by market capitalization and the sixth largest bank in the euro zone. It employs over 80,000 people worldwide.

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

The Group is pursuing a profitable growth policy based on the selective development of its core activities through a combination of organic growth and acquisitions, and is drawing on a strong capacity for innovation geared towards satisfying its customers.

The Group's three fundamental values are Professionalism, Innovation and Team Spirit.

No.1 non-mutual
retail banking group in France ⁽¹⁾

3rd largest corporate and
investment bank in the euro zone ⁽²⁾

3rd largest euro-zone bank
in asset management ⁽³⁾

9th largest market capitalization
in France (EUR 23.9 billion
at December 31, 2002) ⁽⁴⁾

AA- (Standards & Poor's)

Aa3 (Moody's)

AA (Fitch)

(1) By net banking income and number of branches (source: Société Générale).

(2) By net banking income (source: Société Générale).

(3) By assets under management (source: Société Générale).

(4) Source: Bloomberg.



Message from Daniel Bouton

Chairman and Chief Executive Officer

The Société Générale Group turned in a satisfactory performance **in 2002**, despite the harsh environment

Against a backdrop of highly volatile, bearish stock markets and uncertainties that weighed on the outlook for the global economy, **the Société Générale Group maintained a satisfactory level of profitability in 2002.**

Operating income edged up slightly in relation to 2001, confirming the robustness of the Group's strategy, which is structured around three complementary core businesses: Retail Banking, Asset Management and Private Banking, and Corporate and Investment Banking.

The business line ROE after tax came out at 18.7%, which represented a very creditable performance in an adverse climate.

The Group's net banking income showed a slight increase in 2002 in relation to 2001, rising by 4.2%.

The Retail Banking platform pursued its profitable growth both in France and internationally. Asset Management and Private Banking continued to expand its activities, particularly in Europe and Asia. The Corporate and Investment Banking arm held up well, in particular in fixed income,

debt and equity derivatives. However, the contribution made by the Equity and Advisory activities was affected by the tough stock market environment in 2002.

The Group reaped the rewards of its tight cost-control policy, **with operating expenses down when adjusted for changes in Group structure and at constant exchange rates.**

2002 also saw the integration of the major acquisitions made by the Group in 2001, notably Komerční Banka (KB), GEFA, ALD and TCW (Trust Company of the West).

The positive impact of these acquisitions, in terms of revenue growth and an improvement in the cost/income ratio, will be even more significant in the years to come.

The increase in the cost of risk, which reflected the difficult environment in the United States and certain industrial sectors, was limited, with the average cost of risk over the year (70 basis points) only slightly above our estimate under average economic and market conditions. This confirmed the Group's ability to grow while controlling its risks.

Overall, Group net income was down by 35.1% on 2001. Between 1999 and 2001, the Group benefited from sizeable capital gains realized on its industrial equity portfolio, totalling EUR 2.6 billion. In 2002, the Group was obliged to book EUR 772 million of provisions in accordance with its conservative provisioning policy.

Over the year, the Group's share price held up well: the Société Générale share outperformed the EURO STOXX BANK index by 15% and the CAC 40 index by 22%, against a difficult background for all stock market indices, including those of financial stocks.

Overall, 2002 confirmed the validity of the Group's positioning and objectives: a well-balanced and evolving business mix, sustainable and profitable growth, and a focus on value creation. The Group's 80,000 employees work hard to implement this strategy, inspired by our core values of innovation, professionalism and team spirit.

In an ever-uncertain environment, the Group will be able to leverage these assets to continue to create significant value for its shareholders.



Interview

Société Générale is **committed** to corporate governance and sustainable development

You chaired the AFEP-MEDEF⁽¹⁾ working group's review of corporate governance. How is the Société Générale Group putting its recommendations into practice?

Daniel Bouton: For a number of years, Société Générale has endeavored to apply best practices in terms of corporate governance. As such, the Board has completely rewritten its Internal Rules and the Director's Charter to bring them into line with the recommendations of the AFEP-MEDEF report. The Board has recommended that the General Meeting of Shareholders increase the number of independent members on the Board from one third to half of all members. The Board also carried out a second self-appraisal of its performance.

Furthermore, our Annual Report provides full information on Société Générale's corporate governance.

This year's report not only contains the Group's by-laws, like last year, but also includes the Committee's Internal Rules and the Director's Charter.

In 2003, the Board will strive to improve corporate governance

by focusing on three key issues: organization, transparency and appraisal, respecting both the letter and the spirit of the recommendations of the AFEP-MEDEF report.

In 2001, Société Générale signed the United Nations Statement by Financial Institutions on the Environment and Sustainable Development. How has the Group implemented this initiative?

Daniel Bouton: I am convinced that the values that underpin the Group's economic performance are also key to its medium-term development. These values are already widely shared within the Group.

Société Générale believes that promoting these values provides the opportunity to reaffirm the mainstay of the banking industry, namely confidence. More than ever, and particularly in the light of recent events, the Group's behavior must convince its customers and shareholders that its business ethics are irreproachable. Employees are the Group's key asset, and as such, the Group must be an attractive employer, able to offer motivating career development prospects. Being a responsible company

also means reaffirming the Group's role in the community, which we do through our sponsorship of major sporting and cultural events, for example.

Professionalism, Innovation and Team Spirit are the three values that the Société Générale Group highlighted in 2002. Why?

Daniel Bouton: The Société Générale Group has grown rapidly. Within the space of four years, we have developed into a truly international financial services group, with over 80,000 employees, of whom over 40% are based outside France. The three values, Professionalism, Team Spirit and Innovation, were chosen following an in-depth study that involved some 2,000 employees. A major communication campaign was launched in 17 languages in March 2002.

The aim is for these values to become the cornerstone underpinning the work of all Group employees.

The values, which are applied by all employees in their daily work and are materialized through management initiatives at the level of each entity, will contribute to driving the performance of each business within the Group: "generating value from our values".

(1) Association Française des Entreprises Privées (Association of French Private-Sector Companies) and Mouvement des Entreprises de France (French Business Confederation).

Three guiding principles: continued commercial development,

The crisis that hit the banking sector in 2002 was highly particular. It was not exactly a growth crisis, as no geographic region experienced a real recession in 2002, and some areas – such as Central and Eastern Europe and Asia (excluding Japan) – even continued to record sustained growth. Some have spoken of a crisis of confidence, resulting from a number of uncertainties at both a political level (insecurity linked to terrorism, crisis in Iraq, etc.) and an economic level (new technology sector, the German economy, etc.), and from a distrust of the mechanisms that regulate the financial markets (in particular, the belated discovery of accounting fraud in the United States). These uncertainties triggered a stock market crisis, marked by a sharp drop in banks' share prices and particularly high levels of volatility. The average level of the EURO STOXX BANK INDEX stood at 244.77 points in 2002, with a high of 301.1 points on May 14, 2002 and a low of 160.79 points on October 9, 2002.

Some of these uncertainties may last for some time to come, maintaining high levels of volatility.

Against this backdrop, the guiding principles of Société Générale's 2004 strategic plan – continued commercial development, reduction in the breakeven point and improvement of the risk profile – as announced to the market on April 19, 2002, proved particularly relevant, even if adjustments to the assumptions of average economic and market conditions are necessary. These guiding principles are described below.

Continued commercial development

The Group will continue to develop its franchises, both quantitatively and qualitatively, through both organic and external growth. Société Générale is undoubtedly one of the best-placed financial groups in terms of growth drivers. It is the market leader in France on growth segments such as young graduates or "mass affluent" customers. The Group is present in regions offering strong growth potential, such as Central and Eastern Europe, where it is the fourth largest bank⁽¹⁾. In asset management,

the Group is the third largest euro-zone bank⁽²⁾ and has built up a top-tier position in alternative management. The Group will continue to invest in external growth opportunities in order to bolster its platform, while respecting its commitment to selectivity and shareholder value.

These investments will take the form of acquisitions or partnerships, which enable the Group to leverage its existing production capacities and increase its market share, while providing access to new customers. The creation of a multi-channel bank with Groupama, which will be operational as of 2003, is a good illustration of this strategy.

Lastly, the Group strives on an ongoing basis to improve the quality of service provided to its customers, and to adapt its structure accordingly. It is in this vein that the Corporate and Investment Banking sales teams were restructured in 2002, with the creation of the "Corporates & Institutions" division, designed to improve the coordination of customer relations.

reduction in the breakeven and improvement of the risk profile.

Reduction in the breakeven point

The strategic plan provides for a sharp reduction in the cost/income ratio, based on the Group structure at December 31, 2001. This target remains the Société Générale Group's priority. Improving productivity and lowering costs remain the best ways of bolstering the Group's capacity to create value in an unstable environment. In order to achieve this, it has significant means at its disposal, notably the implementation of major productivity enhancement programs (such as the 4D project to optimize the retail banking distribution network), and the harnessing of synergies linked to the integration of recent acquisitions. These synergies will begin to have their full effect as of 2004. Lastly, the rightsizing of the Group's Investment Banking arm, which began in 2001 and was continued in 2002, will make a significant contribution to achieving this aim.

Continuation of efforts to improve the risk profile

The final part of the plan is designed to extend the Group's policy of allocating capital to those businesses that offer the best risk/reward trade-off, so as to improve the risk profile. This entails balancing the business mix, tightening the criteria governing the selection of transactions and the separation of risks, improving the sophistication of risk management and monitoring tools throughout the Group, and maintaining a conservative provisioning policy.

These principles are applied at the level of each of the Group's three core businesses, which complement each other and represent the cornerstone of Société Générale's business model. The three businesses each have the following priorities:

The Retail Banking

business will pursue its growth strategy focused along three axes: French Networks, Specialized Financial Services and Retail Banking outside France. Major acquisitions were made in the last two areas in 2002, with the takeover of Hertz Lease, Ford's European operational leasing and fleet management subsidiary, ranking the Group number two in Europe⁽³⁾; the acquisition of a 53% stake

in Eqdom, the leading consumer credit company in Morocco; and the acquisition of 52% of Union Internationale de Banques, one of the leading retail banks in Tunisia.

The Asset Management and Private Banking

business will continue to make acquisitions and set up partnerships to consolidate and develop its positions in the world's major investment centers: Europe, the United States and Japan, where it has launched SG Private Banking Japan. It is also extending its presence to China, with the formation of a joint venture between SG AM and the Chinese group Baosteel to create one of the first asset management partnerships in Shanghai.

The Corporate and Investment Banking

arm aims to achieve targeted and profitable growth, by securing leading positions in the businesses that it decides to develop – notably the euro bond market, where it registered strong growth in 2002, value-added financing activities, equity derivatives and fixed-income businesses – while permanently adapting its structure to the environment, notably in the equity businesses.

(3) Source: Datamonitor study DMAU0184, October 2001.

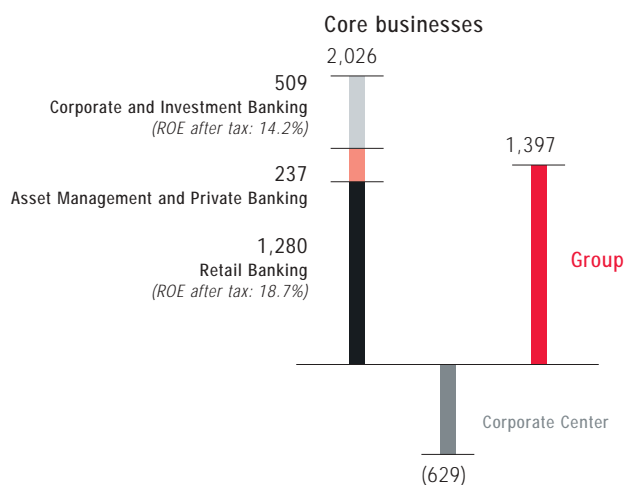
2002 Key Figures

In 2002, net income totalled EUR 1.4 billion, down 35.1% on 2001, while operating income amounted to EUR 2.7 billion, up 1.6%.

This performance, which was achieved in a difficult environment, attests to the strength of the Société Générale Group.

Sound core profitability

Business line ROE after tax: **18.7%**



CONTRIBUTION TO NET INCOME
In millions of euros

ROE = Return on equity

Group consolidated figures

In millions of euros	2002	2001	2000	1999**	1998
Results					
Net banking income	14,454	13,874	13,799	11,409	9,238
Operating income	2,746	2,703	3,392	2,402	976
Net income before minority interests	1,651	2,327	2,877	2,066*	1,028*
Net income	1,397	2,154	2,698	1,980*	1,073*
Retail Banking ⁽¹⁾	1,280	1,139	1,014	852	725
Asset Management and Private Banking ⁽¹⁾	237	255	257	173	151
Corporate and Investment Banking ⁽¹⁾	509	654	1,144	713	(67)
Corporate Center and other ⁽¹⁾	(629)	106	283	242*	264*

* Excluding impact of SG Paribas project.

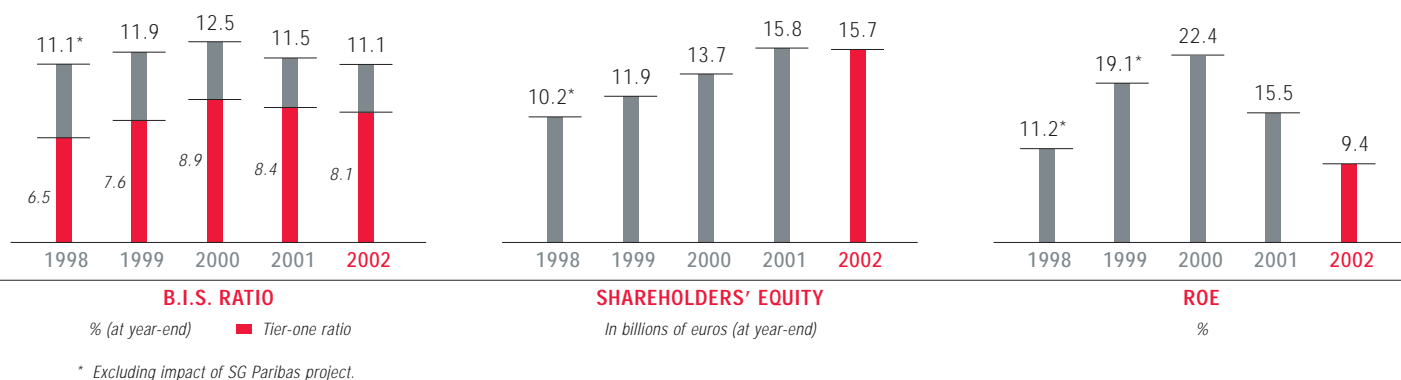
** Figures restated in relation to those presented in the 1999 reports to take into account Regulation 99-07 of the French Accounting Regulation Committee (Comité de réglementation comptable).

(1) 2000 and 2001 figures restated for internal changes made to the Group's structure in 2002.

Growth trend in results over the medium term



Solid fundamentals



In billions of euros

	2002	2001	2000	1999**	1998
Activity					
Total assets and liabilities	501.3	512.5	455.9	435.5	383.5
Customer loans	174.1	167.5	148.5	132.8	126.1
Customer deposits	152.8	150.5	123.7	116.4	103.4
Assets under management	269	297.7	203.9	184.0	150.1
Equity					
Consolidated shareholders' equity	15.7	15.8	13.7	11.9	10.2*
Total equity ⁽²⁾	19.5	19.9	16.9	14.2	11.8*
Average headcount ⁽³⁾	88,278	86,574	71,149	66,020	58,600

(2) Consolidated shareholders' equity, minority interests, General Reserve for Banking Risks and preferred shares.

(3) Including temporary staff.

Société Générale Share Data

Société Générale Share

Stock market performance

In 2002, Société Générale's share outperformed the CAC 40 index by 22% and the EURO STOXX BANK index by 15%.

The closing price at the end of 2002 was EUR 55.5 (down by 12% on end-2001).

At December 31, 2002, Société Générale's shares were valued at a price-to-book of 1.45 (book value per share of EUR 38.4). At year-end, the Group's stock market capitalization amounted to EUR 23.9 billion, which ranked it ninth among CAC 40 stocks.

The market in Société Générale shares remained highly liquid in 2002, with an average daily trading volume of EUR 126 million, representing a daily capital rotation rate of 0.49% (compared with 0.37% in 2001).

In value terms, Société Générale's shares were the ninth most actively traded in the CAC 40 index.

Stock exchange listing

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

Stock market indices

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

Total return* for shareholders

The following table shows the overall return on investment for Société Générale shareholders over different time periods ending December 31, 2002. Figures are given as a cumulative total and as an annualized average.

For example, a shareholder holding Société Générale shares from January 1, 1998 to December 31, 2002 (five years) would have received a cumulative total return* of 105.7% over the period, representing an average annual total return of 15.5%.

DURATION OF SHAREHOLDING	DATE	CUMULATIVE TOTAL RETURN*	AVERAGE ANNUAL TOTAL RETURN*
Since privatization	Jul. 9, 1987	413.1%	11.1%
15 years	Jan. 1, 1988	598.4%	13.8%
10 years	Jan. 1, 1993	200.4%	11.6%
5 years	Jan. 1, 1998	105.7%	15.5%
4 years	Jan. 1, 1999	80.6%	15.9%
3 years	Jan. 1, 2000	5.9%	1.9%
2 years	Jan. 1, 2001	-9.5%	-4.9%
1 year	Jan. 1, 2002	-7.8%	-7.8%

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

Steady growth in dividend payment

Between 1998 and 2002, the dividend paid by the Société Générale Group rose by 22% per year on average.

The Group's aim is to raise the payout ratio in relation to the average of recent years and to set it at a level close to 45%.

Dividend, payout ratio and gross yield

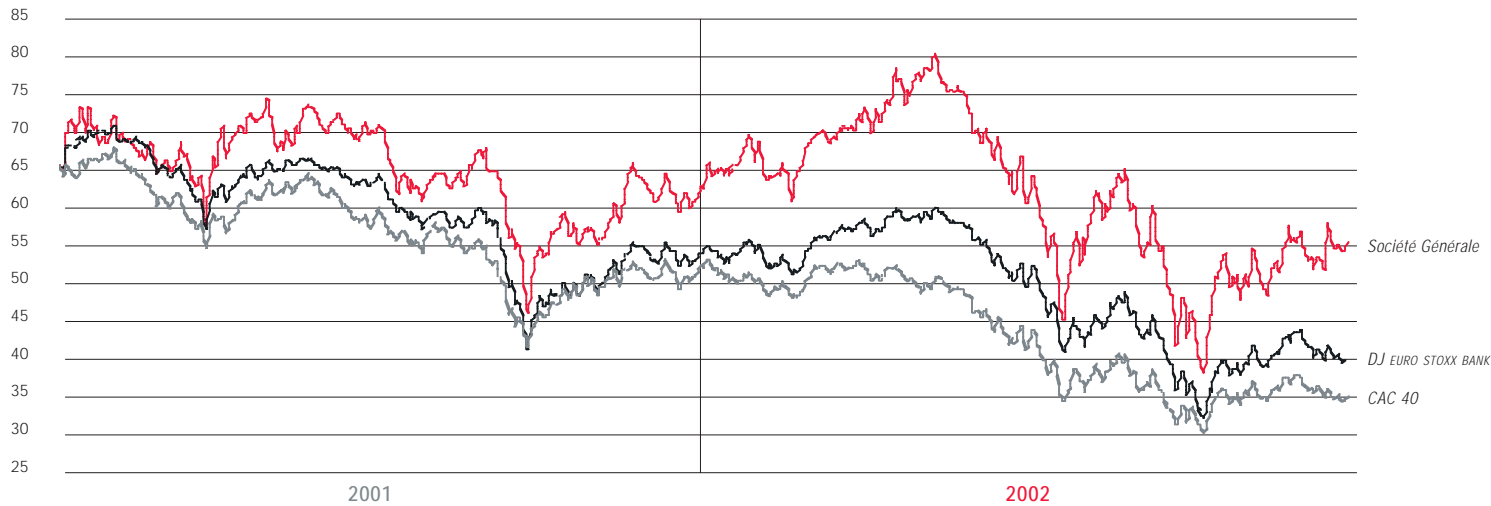
	2002	2001	2000	1999	1998
Net dividend (in EUR)	2.10 ⁽¹⁾	2.10	2.10	1.55	0.94
Gross dividend (in EUR) ⁽²⁾	3.15 ⁽¹⁾	3.15	3.15	2.33	1.41
Payout ratio (in %) ⁽³⁾	62	39	31	31	35
Gross yield (in %) ⁽⁴⁾	5.7	5.0	4.8	4.0	4.1

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

(2) Net dividend + 50% tax credit.

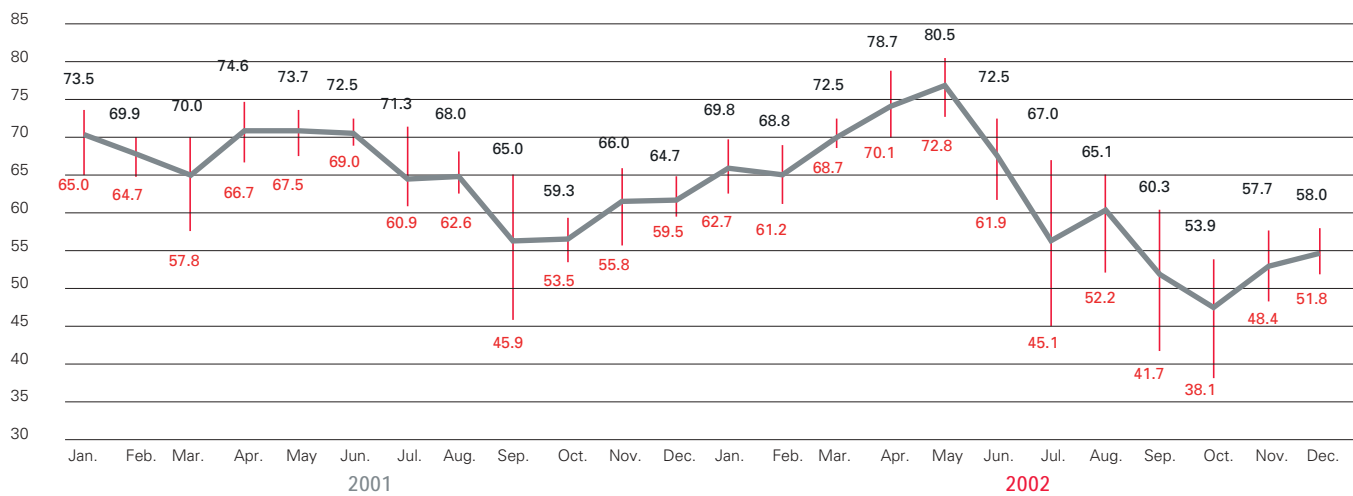
(3) Net dividend/earnings per share.

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



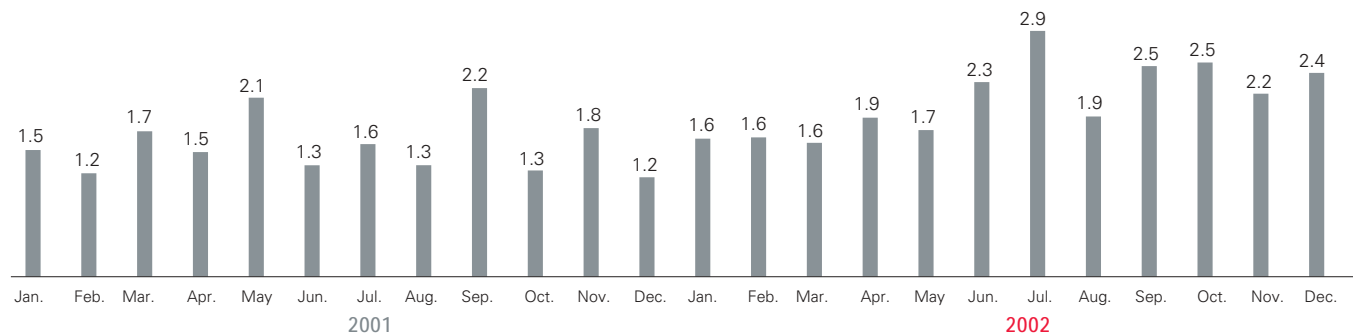
SHARE PERFORMANCE VERSUS CAC 40* AND DJ EURO STOXX BANK* INDICES SINCE DECEMBER 29, 2000

■ Société Générale ■ DJ EURO STOXX BANK ■ CAC 40 * base = Société Générale share price Source: Bloomberg



MONTHLY EVOLUTION OF SHARE PRICE

■ Highest closing price during month ■ Average closing price during month ■ Lowest closing price during month Source: Bloomberg



TRADING VOLUMES

■ Volumes: daily average in millions of shares Source: Bloomberg

Société Générale Share Data

Stock market data

	Dec. 31, 2002	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 1998
Common stock (number of outstanding shares) ⁽¹⁾	430,170,265	431,538,522	423,248,418	417,322,484	408,732,592
Market capitalization (in EUR billion)	23.9	27.1	28.0	24.1	14.1
Earnings per share (EPS) (in EUR)	3.41	5.35	6.78	4.90*	2.72*
Book value per share – At year-end (EUR)	38.4	38.6	34.4	29.6*	25.4*
Share price (in EUR)					
High	80.5	74.6	70.1	58.5	57.3
Low	38.1	45.9	48.2	32.5	20.3
Close	55.5	62.9	66.2	57.8	34.5

(1) Nominal value: EUR 1.25 per share.

* Excluding impact of SG Paribas project.

Common stock

At December 31, 2002, the Group's common stock comprised 430.2 million shares with a nominal value of EUR 1.25 per share.

The reduction of 1.4 million in the number of outstanding shares during 2002 breaks down as follows:

- 7.2 million shares were cancelled pursuant to the decision of the Board of Directors of February 20, 2002;
- 4.9 million shares reserved for employees under the Company-sponsored employee share ownership plan (ESOP) were issued and subscribed for during the year;

– 0.9 million shares were issued following the exercise of stock options.

If all vested stock options were to be exercised, 5,924,235 shares would be issued, representing a maximum potential dilution of 1.38%. The Group's common stock would then amount to EUR 545,118,125, divided into 436,094,500 shares.

Share buybacks

Since the launch of its share buyback program in September 1999, Société Générale has bought back 42.1 million

shares on the market for a total net amount of EUR 2.4 billion. During 2002, it bought back 7.6 million shares for a total amount of EUR 442 million, and sold or transferred 3.3 million shares with a book value of EUR 225 million.

At December 31, 2002, the Group held 14.9 million of its own shares (excluding treasury stock), representing 3.46% of the capital and a book value of EUR 814 million. Of this total, 9.3 million shares with a book value of EUR 507 million are intended to be used to cover stock options awarded to employees.

Three-year breakdown of capital and voting rights⁽¹⁾

	At December 31, 2002		At December 31, 2001		At December 31, 2000	
	% of capital	% of voting rights	% of capital	% of voting rights	% of capital	% of voting rights
Employees and former employees via the E-Fund (39,344 people)	7.65%	12.87%	7.35%	12.30%	7.35%	12.45%
Aviva	4.14%	4.51%	6.69%	8.20%	6.75%	7.73%
Groupama / GAN	3.08%	2.82%	⁽³⁾	⁽³⁾	⁽³⁾	⁽³⁾
Meiji Life	2.97%	5.28%	3.19%	5.63%	3.25%	5.76%
CDC ⁽²⁾	1.88%	2.94%	2.52%	3.39%	2.52%	3.43%
PSA	1.66%	3.00%	2.10%	3.47%	2.14%	3.55%
Dexia	1.40%	1.28%	1.32%	1.17%	n.d.	n.d.
Pernod Ricard	0.69%	1.26%	1.16%	2.06%	1.19%	2.10%
AGF ⁽³⁾	⁽³⁾	⁽³⁾	2.50%	3.94%	2.77%	4.39%
SCH ⁽³⁾	⁽³⁾	⁽³⁾	1.50%	1.33%	5.93%	5.25%
Free float	70.98%	66.04%	65.46%	58.51%	61.22%	55.34%
Buybacks	3.46%	0.00%	4.12%	0.00%	4.76%	0.00%
Treasury stock	2.09%	0.00%	2.08%	0.00%	2.12%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Number of outstanding shares	430,170,265	469,480,478	431,538,522	488,787,663	423,248,418	477,614,214

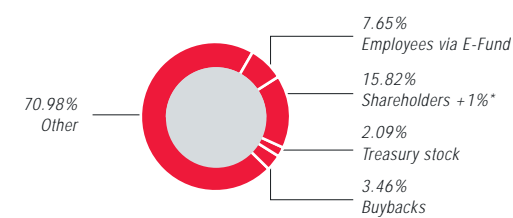
To the best of Société Générale's Knowledge, no other shareholders hold more than 1% of the capital or voting rights, excluding undertakings for collective investment in transferable securities (UCITS).

(1) Including double voting rights (Article 14 of the Company's by-laws).

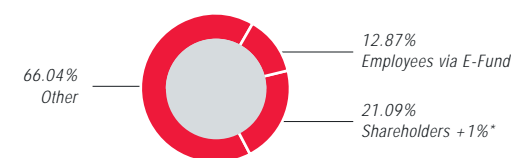
(2) CDC (general section only), excluding CDC IXIS Capital Markets and lent securities.

(3) Shareholders holding less than 1% of the capital or voting rights, at the closing date.

Share ownership structure at December 31, 2002



AS % OF CAPITAL



AS % OF VOTING RIGHTS

* Excluding (UCITS).

At June 30, 2002, on the basis of a study of identifiable bearer securities, the Société Générale Group had over 300,000 individual shareholders (representing 6.9% of the capital, excluding the employee share ownership plan and shares held directly by employees).