



Société Générale Group



Annual Report 2000





In 2000, the Group enhanced its presence on the internet by stepping up development projects in all its core businesses. SGeProjects, a cross-business unit that provides assistance and coordination on internet projects at a Group level, was created to encourage e-initiatives. In total, the Group currently offers its customers over 100 live web sites.

Internet at the heart of the Group's strategy

The internet represents an opportunity to gain market shares and cut costs by transforming distribution methods and creating new business models.

B2C Business-to-Consumer

Société Générale, whose remote banking activities date back to 1985 with the Minitel, has a very strong brand image in France, coupled with a high-quality franchise and wide experience in data mining.

Société Générale and Crédit du Nord, the Group's two retail banking networks, feature a multi-channel distribution model combining bricks-and-mortar networks, telephone platforms, Minitel, the internet and interactive television. In 2000, the Group's e-banking activities developed rapidly, with 300,000 effective users at end-December. Société Générale's aim is to serve one million customers via the internet by 2002 across all its retail banking activities.

At the same time, Société Générale now provides a free internet access service (VooNoo.net). The Group has also developed a number of online brokerage offers targeted at individual customers. Fimatex, which has been listed on the Paris Bourse since March 2000, has become the leading e-broker in France, with nearly 100,000 accounts at December 31, 2000 and over 3.9 million orders filled during 2000, and is a major challenger on the German market. Fimatex is also present in the United Kingdom and Italy.

B2B Business-to-Business

Business services

Société Générale offers businesses an increasingly broad range of online services: company savings plans, securities service, secure payment facilities, foreign exchange, cash management, etc.

For example, Performance Export, offered in association with Dun & Bradstreet, provides users with a source of online information on international trade; the Globalmarkets site is dedicated to the launching and placement of new securities issues; and the Idealforex site is specialized in online foreign exchange and cash management services aimed at self-employed professionals.

Financial marketplaces

Société Générale notably participated in the launch of IntercontinentalExchange, an electronic marketplace aimed at modernizing the trading of financial instruments based on oil, precious metals and other base metals. Société Générale is also involved with the Créditex platform which specializes in credit derivatives.

e-Commerce

The Group offers a number of e-commerce solutions, such as Sogenactif, a comprehensive electronic commerce package for businesses based on a secure credit card payment system. Société Générale is also involved in the first secure online payment system, Cyber-COMM®.

ANSWORK, a horizontal market place, was launched in November by Société Générale, BNP Paribas, Cap Gemini Ernst & Young and Crédit Agricole. With the support of Commerce One, this joint venture offers an integrated B2B solution that can be tailored to meet specific needs.



an internet project accelerator

Société Générale has decided to enhance the innovation process and step up the creation of new internet offers aimed at businesses and individual customers. In May 2000, all Société Générale employees were asked to present any internet projects to a new in-house unit, SGeProjects. This unit has three main roles:

- Encourage all Group employees to put forward new internet projects,
- Validate the action plan for the chosen projects,
- Provide full support during the launch of new projects, working in close collaboration with the internet teams set up in each of the Group's businesses.

As at December 31, 2000, the 15-strong SGeProjects team had studied almost 200 internet projects. The Société Générale Group decided to invest in 20 projects set up as new companies, representing a total commitment of EUR 180 million.

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The English version of the 2000 Annual Report of Société Générale is a full translation of the original French Document de Référence. Also published in French, is a special report on human resources for the year 2000, as required by law 77-769 of July 12, 1977. This document is also available on the internet: www.ir.socgen.com



Société Générale Group

Ratings at December 31, 2000

AA- (Standard & Poor's)

Aa3 (Moody's)

AA (Fitch)

More than **10 million** customers
in France and around the world

2,600 branches in France

500 offices in 75 countries

71,000 employees
including more than 25,000 outside France

14th largest stockmarket
capitalization on the Paris Bourse
(EUR 28 billion; source: ParisBourse SA,
December 29, 2000).

EUR 200 billion in assets
under management

aa⁺ rating awarded to
SG Asset Management
by Fitch-AMR



Interview with Daniel Bouton

Chairman and Chief Executive Officer

What are your comments on the Société Générale Group's results in 2000?

2000 was an excellent year for the Société Générale Group, with Group net income up 36% to EUR 2.7 billion and ROE after tax reaching 22.4% (against 19.1% in 1999), confirming Société Générale's position among the most profitable banks in Europe. This performance results from a combination of several factors, the first of which is **the quality and creativity of Société Générale's teams**, who are the driving force behind the Group's development and represent its main asset.

Secondly, the Group continued to reallocate resources towards value-added activities, **improving the risk/return profile of the bank.**

The third key element was **the major overhaul of the Group's structure**, with the operating divisions being reorganized as virtual subsidiaries.

The Group also implemented several major cost-cutting projects including centralizing purchasing and regrouping European investment banking back-office operations.

We also benefited from a very favorable environment in the first six months of the year. Against a less favorable background

in the second half, the Group nonetheless continued to record a satisfactory performance.

What are the Group's strategic aims?

First, a **strong growth strategy**. Société Générale intends to continue expanding its franchises. The customer base is growing rapidly in Retail Banking in France and the Group has a particularly strong position in the young customer segment.

The same applies in Asset Management, where new money fueled the strong growth in assets under management. The Group will continue its acquisition policy to

complement its organic growth. Secondly, **selective development**. Société Générale is focusing its development on targeted businesses, sectors and geographical regions.

For example, in Investment Banking, SG has identified seven priority sectors in order to better serve its corporate customers and investors by providing a high level of know-how and an in-depth understanding of the activities.

Thirdly, **innovation**. The Group ranks among the world leaders in activities requiring a high level of expertise and creativity, such as equity and index derivatives and export finance. This is crucial for anticipating clients' requirements and offering them the sophisticated financial services they demand.

Lastly, **sustainable profitability**. Continued growth, capital reallocation, tighter risk control and increased productivity will all contribute to this objective.

You mentioned acquisitions. Can you tell us about the Group's latest acquisition plans?

As we have said, notably in the strategic and financial plan published in November 2000, our external growth policy has three target areas: Asset Management, Retail Banking and Specialized

Financial Services.

Our strategy reinforces the acquisitions made in recent years such as Crédit du Nord, Yamaichi Asset Management in Japan, the Romanian Development Bank, Hambros, Cowen, etc. The successful integration of these acquisitions is increasingly enhancing Group profitability.

More specifically, the Group envisages acquiring an asset management company in the United States in order to complement its international presence. Projects are under way in Retail Banking in countries offering strong growth potential in Central and Eastern Europe and around the Mediterranean basin. Lastly, Europe has been identified as the key development region for Specialized Financial Services.

Last year, the internet was at the heart of your offer and your development. What is the situation now?

With more than 300,000 effective users at end-December (+355% against the previous year) for its two online banking sites, 100,000 Fimatex accounts (+226%), and more than 80 million customer contacts registered via remote banking channels (+26%), the Group considerably developed its online services once more

in 2000. **We aim to have 1 million online customers across all our businesses by 2002.**

At the same time, Société Générale has been particularly active in B2B, notably as a founding partner in the launch of several electronic marketplaces. To enhance our internet offer and coordinate the 200 projects identified at the end of 2000, we have set up a unit called "SGeProjects" to develop and coordinate internet projects at the Group level.

Société Générale is doing well. What about the share price?

The share price rose nearly 15% over 2000, consolidating the 67% increase seen in 1999. Société Générale's shares outperformed both the EURO STOXX Bank sectoral index and the CAC 40 index by 11 percentage points and 15 points respectively. **This was the strongest performance of the nine euro-zone banks that are component stocks of the EURO STOXX 50 index.**

A final word?

I would like to thank our teams for their professionalism, our customers for their loyalty and our shareholders for their confidence.

Key figures

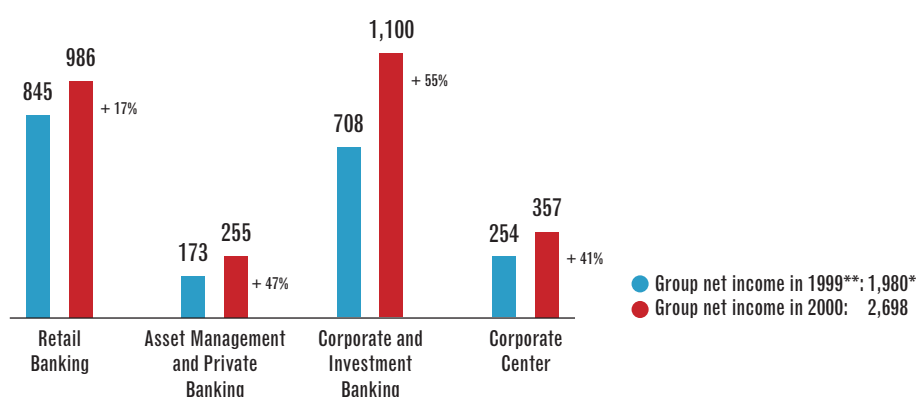
Group net income amounted to EUR 2.7 billion, up sharply for the second successive year.

ROE came out at 22.4%.

This performance resulted from two factors: steady growth in activity and a sharp improvement in profitability across all businesses.

Growth in net income across all businesses

in millions of euros



Group

Consolidated figures

	2000	1999**	1998	1997	1996
Results (in millions of euros)					
Net banking income	13,799	11,409	9,238	8,243	6,565
Operating income	3,392	2,402	976	1,020	1,026
Net income before minority interests	2,877	2,066*	1,028*	965	737
Group net income	2,698	1,980*	1,073*	933	693
Retail Banking ⁽¹⁾	986	845	725	576	-
Asset Management and Private Banking ⁽¹⁾	255	173	151	114	-
Corporate and Investment Banking ⁽¹⁾	1,100	708	(67)	105	-
Corporate Center and other ⁽¹⁾	357	254*	264*	137	-
Activity (in billions of euros)					
Total assets	455.9	435.5	383.5	374.9	271.1
Customer loans	148.5	132.8	126.1	122.0	103.2
Customer deposits	123.7	116.4	103.4	93.9	74.8
Assets under management	203.9	184.0	150.1	103.1	75.0
Equity (in billions of euros)					
Consolidated shareholders' equity	13.7	11.9	10.2*	9.7	8.5
Total equity ⁽²⁾	16.9	14.2	11.8*	11.5	9.5
Employees	71,149	66,020	58,600	55,465	45,941

* Excluding impact of SG Paribas project.

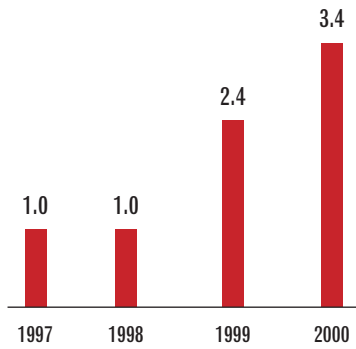
** Figures restated against those presented in the 1999 reports to take into account regulation 99-07 of the French Accounting Regulation Committee (Comité de la Réglementation Comptable).

(1) 1997 and 1998 figures restated due to changes in Group structure.

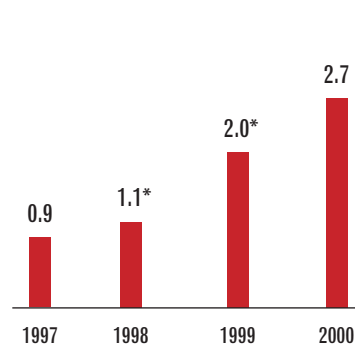
(2) Shareholders' equity, minority interests, fund for general banking risks and preferred shares.

Strong growth in results

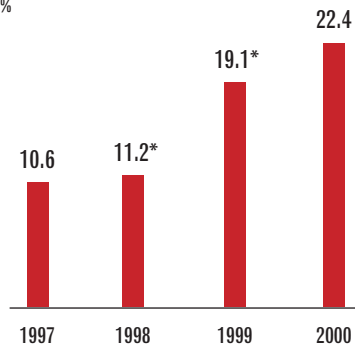
Operating income
in billions of euros



Group net income
in billions of euros

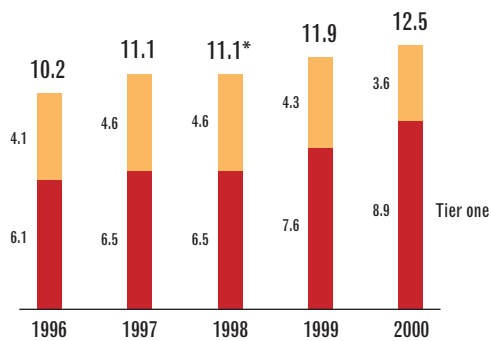


ROE
%

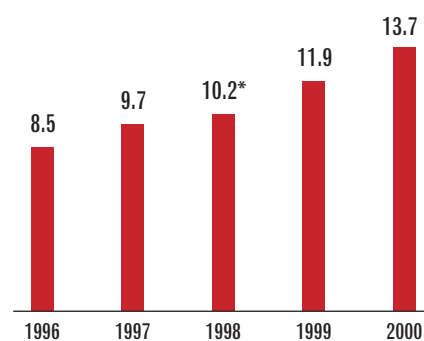


Solid fundamentals

International solvency ratio
% (at year-end)



Shareholders' equity
in billions of euros (at year-end)



* Excluding impact of SG Paribas project.

For the second successive year, the Société Générale Group announced its medium-term strategic and financial plan (2002) in the autumn of 2000.

The annual results confirm the Société Générale Group's strong performance and profitability in 2000.

Forecasts for 2002, based on less favorable economic growth hypotheses, are for a gross operating income of EUR 4.1 billion and a ROE of 19%.

The Group's four strategic levers

The group has identified four strategic levers that are applicable to all its businesses.

Selective development

The Group has chosen to focus its development on the businesses, sectors, customers and regions that offer the most potential. Accordingly, it has reduced the number of target customers in Corporate and Investment Banking, abandoned some non-strategic businesses such as real estate and emerging market debt trading, and concentrated Retail Banking activities in France and internationally on certain clearly-defined regions.

Growth

The Group aims to reinforce the growth of its activities using its existing franchises, as it has done with Retail Banking in France – a mature market where the Société Générale Group has registered around 3% annual growth in the number of accounts held for the past few years. Acquisitions planned in Specialized Financial Services, Retail Banking outside France, Asset Management and Private Banking should also reinforce the Group's overall growth, as should the launch of new businesses.

Innovation

The Group's innovative capacity is one of its strengths, remains a key priority, and differentiates it from its competitors - for example, innovation in products, such as multi-manager funds or the "account number for life"; innovation in distribution channels, where Société Générale was the first French network to offer 6 remote banking channels; innovation in the use of the internet to extend the Group's distribution capacity.

Sustainable profitability

The Group aims to maintain high levels of profitability while continuing its investments and development. This aim will be achieved as a result of:

- The continued reallocation of resources; for example, the Group has reduced the share of capital allocated to Corporate and Investment Banking from 50% to 33%;
- Tighter risk control, which, in terms of capital market risks, enhances Investment Banking results while stabilizing VaR; similarly, the use of a systematic RAROC (risk adjusted return on capital) approach optimizes the use of capital allocated to counterparty risk;
- Improving back-office productivity by implementing cross-business line projects, and enhancing commercial productivity by further increasing the overall proportion of front-office staff.

A successful strategy

The Group will pursue and enhance the strategy it has followed since 1997, which has already seen a number of successes.

Greater profitability

Group net income increased threefold between 1997 and 2000 (from EUR 0.9 billion to EUR 2.7 billion).

Successful acquisitions

The Group has recently shown its ability to integrate new entities and exploit the synergies they offer: Cowen in Investment Banking, Hambros and Yamaichi in Asset Management and Private Banking, Crédit du Nord and the Romanian Development Bank in Retail Banking.

Successful developments

In recent years, the Group has successfully set up new activities and launched new products:

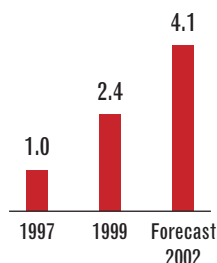
- Creation of new businesses such as asset management in the UK (SGAM UK), private banking in Asia, online brokerage in France (Fimatex, Logitel Net) and fleet management (Temsys).
- Launch of new products such as equity derivatives, structured or listed products, alternative management and life insurance.

Successful partnerships

The Group has set up a series of value-creating partnership agreements with Frank Russell in fund management, CGNU in property insurance, and BSCH.

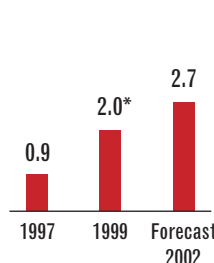
Operating income

in billions of euros



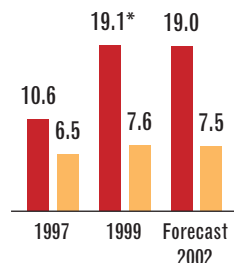
Net banking income

in billions of euros



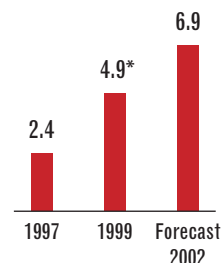
ROE and Tier-one

% ● ROE ● Tier-one



Earnings per share

(EUR)



Structure adapted to growth

The Group has redefined its structure in recent years, increasing its responsiveness and its ability to manage growth:

- Reorganization of Corporate and Investment Banking along global business lines;
- Separation of production and distribution functions, enabling each to implement individual growth strategies;
- Tighter control of risks with the strengthening of the independent risk division that is aligned with the core businesses;
- Reinforcing the autonomy of core businesses and reorganizing support

functions to improve customer service and enhance synergies.

Growth and profitability

Growth in activities

The Group aims to maintain a high level of growth in activities: net banking income should rise by 12% over the 1999-2002 period, due to:

- Continued development of the customer base in the Group's different businesses;
- An active product innovation policy;
- An ambitious acquisition policy: EUR 3.8 billion will be allocated to financing acquisitions between now and 2002.

or to be made in the future, which, combined with certain investments, will enhance the Group's business mix in line with its strategy.

Growth in income

Over the 1999-2002 period, the Group should register annual growth in operating income of 19%, as net banking income will rise faster than operating expenses due to cost-cutting measures and a volume effect in certain activities. Group net income will amount to EUR 2.7 billion in 2002, representing annual growth of 11% in relation to 1999. The difference between this figure and growth in operating income is due to assumptions of lower realized capital gains.

Assumptions used in the plan ⁽¹⁾

The economic and financial assumptions used to draw up the 2002 business plan are less favorable than the actual conditions seen in 1999 and 2000.

These assumptions should not be considered as forecasts, but instead as representative of average conditions over an economic cycle:

- moderate growth in OECD economies (+2%) and the financial markets (+4%),
- an increase in the cost of risk,
- greater competition in Retail Banking and equity derivatives activities.

The plan takes into account the cost of the introduction of the 35-hour working week in France and investments in multi-channel banking.

Improvement

in the cost-to-income ratio

The Société Générale Group's cost-to-income ratio results from the long standing priority given by all business lines to the development of commission-generating activities with a high ROE.

The Group aims to reduce the cost-to-income ratio to close to 68% in 2002, versus 72.6% in 1999, due to the combined impact of:

- Substantial cost-cutting measures (rationalized purchasing, centralization of European back offices, steps to increase productivity in the domestic network), which will cut general expenses by EUR 270 million per year from 2002 in relation to 1999.
- The benefits of acquisitions and investments carried out

High ROE

Group ROE (Return On Equity) will come out at 19% in 2002, but on the assumption of a less favorable economic and financial environment.

At the same time, the Group's capital base will remain solid, with the Tier-1 ratio stable at 7.5%, taking into account the impact of external growth.

Increase in EPS and dividend payment

Given the change in the number of outstanding shares between 1999 and 2002, EPS should increase from EUR 4.9 in 1999 to EUR 6.9 in 2002.

The Group also aims to rise the payout ratio from 31% in 1999 to 40% in 2002, which would correspond to an average annual 20% increase in the dividend per share.

(1) See detailed assumptions on page 174.

* Excluding impact of SG Paribas project.

Société Générale's environment

As a major international bank, the Société Générale Group aims to set an example in its relations with all its partners.

The financial services sector contributes significantly to economic growth.

The Société Générale Group aims to meet the interests of its shareholders, customers, employees and society as a whole on a daily basis.

Given this background of different and sometimes contradictory interests, the Société Générale Group seeks to strike a balance that will ensure its development is sustainable in the long term. With a view to constantly improving the dialogue with its partners, the Group is improving the transparency of its information and the quality of its communication.

As a result, **Société Générale was the first French bank to be included in 1999 in the Dow Jones Sustainability Group Index** – a specialist index drawn up by the Dow Jones Group that comprises 236 companies selected from among the 2,000 companies that make up the Dow Jones Group Index on the basis of sustainable development criteria.

Transparency and dialogue

Société Générale is committed to transparency and providing accurate information. A formal schedule has been drawn up for external communication and to define the financial data released with a view to improving investor relations. **Communication has been improved over the past three years to meet the demands of investors and individual shareholders.**

For example, detailed quarterly results are published, with a view to better meeting demands with respect to both the quality and quantity of information provided. The Annual Report respects the recommendations of the two Viénot reports on corporate governance, and since 1999 has provided detailed information on risk management.

Specific procedures have been set up to deal with difficulties encountered with customers and a Mediator has been appointed who reports directly to the Chairman.

Excellence and innovation

Société Générale firmly believes that shareholder value is created by continually improving the services offered to customers. Service quality is essential to attracting customers and securing customer loyalty. By regularly identifying clients' requirements and measuring their satisfaction, the Société Générale Group aims to provide a high-quality personalized service while permanently developing innovative sales methods. In this respect, the Group has an ambitious multi-channel distribution policy, designed to facilitate customer relationship management and offer both individual customers and businesses easy access to the bank's services.

The internet plays a crucial role in this strategy. All the Group's activities have benefited from the opportunities offered by e-business and a comprehensive quality policy has been applied throughout the Group, imposing rules and procedures to be followed by all employees.

The Group's commitment to quality was rewarded in 2000. For example, **SG Asset Management is the only asset management company to have been awarded an overall rating of aa+ by Fitch-AMR**, the leading asset management ratings agency, for its core asset management



32nd junior world rugby championships.



The Lamoureux Concert Orchestra is sponsored by the Mécénat Musical Société Générale.

divisions. Fimatex, the online brokerage subsidiary, was the first French website to be awarded AFAQ “Reliable Service WEBCERT[®]” certification.

Employees are essential to the company's growth

The Group's human resources management policy is based on a set of principles that allow all employees to improve their skills, while offering a range of social and financial incentives.

Training is crucial to maintaining the Group's competitiveness and enhancing employees' skills.

Employees are offered training programs, and 25,000 members of staff followed such schemes in France in 2000 – eight out of ten parent company employees.

E-learning initiatives were introduced to take advantage of the opportunities offered by the internet, improving user-friendliness and allowing staff to acquire new skills at their own pace.

The Group has an equal opportunities policy designed to prevent professional discrimination between men and women.

The average remuneration of Société Générale employees is above the sector average. Additional benefits include capital increases reserved for employees, profit sharing and employer

contributions to the company savings plan.

In 2000, the capital increase, profit sharing and employer contributions amounted to EUR 165 million.

85% of Société Générale employees are shareholders, and hold about 8% of Société Générale's common stock, proving their strong commitment to the development of their company.

Contribution to society

The Société Générale Group's position is enhanced by the relationship that its local offices have developed with local communities. Its employees regularly interact with the communities they serve, nurturing a relationship of trust and mutual assistance.

Société Générale is known for sponsoring musical events, in particular the Mécénat Musical Société Générale – MMSG (association that notably supports young musicians) and for its sports partnerships (French Rugby Federation and nearly 300 local clubs in France).

An agreement with the AGEFIPH (French association for the integration of handicapped people) has been renewed for a two-year period, furthering the Group's support for **handicapped workers.**

Ethics

The Société Générale Group attaches great importance to professional compliance.

A specialized department monitors strict compliance with regulatory requirements and also aims to improve employee awareness of the importance of respecting strict rules of conduct, over and above regulatory requirements.

The department aims to limit risk to the Group's image, by avoiding conflicts of interest and ensuring that the Group's counterparties are of a high quality and have a solid reputation.

The Group enforces strict rules to counter money laundering. The anti-money laundering department has contacts in each branch and subsidiary, and enforces strict rules governing vigilance and control in order to guarantee the security of the Group's activities and maintain its reputation for integrity. **In 2000, the Société Générale Group joined ten other international banks in the Wolfsberg group to draw up a set of rules applicable to Private Banking activities.**

In 2000, SG Asset Management launched the *SGAM Europe Ethique* fund. Société Générale also launched the first *Bull Certificat Ethique* based on a basket of European stocks and allowing investors to adopt an approach based on sustainable development.

The Société Générale share

Stock exchange performance

The closing price for Société Générale's shares at December 31, 2000 was EUR 66.20, compared with EUR 57.75 at the end of 1999 (taking into account the four-for-one stock split on May 11, 2000).

The share price gained 14.6% in 2000, outperforming the CAC 40 index, which lost 0.5% and the EURO STOXX Bank index of European banking stocks, which rose by 3.8%. In 2000, the total return on investment for Société Générale shareholders came out at 17.9% (coupon reinvested, before tax).

At December 31, 2000, Société Générale's shares were valued on the basis of a book value multiple of 1.92 (EUR 34.4). At year-end, the bank's stockmarket capitalization amounted to EUR 28 billion, which ranked it sixth among euro-zone banking stocks and fourteenth among CAC 40 stocks.

Société Générale's shares were highly liquid in 2000, with an average daily trading volume of around EUR 76 million, 0.3% of capital. In value terms, Société Générale's shares are the seventeenth most actively traded in the CAC 40 index.

Total return* for shareholders

The following table shows the overall return on investment for Société Générale shareholders over different periods ending December 31, 2000. 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, 2000 (four years) would have received a cumulated total return* of 239% over the period, or 36% per year on average.

Duration of shareholding to December 31, 2000	Cumulated total return*	Annualized average total return*
4 years (1997-2000)	239%	36%
3 years (1998-2000)	126%	31%
2 years (1999-2000)	102%	42%
1 year (2000)	18%	18%

Steady growth in dividend payment

Between 1996 and 2000, the dividend paid by the Société Générale Group increased by 213%, or 33% per year on average.

Dividend, payout ratio and gross yield on Société Générale shares					
In euros	2000	1999	1998	1997	1996
Net dividend (EUR)	2.10 ⁽¹⁾	1.55	0.94	0.80	0.67
Gross dividend (EUR) ⁽²⁾	3.15 ⁽¹⁾	2.33	1.41	1.20	1.00
Payout ratio ⁽³⁾	33%	33%	36%	34%	35%
Gross yield ⁽⁴⁾	4.8%	4.0%	4.1%	3.8%	4.7%

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

(2) Net dividend + 50% tax credit.

(3) Total dividend/Group net income.

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

Common stock

As a result of the four-for-one stock split decided by the Joint Shareholders' Meeting of April 18, 2000, Société Générale's total number of outstanding shares stood at 423.2 million at December 31, 2000.

The 5.9 million new shares issued in 2000 break down as follows:

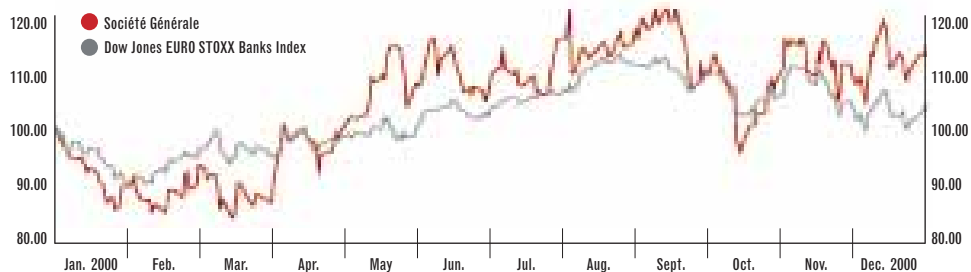
- 5.4 million shares reserved for employees as part of the Company-sponsored employee shareholding plan;
- 0.5 million shares issued following the exercise of stock options.

Share buybacks

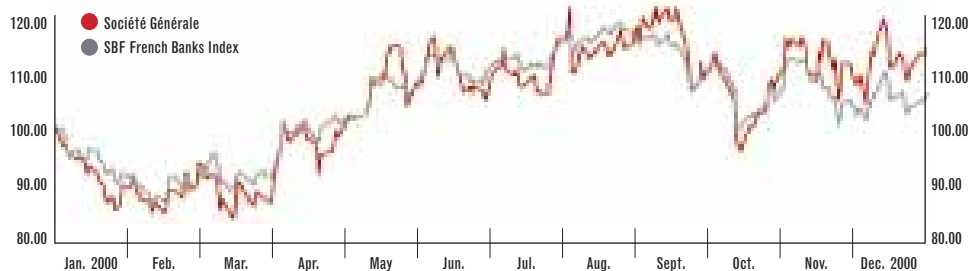
Under the program launched in September 1999 to buy back shares up to a maximum amount of 10% of the capital, Société Générale bought back 10.9 million shares and sold 0.7 million shares for a total net amount of EUR 563 million in 2000. Overall, the net buybacks carried out under the program totaled 20.2 million shares at December 31, 2000, for an amount of EUR 1,071 million. Of this total, 5.7 million shares were allocated to cover stock options granted to employees during 2000.

*Total return = capital gain + dividend reinvested in shares, before tax.

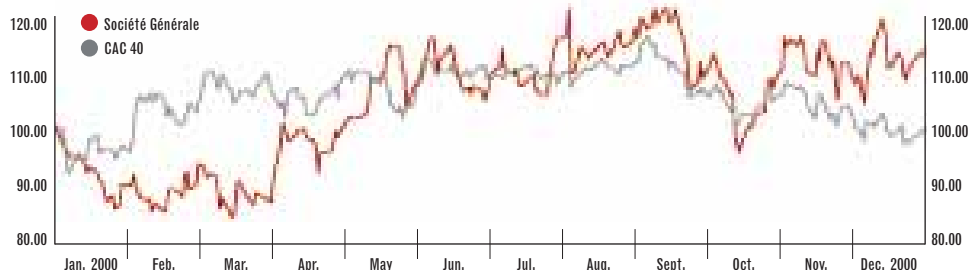
Share performance and Dow Jones EURO STOXX Bank Index
100 = Dec. 31, 1999



Share performance and SBF French Banks Index
100 = Dec. 31, 1999



Share performance and CAC 40 Index
100 = Dec. 31, 1999



Stockmarket Data

Consolidated figures

	Dec. 31, 2000	Dec. 31, 1999	Dec. 31, 1998	Dec. 31, 1997	Dec. 31, 1996
Common stock (number of shares outstanding) ⁽¹⁾	423,248,418	417,322,484	408,732,592	394,726,996	366,601,308
Market capitalization (EUR billion)	28.0	24.1	14.1	12.3	7.8
EPS					
At year-end (EUR)	6.79	4.92*	2.68*	2.42	1.99
Book value per share					
At year-end (EUR)	34.4	29.6*	25.4*	25.1	24.4
Share price (EUR)					
High	70.1	58.5	57.3	35.5	23.8
Low	48.2	32.5	20.3	20.3	20.0
Close	66.2	57.8	34.5	31.3	21.5

* Excluding impact of SG Paribas project.

(1) Nominal value: EUR 1.25 per share.

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 have been listed on the Tokyo Stock Exchange since February 15, 2000. Société Générale is a component stock of the CAC 40, EURO STOXX 50, MSCI and FTSE Eurotop Europe indices. In September 2000, it was the only French bank to be included in the Dow Jones Sustainability Group index.

The Société Générale share

Shareholders with more than 1% of capital* or voting rights at December 31, 2000

Shareholders*	% of capital	% of voting rights
Employees and former employees via the E-Fund (32,976 people)	7.35	12.45
CGNU Group	6.75	7.73
BSCH	5.93	5.25
Meiji Life	3.25	5.76
AGF	2.77	4.39
Peugeot	2.14	3.55
CDC general section	1.73	2.19
Pernod-Ricard	1.19	2.10

* Excluding undertakings for collective investments in transferable securities (UCITS), treasury stock (2%) and share buybacks (4.86 %) (see the report of the Board of Directors on the resolutions, fifth resolution page 150).

Basis used to calculate percentages of capital and voting rights at December 31, 2000:

- number of shares: 423,248,418
- number of voting rights: 477,614,214

At December 31, 2000, nearly 300,000 individual shareholders held Société Générale shares (8% of Common Stock, excluding stock held by employees via the E-Fund).

Société Générale and its shareholders

Calendar

May 4, 2001	Annual General Meeting
May 11, 2001	Ex-dividend date (Financial year 2000)
May 16, 2001	Group results for the first quarter 2001
August 2, 2001	Group results for the second quarter 2001
November 15, 2001	Group results for the third quarter 2001

Publications

May 2001	Abbreviated version of the 2000 annual report
September 2001	Interim report

Individual shareholder relations

Toll-free number: 0 800 850 820
Fax: 33 (0)1 41 45 92 27
E-mail: actionnaires.individuels@socgen.com
Internet: www.ir.socgen.com

Institutional investor relations

Tel: 33 (0)1 42 14 47 72
Fax: 33 (0)1 42 13 00 22
E-mail: investor.relations@socgen.com
Internet: www.ir.socgen.com

Stock options

In August 2000, following a proposal made by the Compensation Committee, the Board of Directors granted new stock purchase options.

The stock options were granted to 1,477 young managers in France and internationally, whose skills are among the most sought after on the labor market. The average age of beneficiaries at the time of allocation was 35.5. The subscription price is equal to 80% of the average opening price of Société Générale shares during the twenty trading sessions preceding the Board meeting that granted the options.

As with previous allocations:

- These options are granted

for a period of seven years,

- The options can only be exercised if the beneficiary's contract is still valid.

The table below summarizes the options granted and exercised during each financial year. In addition, it also details the options granted to members of the Management Committee in office at the time of their allocation.

An additional table details options held by senior officers.

Société Générale stock options

at December 31, 2000 with details of options granted to Group Senior Management in office at the time of their allocation.

Date granted	Options granted			Options exercised						
	Strike price*	Number of beneficiaries	Number of options	1995	1996	1997	1998	1999	2000	Total
Feb. 16, 1994	EUR 22.60 ⁽¹⁾	231	1,209,400	–	–	70,708	254,780	807,192	37,720	1,170,400
	of which management	25	340,600	–	–	8,000	77,200	255,400	–	340,600
Mar. 15, 1995	EUR 15.29 ⁽¹⁾	249	1,755,200	70,500	26,300	70,500	186,900	616,840	329,240	1,300,280
	of which management	24	496,300	60,500	–	17,000	36,100	159,500	72,800	345,900
Jun. 19, 1996	EUR 17.04 ⁽¹⁾	7	1,280,000	–	–	–	–	272,000	92,000	364,000
	of which management	–	–	–	–	–	–	–	–	–
Jun. 25, 1997	EUR 18.94 ⁽²⁾	334	1,690,760	–	–	–	28,600	18,620	44,580	91,800
	of which management	27	594,000	–	–	–	16,000	16,000	2,000	34,000
Jun. 24, 1998	EUR 45.35 ⁽²⁾	541	1,953,200	–	–	–	–	–	32,800	32,800
	of which management	25	451,200	–	–	–	–	–	9,200	9,200
Sep. 8, 1999	EUR 48.50 ⁽³⁾	714	3,502,400	–	–	–	–	–	11,200	11,200
	of which management	9	502,000	–	–	–	–	–	–	–
Aug. 2, 2000	EUR 51.00 ⁽⁴⁾	1,477	2,268,000	–	–	–	–	–	–	–
	of which management	–	–	–	–	–	–	–	–	–
Total			13,658,960	70,500	26,300	141,208	470,280	1,714,652	547,540	2,970,480
	of which management		2,384,100	60,500	–	25,000	129,300	430,900	84,000	729,700

Note: between 1994 and 1998, the allocations were made in the form of stock subscription options. In 1999 and 2000, they were stock purchase options.

* The strike price represents the average opening market price of the Société Générale share during the twenty trading days preceding the Board of Directors meeting at which it was decided to grant the options, with a 20% discount for grants made between 1994 and 1997, and in 2000.

- (1) Options exercisable as from three years after the date of allocation (except for beneficiaries over 59 years and 8 months).
- (2) Options exercisable as from five years after the date of allocation (except for beneficiaries over 59 years and 8 months).
- (3) Options exercisable as from 3 years after the date of allocation with no option to sell the shares before September 8, 2004 (except for beneficiaries over 59 years and 8 months).
- (4) Options exercisable as from 3 years after the date of allocation with no option to sell the shares before August 2, 2005 (except for beneficiaries over 59 years and 8 months).

At December 31, 2000, the Chief Executive Officers, who exercised no options in 2000, held the following options:

	Date of allocation	Strike price*	Number of options		Date of allocation	Strike price*	Number of options
Chairman and CEO	Jun. 25, 1997	EUR 18.94	80,000	Chief Executive Officer	Mar. 15, 1995	EUR 15.29	17,600
	Jun. 24, 1998	EUR 45.35	104,000		Jun. 25, 1997	EUR 18.94	40,000
	Sep. 8, 1999	EUR 48.50	160,000		Jun. 24, 1998	EUR 45.35	52,000
			Sep. 8, 1999		EUR 48.50	90,000	

Following a recommendation included in the report issued in July 1995 by the National Council of French Employers (CNPF) and the French Association of Private Businesses (AFEP), the Société Générale Board set up three Committees in September 1995 (the Audit Committee, the Compensation Committee and the Nomination Committee). At the same time, it approved the Directors' Charter, which provides recommendations on corporate governance and identifies the rights and duties of directors.

In January 2000, the Board examined the recommendation made in a second CNPF-AFEP report on corporate governance published in July 1999, and reviewed its composition, its organization and its methods of operation in February 2000. The Board adopted internal rules and modified the Directors' Charter in line with the conclusions of this review.

This annual report respects the guidelines of the Viénot II report in terms of information on corporate governance and of transparency with respect to remuneration and stock options (see pages 13 and 21). The recommendations of the 1995 and 1999 reports are fully complied with.

Board of Directors

Composition

More than one third of directors are independent members (6 out of

17 members) and two directors are non-French nationals. The average age of directors is 62. Three directors represent employees. In 2000, the General Meeting of shareholders decided a reduction in the term of directors' new mandates from 6 years to 4 years, so that approximately a quarter of the directors' mandates awarded by the General Meeting will ultimately be renewed each year (directors representing employees are reappointed by election every three years).

The recommendation that executive directors should not accept appointments to the Boards of more than five listed companies outside their group is respected in all cases.

There are currently no cross-shareholdings combined with mandates, where this refers exclusively to the companies themselves, or their senior officers. In a broader sense, one might consider that three such cases arise namely with CGNU, Pernod-Ricard and, to a lesser extent, Alcatel, which considerably reduced its holding in Société Générale's capital in 2000 to less than 1%.

Operation

Under the By-Laws, the Board is convened by the Chairman or at the request of a third of Board members.

At least five meetings are scheduled each year. The first meeting reviews the budget and the subsequent meetings examine the annual, interim and quarterly financial statements.

The number of meetings held and the preparation of quarterly statements submitted to the Board since 1999 ensure the Board is kept regularly informed of the Group's activities.

The Board met 6 times in 2000 (compared with 14 times in 1999 given the exceptional circumstances). The meetings lasted on average

2 hours and 30 minutes.

For the first time in 2000, the Board of Directors carried out a self-assessment of its operations, with each director providing his personal opinion. A summary of the assessments was discussed by the Board and several changes were subsequently made, notably with a view to improving communication. It was decided to repeat this exercise on a regular basis.

Where appropriate, the Board's opinion on operations concerning the Group's shares (public share exchange offers, share buyback programs, etc.) is published in press releases issued following its meetings.

Scope

The Board's internal rules stipulate that it must regularly examine the Group's strategy and deliberate on changes to the Group's management structure and on transactions – in particular acquisitions and transfers – that are liable to have a significant impact on Société Générale's consolidated net income or on the structure of its consolidated balance sheet.

In 2000, directors were called to deliberate on the partnership with BSCH, various significant acquisition, sale or partnership operations, the Group's internet and sales strategies, the emerging markets risk management policy, Group risk management, investment banking in the United States and the multi-channel retail banking strategy in France.

The Board was also asked to deliberate on the Société Générale Group's revised 2002 financial plan, which was published in November 2000.

In February 2000, the Board proposed to the General Meeting of shareholders on April 18 to ratify the coopting to the Board of Mr. Tchuruk in November 1999 to replace Mr. Lévy-Lang, following the resignation of the latter.

In January 2001, the Board revised the Directors' Charter to reinforce compliance rules (see below).

Directors

The Group's directors hold a significant number of shares personally: although the statutory minimum is 200 shares, the Directors' Charter recommends that each director appointed by shareholders hold at least 600 Group shares. More than 86% of directors comply with this recommendation.

The presence of directors at Board Meetings is shown by the Board attendance rate, which stood at 84% in 2000 (compared with 86% in 1999 and 81% in 1998).

In line with internal regulations, half of directors' attendance fees paid is in proportion to attendance at Board or Committee meetings (see page 21).

The Board's internal rules provide that directors of Société Générale should abstain from carrying out transactions on securities issued by companies for which they have access to information not yet made public. This rule was reinforced in January 2001. Like Group employees with access to privileged information, directors are now prevented from carrying out transactions on Société Générale shares during the thirty days prior to the publication of results, and from carrying out speculative trading on Société Générale shares (shares must be held for at least two months, options trading is prohibited).

Committees

The Board's internal regulations stipulate that its decisions in certain areas are drawn up by specialized committees composed of directors appointed by the Board. These committees submit their

opinions and proposals to the Board for approval. The committees may have discussions with Group managers and request independent surveys at the expense of the company.

Nomination Committee

The Nomination Committee is composed of the Chairman of the Board and of the three members of the Compensation Committee. It makes proposals to the Board for the appointment of new Board members and for the replacement of Chief Executive Officers, especially in the case of an unexpected vacancy. Three of the four members are independent. The Committee is chaired by the Chairman of the Compensation Committee. It has drawn up a list of replacement officers that can be submitted to the Board whenever necessary.

Compensation Committee

Composed of three independent directors, Messrs Dejouany, Faurre* and Seillière, and chaired by Mr Dejouany, the Compensation Committee submits proposals to the Board for the remuneration of Chief Executive Officers and for the granting of stock purchase or subscription options. It met twice in 2000 and submitted a stock purchase plan to the Board (see page 13).

Audit Committee

The Committee is composed of three directors, Messrs Calvet, Cannac and Wyand, two of whom are independent members. The Committee is chaired by Mr Calvet and is responsible for:

- reviewing the draft financial statements before they are submitted to the Board, notably the accounting principles and methods applied, and ensuring their relevance and consistency;
- reviewing the choice of methods and rules used for the establishment of consolidated accounts;
- reviewing the consistency

of procedures put in place to ensure proper internal control of operations, control of risk and compliance with the corporate ethical policy;

- formulating an opinion on the appointment or renewal of the Statutory Auditors;
- ensuring that the Statutory Auditors remain independent, in view of the share of their total fees paid to them by the Group and of the importance of the assistance and advisory tasks entrusted to them by the Group;
- examining the work programs of the internal and external auditors.

The Audit Committee has discussions, without the presence of the Chief Executive Officers, with the Statutory Auditors and with the managers responsible for preparing the financial statements, for risk control or for ethical compliance. The Committee reports to the Board on its work.

The Committee met four times in 2000, and reviewed the draft annual, interim and quarterly consolidated financial statements submitted to the Board, the report on internal control, reports on risk assessment and monitoring procedures (under Articles 42 and 43 of Regulation 97.02 of the French Banking Regulation Committee relating to internal controls), the revised 2002 financial plan, the result of the tender offer for Statutory Auditors and the reorganization of IT services within the Group.









Shareholder information

Société Générale respects the recommended schedule for the publication of full-year results (before the end of February), interim results (late July/early August) and quarterly results (within 45 days of the end of the quarter).










* Passed away on February 6, 2001.

Board of Directors

At December 31, 2000

	Year of first appointment and year in which current mandate will expire	Key position	Other directorships in listed companies	Background
 <p>Daniel Bouton Member of Nomination Committee Age: 51 Holds 10,500 shares*</p>	1997-2003	Chairman and Chief Executive Officer of Société Générale	<i>Director:</i> Schneider Electric SA, Total Fina Elf SA <i>Member of Supervisory Board:</i> Vivendi Environnement	Started his career at the Ministry of Finance, became Budget Director (1988-1990), then joined Société Générale in 1991. Chief Executive Officer in 1993. Chairman and Chief Executive Officer since November 1997.
 <p>Marc Viénot⁽¹⁾ Age: 72 Holds 2,800 shares*</p>	1986-2003	Chairman of Paris Europlace Chairman of Supervisory Board of Aventis Honorary Chairman of Société Générale	<i>Director:</i> Alcatel, Ciments Français, Vivendi Universal	After a career at the French Treasury and the IMF, joined Société Générale in 1973. Chief Executive Officer in 1977. Chairman from 1986 to 1997.
 <p>Jean-Paul Delacour⁽¹⁾ Age: 70 Holds 8,100 shares*</p>	1986-2001	Director of Société Générale	<i>Director:</i> Dietrich & Cie	Senior Vice President of Crédit National from 1961 to 1968. Joined Société Générale in 1969. Director and Chief Executive Officer in 1986 then Vice Chairman from 1993 to 1995.
 <p>Pierre Bilger⁽²⁾ <i>Independent Director</i> Age: 60 Holds 4,000 shares*</p>	1999-2005	Chairman and Chief Executive Officer of Alstom		After a career at the Ministry of Finance, joined CGE Group in 1982, appointed Chairman and Chief Executive Officer of GEC Alsthom, then Chairman and Chief Executive Officer of Alstom since 1998.
 <p>CGNU Plc⁽⁴⁾ CGNU holds 28,000,000 shares* Represented by Anthony Wyand⁽³⁾ Member of Audit Committee Age: 57</p>	1987-2003	Executive Director CGNU Chairman of Supervisory Board of CGU France	<i>Director:</i> Unicredito Italiano Spa <i>Group Executive Director:</i> CGNU <i>Non Executive Director:</i> Grosvenor Group Holding Ltd.	Life insurance and general insurance company. British national. Joined Commercial Union in 1972,
 <p>Jacques Calvet⁽²⁾ <i>Independent Director</i> Chairman of Audit Committee Age: 69 Holds 1,060 shares*</p>	1989-2001	Corporate Director	<i>Chairman of Supervisory Board:</i> BHV <i>Vice Chairman of Supervisory Board:</i> Galeries Lafayette <i>Member of Supervisory Board:</i> Groupe André, Axa, Cottin Frères <i>Director:</i> Société Foncière Lyonnaise	Chairman of BNP from 1979 to 1982 and of PSA from 1982 to 1997.
 <p>Yves Cannac⁽²⁾ <i>Independent Director</i> Member of Audit Committee Age: 66 Holds 700 shares*</p>	1997-2003	Corporate Director	<i>Director:</i> AGF, Danone	Chairman of Havas from 1978 to 1981. Chairman of Cegos from 1985 to 1999.
 <p>Guy Dejouany⁽²⁾ <i>Independent Director</i> Member of Nomination Committee and Compensation Committee Age: 80 Holds 140,000 shares*</p>	1986-2001	Honorary Chairman of Vivendi Universal	<i>Director:</i> Vinci <i>Permanent representative of Vivendi Universal on the Board of Directors:</i> UGC <i>Permanent representative of Vivendi Universal on the Supervisory Board:</i> ABN Amro France	Chief Executive Officer then Chairman of Compagnie Générale des Eaux from 1976 to 1996.

* Société Générale shares.

	Year of first appointment and year in which current mandate will expire	Key position	Other directorships in listed companies	Background
 Pierre Faure ⁽²⁾ <i>Independent Director</i> Member of Nomination Committee and Compensation Committee Age: 59 Holds 4,000 shares*	1994-2001	Chairman and Chief Executive Officer of Sagem	<i>Director:</i> Pernod Ricard, Saint-Gobain <i>Member of Supervisory Board:</i> Peugeot SA, Suez - Lyonnaise des Eaux	Joined Sagem in 1972 and became Chairman and Chief Executive Officer in 1987. Passed away on February 6, 2001.
 Antoine Jeancourt Galignani ⁽⁴⁾ Age: 64 Holds 516 shares*	1994-2001	Chairman and Chief Executive Officer of AGF	<i>Director:</i> Total Fina Elf SA, Kaufman et Broad, Gecina <i>Chairman of Supervisory Board:</i> Euro Disney Sca	Vice Chief Executive Officer of Crédit Agricole from 1973 to 1979. Chief Executive Officer of Indosuez in 1979, Chairman from 1988 to 1994. Chairman of AGF since 1994.
 Meiji Life Insurance Cy ⁽⁴⁾ Holds 13,750,000 shares* Represented by Kenjiro Hata Age: 72	1988-2005	Chairman of Meiji Life Insurance Company		Mutual life insurance company. Japanese national. Joined Meiji Life Group in 1954, appointed Chief Executive Officer in 1972 and Chairman in 1998.
 Patrick Ricard ⁽⁴⁾ Age: 55 Holds 200 shares*	1994-2005	Chairman and Chief Executive Officer of Pernod-Ricard	<i>Director:</i> Eridania Béghin Say	Joined Pernod-Ricard Group in 1967. Chairman since 1978.
 Ernest-Antoine Saillière de Laborde ⁽²⁾ <i>Independent Director</i> Member of Nomination Committee and Compensation Committee Age: 63 Holds 1,280 shares*	1986-2005	Chairman and Chief Executive Officer of CGIP	<i>Director:</i> Eridania Béghin Say <i>Member of Supervisory Board:</i> Hermès International, Peugeot SA	Occupied a series of posts in different Ministries. Joined Wendel Group in 1976 and appointed Chairman of CGIP in 1987. Chairman of French employers' association MEDEF.
 Serge Tchuruk Age: 63 Holds 2,500 shares*	1999-2003	Chairman and Chief Executive Officer of Alcatel	<i>Director:</i> Alstom SA, Thales, Total Fina Elf SA, Vivendi Universal	Held various posts in France and the USA within Mobil Group. Appointed Chief Executive Officer of Rhône-Poulenc in 1983. Chairman of Total in 1990. Chairman of Alcatel since 1995.
 Gérard Baude Director elected by employees Age: 53 Holds 240 shares*	1993-2003	Employee in Means of Payment department at the Aix-en-Provence branch		Société Générale employee since 1968.
 Daniel Gourichon Director elected by employees Age: 51 Holds 336 shares*	2000-2003	Client relations officer at the Annemasse branch		Société Générale employee since 1973.
 Philippe Pruvost Director elected by employees Age: 52 Holds 2,650 shares*	2000-2003	Asset management advisor at the Menton branch		Société Générale employee since 1971.

(1) A former Chief Executive Officer of Société Générale (more than three years).

(2) An independent director according to the definition given in the latest report of the committee on corporate governance, having no relation with the company or the Group that may compromise his free choice.

(3) An executive of a company whose Board members include a representative of Société Générale.

(4) A company director or chairman who is personally (or is connected with) a significant shareholder of Société Générale.

Directors proposed for appointment by the General Meeting of Shareholders

	Key position	Other directorships in listed companies	Background
Euan Baird British national Age: 63	Chairman and Chief Executive Officer of Schlumberger	<i>Director:</i> Scottish Power The Haven Management Trust Carnegie Institute of Washington	Masters in Geophysics from the University of Cambridge (UK), joined Schlumberger in 1960 as engineer in Europe, Asia, Middle East and Africa until 1974, then Personnel Manager and Head of Operations at Schlumberger Technical Services until 1979. He became Vice Chief Executive Officer in charge of Wireline Operations at Schlumberger Ltd (USA) and was appointed Chairman and Chief Executive officer of Schlumberger in October 1986.
Philippe Citerne Age: 52	Chief Executive Officer of Société Générale	<i>Director:</i> Unicredito Italiano Spa <i>Permanent representative of Société Générale on the Board of Directors of TF1</i>	Diploma of Advanced Studies in Mathematics, École Centrale de Paris. Held various posts in the Ministry of Finance. Joined Société Générale in 1979. Head of Economic Research 1984, Group Chief Financial Officer 1986, Senior Executive Vice President, Human Relations 1990. Appointed Deputy Chief Executive Officer in 1995. Chief Executive Officer since November 1997.

Directors whose mandate is proposed for renewal by the General Meeting of Shareholders

Jacques Calvet*

Antoine Jeancourt Galignani**

Statutory Auditors at December 31, 2000

Barbier Frinault & Autres (Arthur Andersen), represented by Philippe Peuch-Lestrade and Isabelle Santenac.
Ernst & Young, represented by Christian Mouillon.

* For background, see page 16.

** For background, see page 17.

Group Management Executive Committee

at December 31, 2000

Executive committee

Mission:
ensure the strategic management of the Group,
under the authority of the Chairman.



Daniel Bouton*
Chairman
and Chief Executive Officer



Philippe Citerne**
Chief Executive Officer



Didier Alix
Chief Executive,
Retail Banking



Xavier Debonneuil
Chief Executive, Corporate
and Investment Banking



Bruno Flichy
Chairman and Chief
Executive Officer,
Crédit du Nord



Philippe Collas
Chairman and Chief Executive
Officer, SG Asset Management



Alain Py
Senior Executive
Vice President, Resources
and Human Relations



Hervé Saint-Sauveur
Senior Executive
Vice President, Finance
and Corporate Planning



Christian Schricke
Senior Executive
Vice President,
Corporate Secretariat

Hugues Le Bret
Head of Group Communications

Didier Hauguel
Senior Group Risk Controller

*attend meetings
of the Executive Committee.*

* For background, see page 16.

** For background, see page 18.

General management committee

at December 31, 2000

General management committee

Mission: discuss Group strategy and other matters of general interest to the Group.

Daniel Bouton, Philippe Citerne

Didier Alix, Philippe Collas, Xavier Debonneuil, Bruno Flichy,

Alain Py, Hervé Saint-Sauveur, Christian Schricke

Yves-Claude Abescat

Bernard Beaufils

Jacques Beer-Gabel

Jacques Bouhet

Stephen Brisby

Philippe Brosse

Alain Closier

Alain Clot

Jean-François Gautier

Didier Hauguel

Alexis Juan

Henri Lassalle

Hugues Le Bret

Robert Le Roux

Jean-Pierre Lesage

Marc Litzler

Pierre Mathé

Jean-Louis Mattéi

Jean-Pierre Mustier

Jean-Jacques Ogier

Jean-Paul Oudet

René Querret

Patrick Soulard

Jean Stern

Bernard de Talancé

Catherine Théry

Yves Tuloup

Philippe Vigué

Remuneration of Senior Managers

Policy for determining the remuneration of Senior Managers

The information below applies to the nine Senior Managers who form the Executive Committee and who carried out their functions for the whole of 2000⁽¹⁾.

- The remuneration of the two Senior Officers is set by the Board of Directors, based on a proposal made by the Compensation Committee. This remuneration takes two forms:
 - A fixed sum allocated at the time of their appointment, which may be revised in line with market practices;
 - A variable amount, determined annually, which is directly linked to company performance based on Group net income and net earnings per share. The Compensation Committee ensures that the amount of variable payments reflects the Group's performance objectives, and in particular that the performance indicators are not affected by structural changes or exceptional profits or losses. In compliance with the rules set by the Board of Directors, based on a recommendation by the Compensation Committee, the variable amount is reconciled with limits set in line with market practices and adapted according to the quality of the performance realized.
- The remuneration of the Chairman of Crédit du Nord and the Chairman of SG Asset

Management is calculated in the same way. The Board of Directors sets the fixed sum and variable amount, based on a proposal made by the Compensation Committee. The variable amount is also directly linked to the company's performance.

- The remuneration of the other five Senior Managers, set by the Chief Executive Officers, also comprises two parts:
 - A fixed sum, determined according to their responsibilities, and taking into account market practices;
 - A variable amount, set at the discretion of the Chief Executive Officers, which depends on Group results and individual performances over the previous financial year. Besides this remuneration, the five Senior Managers also benefit from the general incentive schemes established under the company's collective agreements, like all employees. Senior Managers have a Company car.

Remuneration paid in 2000

In 2000, total remuneration⁽²⁾ of the members of the Executive Committee totaled EUR 7.512 million, which breaks down as follows:

- Fixed amounts: EUR 2.975 million.
- Variable amounts: EUR 4.537 million. These amounts include the remuneration of the two Chief Executive Officers, as follows:
 - Chairman and Chief Executive Officer: EUR 2.462 million (fixed: EUR 0.843 million, variable:

EUR 1.619 million).

- Chief Executive Officer: EUR 1.355 million (fixed: EUR 0.464 million, variable: EUR 0.891 million).

Attendance fees paid to Directors who form the Executive Committee

The attendance fees and other Board-related remuneration paid to the Senior Officers who form the Executive Committee are deducted from the variable part of their remuneration. Other members of the Executive Committee do not receive attendance fees, and any sums received in this respect are paid back to Société Générale.

Attendance fees paid to Company Directors

The total amount approved at the General Meeting on June 4, 1999 for the payment of directors' fees (EUR 0.46 million) was retained in 2000 and paid in February 2001.

The rules for distributing attendance fees amongst Directors, decided by the Board of Directors on February 23, 2000 are the following:

- Half of total fees are equally shared between all Directors, though members of the Audit Committee each receive two parts.
- The other half is shared between the Directors, according to the number of Board or Committee meetings they attended during the year.

(1) Besides the Chairman and Chief Executive Officer, and the Chief Executive Officer, the Executive Committee comprises the Chief Executives for Retail banking and Corporate and Investment banking, the Chairman of Crédit du Nord, the Chairman of SG Asset Management, the Senior Executive Vice President responsible for Resources and Human Relations, the Senior Executive Vice President responsible for Finance and Corporate Planning and the Senior Executive Vice President for the Corporate Secretariat.

(2) Total remuneration breaks down as follows:

- fixed amounts received in 2000;
- variable amounts relating to 1999 paid in March 2000.

- **One of the top employers in France:**
4,600 people recruited in 2000
- **Employees hold 8% of capital**
- **In 2000, one in three Group employees worked outside France**

Employment

Société Générale stepped up its recruitment in 2000 to enhance its development in its growth businesses.

The Group increased its payroll by nearly 7,000 people, and now has 71,000 employees in 75 countries. Société Générale is a major international banking group, and has one of the most active policies for recruiting young people in France, for example:

- work placements for 450 students preparing a BTS vocational diploma in sales: 80 groups in the branch network were involved in such training schemes;
- the recruitment of 400 people under the age of 25;
- a partnership with ESSEC and four other business schools throughout France offering apprenticeships to 200 students;
- internships and vacation work; in 2000, nearly 12,000 students gained their first work experience at Société Générale.

New social legislation in France

A new collective agreement signed in January 2000 introduced a new framework for employees, and set up a system of remuneration that fairly reflects the reality of the banking system. This agreement was complemented by the signing of a social agreement in July 2000 covering a number of measures specific to Société Générale.

The agreement on the 35-hour working week was signed on October 12, 2000, reducing working hours for employees and management, mainly by offering additional days off. This agreement includes a number of measures designed to adapt the organization to the requirements of quality and to maintain availability vis-à-vis customers.

More efficient structure

Functions previously carried out for the operating divisions by head office departments were decentralized in 2000 in order to reinforce the autonomy of each division.

Each division now has a Human Resources department. Precise rules have been drawn up centrally to ensure consistency throughout the Group, and indicators have been defined to ensure regular monitoring.

Furthermore, the Investment Banking division has been divided into business lines, enabling human resources to be managed at an international level and improving efficiency.

Employee incentives

In addition to fixed salaries, which compare favorably with the banking sector average, employees receive variable payments that depend on both the results of the business line in which they work and Group results. Variable payments increased considerably in 2000.

A dedicated stock-options plan was introduced in 2000 as an incentive for 1,477 young managers recently recruited in France and around the world, whose average age is 35.5.

As the internet constitutes one of the Group's commercial development levers, a team has been set up to coordinate and promote internet expertise and to assist employees who develop internet projects to structure their ideas and find financing.

32,976 employees or former employees hold nearly 8% of Société Générale's capital via the E-Fund Company-sponsored employee shareholding plan. The capital increase for employees in 2000 saw record levels of participation.



Group activity in 2000





→ targets

- In 2000, the customer base continued to grow strongly, with a 2.8% increase in the number of current accounts opened by individual customers in France. At the same time, Société Générale is continuing to increase the number of products held by each customer, thus improving loyalty.
- Faced with the emergence of new players in the banking sector, the Group is investing in the models of the future (CRM, development and integration of new remote banking channels), while setting a high profitability target: **ROE of 18% by 2002.**

Retail Banking

Société Générale in France
and abroad

Crédit du Nord

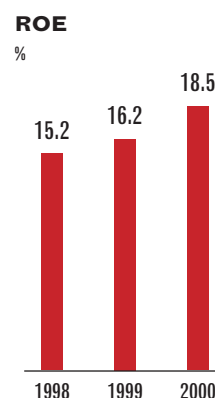
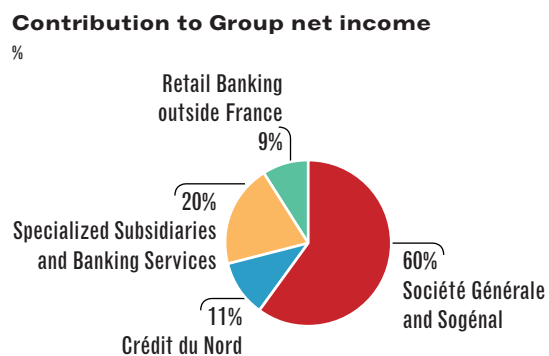
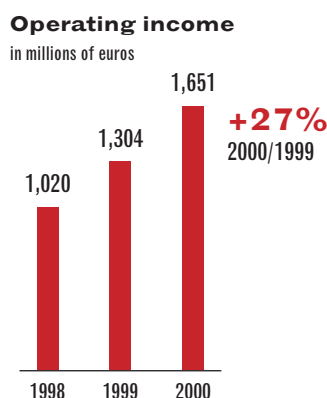
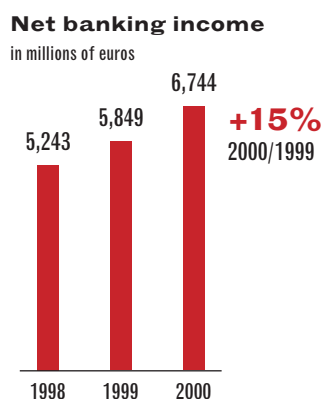
Growth and profitability in the long term

Retail Banking registered an excellent commercial and financial performance in 2000, with ROE at 18.5% compared with 16.2% in 1999. This growth was due to a very high volume of business, notably in asset gathering (in particular mutual funds and insurance products).

The stabilization in the intermediation spread and the close control of general expenses also contributed to this growth.

- More than 10 million customers.
- 10.3% market share of household deposits in France (September 2000).
- No. 1 on the mutual fund market (France)*: 12.9% (including Barep).

Key figures for 2000



1999 figures restated to take into account the new French accounting standards.

* Mutual funds that can be freely acquired by any customer.



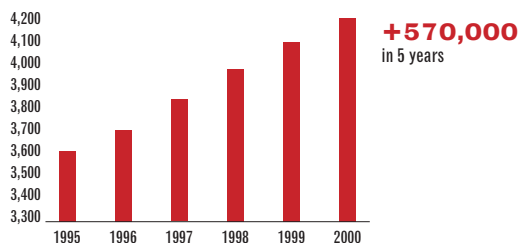
Retail Banking



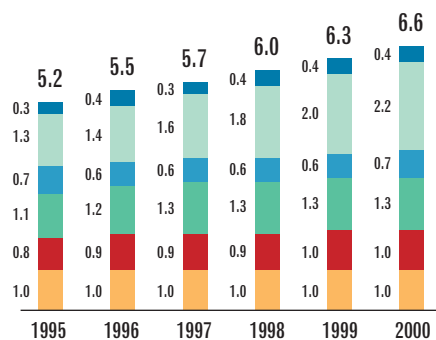
Société Générale network

2,000 branches in France

Number of individual customer current accounts
in thousands at year-end



Number of products per current account



- Loans
- Services
- Off-balance sheet savings
- On-balance sheet savings
- Cards
- Sight accounts

Société Générale*, a leader on its markets

- ➔ Leader in unit-linked life insurance policies by market share.
- ➔ A leading bank among students.
- ➔ Leader in payment and withdrawal cards by penetration rate (over 90%). More than 4 million customers now hold Société Générale bank cards.
- ➔ No. 1 in corporate credit cards: 45% market share.
- ➔ The only national bank that offers "one account number for life".

*These figures only apply to Société Générale.

Strong growth in franchise

Société Générale's franchise increased and improved in quality for the fifth consecutive year.

A growing number of customers

The number of individual customer current accounts rose by more than 113,000 – an annual increase of 2.8%. This increase continues the very favorable trend seen over the past five years during which 570,000 new current accounts have been opened.

A strong position among young customers

Number of young persons accounts

(in thousands)	1995	1997	2000
Sight accounts	439	502	583
Passbook accounts	-	464	562
Eurokid accounts	-	-	441

The renewal of the customer base has been ensured by average annual growth of almost 6% in the number of customers below the age of 25 for the past five years. This customer segment has been attracted by innovative products such as Eurokid – 441,000 accounts opened within eighteen months of its creation – and the “Pack Jeunes” launched in May 2000 –

nearly 260,000 accounts opened already. Half of students at the ten leading Grandes Ecoles (prestigious French universities) are Société Générale customers, confirming the bank's position in this growth segment.

More products

The franchise is also enhanced by the increasing number of products held by Société Générale customers. Total products and services managed for individual customers grew by over 9% year on year .

In 2000, the average number of products per current account rose to 6.6.

Savings and services each accounted for 35% of products held. The contribution of services has increased by over 30% since 1995.

Société Générale adopts a new advertising strategy

Société Générale adopted a new marketing strategy in August 2000, focused on talking to its customers, with a new advertising slogan:

“Société Générale, si on en parlait ?”



The Group aims to adapt to its customers, offering appropriate solutions and quality customer service. An initial commercial was broadcast in August 2000, confirming the bank's intention to renew dialogue

with its customers. This was followed by a series of commercials that showed Société Générale's answers to everyday problems (temporary cash problems, car loans, retirement plans, etc.) and offering innovative solutions (multi-channel banking, 'one account number for life', etc.). This campaign aims to show Société Générale as a modern, friendly and approachable bank.



Strong growth in asset gathering...

This segment of the total customer outstanding grew by 6% in 2000, notably due to the strong performance seen in life insurance and mutual funds.

- **Société Générale is the market leader in mutual funds,**

with a 10.1% market share.

Growth in assets under management has considerably exceeded that of the market since 1993;

- **Société Générale is the leader in unit-linked life insurance policies** – the most dynamic segment of the market – with a twofold increase in premium income in one year (Sogécap total premium income: EUR 4.9 billion).

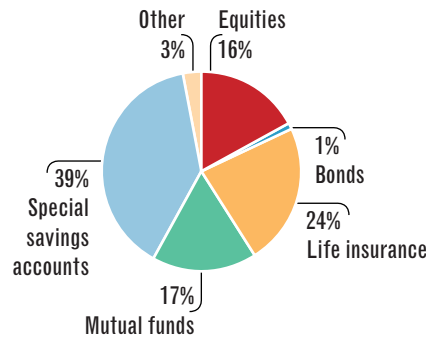
... and a sharp rise in outstanding loans

Outstanding loans to businesses increased by more than 6% over the year. Short-term loans saw particularly strong annual growth of 10.7%.

Société Générale has a strong position among large SMEs (those with sales of between FRF 100 million and FRF 500 million), with a penetration rate of 27.3%.

Total customer outstanding

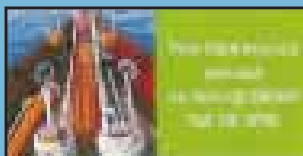
Individual customers



highlights

January

- Société Générale announced the integration of Sogéna - its subsidiary in Alsace - into the national network by November 2001.



March

- **Sogécap**, the Group's life insurance subsidiary, received the top award from "Revenu Français" magazine for its multi-vehicle contracts and also won several insurance awards for the second year running.
- An agreement was signed with the Banque de Développement des PME (SME Development Bank) for financing micro-enterprises.

May

- Launch of **Pack Jeunes** – a banking package aimed at the under 25s.
- The new **Expresso** product was launched, offering more flexibility: customers can decide to postpone installments, or alter monthly repayments.
- Société Générale was the first bank cited by non-customers in an IOD image survey in May 2000.

June

- Launch of **Messalia**, a SMS service providing account balance details.
- Société Générale becomes a free internet service provider with **VooNoo**.
- Launch of **Erable Plan Retraite**, a multi-vehicle life insurance policy with annuity payments.



Growth and innovation for customers

The sustainable and profitable increase in the customer base is due to the Group's innovative capacity and performance.

Société Générale has extended its range of services on the different market segments.

Individual customers

The new **Expresso** consumer loan offers greater flexibility, enabling customers to postpone installments or alter the amount of repayments. The new vehicle lease/purchase offer "**Clé de Contact**" was launched at the Paris motor show and enables car expenses to be paid monthly while offering the possibility of purchasing the vehicle

at the end of the contract at a price determined at the outset.

In **mortgage finance**, a new **loan** enables first-time buyers to retain their purchasing power by offering reduced monthly payments.

The new "**Pack Jeunes**" product aimed at 18-25 year olds combines a number of banking services and reduced charges with special non-banking offers. The package is also eligible for Société Générale's loyalty scheme, and has met with a great success, illustrating the network's strong commitment to this customer segment.

Businesses

Société Générale has extended its services for businesses, SMEs and self-employed professionals with products such as:

- **Performance Sogécash**, aimed at SMEs whose export activities require that bank accounts and cross-border flows are managed remotely;

- **Cycléa Assur-Financement**, which enables SMEs to manage and finance their customer receivables;

- **Signature Pro**, a package offering banking services at less than 70% of the standard price. An agreement was signed with the Banque pour le Développement des PME (the SME development bank), to promote a business start-up loan and a convention was drawn up governing finance for micro-enterprises.

The option to 'pay in four installments' has won increasing support among retailers since its launch in May 1999.

July

- **Sogessur**, the Group's property and casualty insurance subsidiary was awarded ISO 9002 certification by the AFAQ (French association for quality standards).
- Launch of **Visualia**, the interactive television account management service.
- Launch of dedicated **internet portals for individual customers and businesses.**

September

- Launch of "**Clé de Contact**", a vehicle leasing contract for individual customers offering a purchase option and related services.

October

- Launch of **Signature Pro**, a packaged offer for self-employed professionals.



- Launch of first banking transaction website for non-profit organizations.

November



- Launch of **Answor**, the first electronic B2B marketplace.
- With a view to improving security on cash withdrawals, Société

Générale is the first bank to read the microchip in bank cards in all its ATMs.

web sites:
societegenerale.fr
(access to sites devoted to individual customers, business customers, non-profit organizations and self-employed professionals),
fimatex.fr, VooNoo.net.



Retail Banking in France

New partnerships

A number of innovative commercial partnerships were set up, in particular:

- **Marketo**, for the implementation of an online B2B call-for-tender services.
- **Answork**, an electronic B2B

marketplace, set up with other major French banks and IT companies.

- **Home Village**, a real estate transaction and finance website aimed at individuals and customer advisors, set up in association with a leading network of estate agents.

The euro is here!

The euro has been the benchmark currency of the eleven euro-zone countries since January 1, 1999. The first stage essentially affected the financial markets, securities transactions, asset management and investment banking activities, even though all domestic

transactions can be carried out in euros.

2001 is the last year of the transition phase, and retail banking activities will be most affected. The French franc will disappear on January 1, 2002, and euro notes and coins will be brought into circulation.

The euro has been Société Générale's internal currency since January 1, 2001, and the bank will actively support its customers throughout the transition year to facilitate their use of the euro.

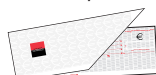
An information campaign targeted at different market segments – businesses,

self-employed professionals, individuals and non-profit organizations – was launched in September 2000 to remind customers of how important it is to prepare for the euro. The campaign will intensify throughout 2001 in the run-up to the introduction of the euro.

Schedule

Société Générale's internal currency becomes the euro

Customers supplied with cheque books in euros.



All accounts converted into euros.

Introduction of euro coins and notes.

Both currencies in circulation.

Removal of French Franc from circulation.



4D program: an integrated e-business solution

Faced with the development of new means of communication, Société Générale has decided to build a multichannel distribution model, with an integrated customer relationship and contact management system – **the 4D program**.

Customers will be recognized each time they contact the bank, regardless of the channel used (branch, telephone platforms, Minitel, internet, interactive television, Wap, etc.).

Customer advisors will have detailed knowledge of the customer and all his or her banking transactions.

They will be able to proactively manage sales opportunities and offer “**the right product to the right customer at the right time, via the right channel**”.

In this respect, three new sales tools were made available to customer advisors in 2000, covering the risk of losing the customer (attrition scoring), the products to recommend (predictive scoring), and event management.

The multichannel model of the future is based on the implementation of a powerful CRM tool; **Société Générale has chosen to use Siebel Finance**, the software developed by Siebel Systems, the world leader in e-business applications.

The 4D program also extends the possibilities for managing

customer contacts by phone. Multimedia customer relations centers will complement and support the network. The first such center will be opened in Lyon in 2001.

The internet offer for the different customer segments (four portals are accessible via societegenerale.fr – individual customers, businesses, self-employed professionals and non-profit organizations) will be extended to include additional functions in 2001.

Société Générale is the first national bank in France to implement an integrated multichannel solution. The program has a budget of EUR 260 million, and will be put in place over the period 2000-2003.

Six remote banking channels

In 2000, Société Générale was the first bank to offer its individual customers **six remote banking channels**. The number of customer contacts via automated remote channels increased by 31% from 54 to 70 million, with all channels registering an increase in traffic.

- 48.5 million calls were made to the **Vocalia** voice server, a 16% increase against 1999, reinforcing the bank's position as the leading voice server in financial services, and the number two server across all categories.

- **Logitel Net** registered strong growth, with more than 257,000 effective users and 9 million connections in 2000, including 780,000 stockmarket orders.

Independent surveys regularly rank Logitel Net among the most visited French banking web sites.

- **Logitel**, the Minitel account management system, is used by 200,000 users, with 17 million connections registered in 2000.

- **Messalia**, the SMS service, proved a great success, with more than 100,000 contracts signed.



- **Visualia** is the Group's interactive television service.

- A **Wap** m-banking service is currently being tested and will be available in the first half of 2001.



Specialized subsidiaries

Sogécap **A remarkable performance:** **premium income up 47%**

Sogécap, the Société Générale Group's life insurance and funded pension scheme subsidiary, saw very strong growth in 2000, with net premium income rising by 47% well above the market average (20.7%)⁽¹⁾. This growth was driven by the sharp increase in the number of Group customers that have taken out life insurance policies.



In 2000, Sogécap confirmed its leadership in the unit-linked policy segment, which accounted for 77% of new money, compared with 65% in 1999. The leading products such as Séquoia again won a number of awards. The company launched a new personal pension savings

product, Erable Plan Retraite, adding to its range of multi-vehicle products.

Sogécap also continued to diversify its activities, developing the range of individual life insurance annuity products (more than one million policies are managed); increasing its collective insurance offer (retirement, end-of-service awards), and diversifying its customer base via new partnerships.

Outside France, Sogécap launched new activities in some European Union countries and created a new subsidiary in the Lebanon, backed by Société Générale's local retail banking network. Its Luxembourg subsidiary, Sogelife, generated premium income of EUR 154 million over the period.

Sogécap's mathematical reserves amounted to EUR 29.6 billion at year-end 2000, reinforcing its position among the leading bancassurance specialists in France. Net income amounted to EUR 115.4 million, up 26%, and ROE came out at 26.9%, compared with 21.3% at year-end 1999.

(1) Provisional FFSA figures as at February 28, 2001.

Franfinance

A promising performance

Franfinance ranks among the leading French vendor finance specialists.

The company is a significant player in many sectors, in particular equipment finance for businesses, owing to its innovative capacity and expertise on both the individual and business markets.

After being awarded ISO 9002 certification for all its consumer lending activities in July 1999, 2000 proved to be a particularly strong year: new financing amounted to EUR 2.5 billion, up 5.6% in relation to 1999. Outstanding loans rose 13.2%, at nearly EUR 4 billion, with a growth of 5% for individual loans and 18% for business loans including activities outside France.



year, the total fleet under management grew by 46%.

Two major events marked 2000:

- The launch of the “Clé de Contact” product, a package offering individual customers vehicle leasing and related services.
- The signing of a fleet management contract with La Poste, for 23,500 vehicles.

Pre-tax financial income rose 26% to EUR 5.5 million.

Yamaha – the motorcycle market leader in France.

A continual improvement in the product offer, quality of service and partnerships with distributors is its main objective.

Sogessur

More than 100,000 policies signed

In 2000, 108,000 property and casualty insurance policies were signed.

Since November 21, property insurance quotes are available online via Société Générale’s website. Users are advised to contact their branch to take out the policy or for further information, providing a new source of potential customers for the Société Générale network.

Temsys

Growth in activity

The consolidated sales of Temsys and its subsidiary Tempro rose 39% in 2000.

For Temsys, long-term vehicle leasing for businesses increased by 27% and fleet management sales almost doubled. Tempro’s lease finance activities for businesses saw a very sharp increase of 125%.

For the second successive

CGI

Improvement in services

CGI specializes in point-of-sale financing, and is essentially active in the motor vehicle, boat and motorcycle sectors.

The subsidiary is a major player in motor vehicle finance, and is the financial partner of Bénéteau Jeanneau Group – the world leader in pleasure boats – and





Retail Banking



The Crédit du Nord Group

600 branches in France

The Crédit du Nord network continued to develop in 2000, registering growth of 29% in operating income.

The Crédit du Nord network contributed EUR 110 million to the Société Générale Group's retail banking net income in 2000, up 7.8%. This figure takes into account the transfer of 20% of the Crédit du Nord Group's capital to DEXIA in late 1999 and early 2000. When adjusted for changes in Group structure, Crédit du Nord's contribution increased by 33%.

This confirms the marked improvement in the performance of the Group which generated a ROE of 17.3 %.

→ **The Crédit du Nord Group is a federation of 8 regional banks and is the Société Générale Group's second retail banking network.**

→ **In 2000, the Crédit du Nord network improved its performance and developed its sales drive on all markets for the fifth consecutive year. The Group has adopted an active investment policy to prepare for the future: the full introduction of the euro in 2002, upgrading IT systems and development of new distribution channels (internet and telephone).**

The Group's identity is based on its relationship and proximity with customers, and the latest banking services and distribution channels. The Group has a decentralized structure, with banking regions and each subsidiary and region is organized as an SME, which allows for a more proactive approach towards its customers.



Crédit du Nord



Strong Growth

The customer base and the number of products per current account are continuing to increase on all markets. Individual customer loyalty, that is the number of banking products held by each customer, has improved, with 62% of clients having three products or more, versus 58% in 1999. The percentage of professional customers holding both professional and private accounts increased from 50.8% in 1999 to 52.3% in 2000.

Outstanding loans

are continuing to grow strongly (+7%), especially personal loans, which rose by almost 12% (+13.4% for mortgages).

Savings deposits

were strongly influenced by interest rates and by the

maturing of personal savings plans sold in 1990. Special savings accounts deposits fell 10%, while short-term deposits offering more attractive interest rates increased almost two-fold in comparison with the previous year. Sight deposits by businesses and individuals continued to grow by over 8%. Investments in mutual funds on all markets – one of the Group's main growth areas – rose by 8%, with medium-term and long-term mutual funds posting a 17% increase.

The new Norplus package favors cross-selling with **other products** such as revolving credit, overdrafts, bank cards and life insurance. More than 360,000 Norplus contracts have been signed. 72,000 customers were users of the Group's internet services in December 2000, with the number

of connections up 115% between June and December 2000.

Innovation

• For the first time in France, the Crédit du Nord Group's customers have access to **an exclusive range of five risk-profiled funds based on the multi-asset, multi-style and multi-manager concept, developed in partnership with Frank Russell**, the world leader in asset management advice and the selection of fund managers.

• The Group launched its interactive website, complementing the telephone and Minitel service for placing stockmarket orders, enabling customers to carry out their transactions using the method of their choice.

Partnership with Dexia

In early 2000, Dexia increased its holding in Crédit du Nord to 20%, after having acquired 10% at the end of 1999.

Reinforcing the regional presence

• The 12 Crédit du Nord branches in the Loire-Poitou-Charente region have been transferred to **Banque Tarneaud**, which is now the leading private bank in western and central France.
• Crédit du Nord increased its holding in **Banque Kolb**

to facilitate the bank's integration within the Group's information and commercial structure.

Products and services

• The Crédit du Nord Group has reviewed its revolving credit product, **Etoile Avance**, and now offers customers a permanent reserve of money at very attractive rates, alongside their normal current account.
• Professional customers can now sign a contract for a regular overdraft facility.

Brand awareness and image

The Crédit du Nord Group has stepped up its advertising campaign considerably in order to strengthen brand awareness and to ensure the successful launch of Etoile Multi Gestion, an exclusive range of international risk-profiled



funds offered in partnership with Frank Russell. This campaign portrays the Crédit du Nord Group as a modern bank that combines tradition with new technology.



Retail Banking



Retail Banking outside France

The Retail Banking outside France division (BHF^M) was created in 1998 and is broken down into three major geographic regions:

- Central and Eastern Europe,
- Africa and French overseas departments,
- The Mediterranean basin.



Performance and strengths

- 2 million customers in strong growth markets.
- Synergies with all the Group's areas of expertise.
- Optimum risk/return management.



Ambitious targets

- 4 million customers by 2002.
- Accelerated transformation of the banking model.
- Targeted, profitable growth.

The Group will meet these targets notably thanks to selective acquisitions.

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

Consolidation of growth

In 2000, BHFМ focused on increasing its activity and integrating the acquisitions made in 1999, notably in Romania, Bulgaria, New Caledonia, French Polynesia and Madagascar. Société Générale was able to export the expertise of the domestic network owing to the synergies set in place, enhancing BHFМ's organization and its subsidiaries' operations.

Société Générale aims to extend its customer base and product range, as well as the number of products held by each customer. An active growth plan was set up in the individual customer segment in Morocco, Argentina, Egypt, the Lebanon, Romania and Bulgaria.

Developing alternative distribution channels

Remote banking services were extended in several major areas of the network, in particular:

- telephone services and tele-marketing,
- interactive account consultation machines,
- a greater number of ATMs offering an increasing range of services.

Developments are planned in terms of telephone platforms, transactional websites, telephone banking (already in place in Egypt) and interactive television.

Optimizing management

Société Générale has launched various projects to improve working methods and procedures, including:

- reinforcing links with Société Générale's areas of expertise. For example, Sogécap for developing life insurance products in subsidiaries (the Lebanon, Morocco), SG Asset Management with the creation of specific investment funds, Franfinance for consumer loans, and SG Private Banking;
- harmonizing IT systems, in particular for reporting, accounting and marketing;
- reinforcing risk control using the RAROC tool.

Africa:

Société Générale became the majority shareholder in its subsidiaries in Senegal and Ivory Coast, and increased its control in Guinea.

The main branch of SGTB in N'Djamena, Chad.



V. Fournier



Romanian Development Bank.

Mediterranean basin

• Société Générale became the majority shareholder in its subsidiary in Morocco.

- The Algerian subsidiary opened in March.
- The BHFМ Division recently took over the management of offices in Greece and Yugoslavia.
- Société Générale has just obtained an onshore license to extend its activities to Cyprus.
- A subsidiary was set up in Jordan, and the Group also plans to open an office in Syria.



Algiers branch.

Banque de Polynésie site.





→ target

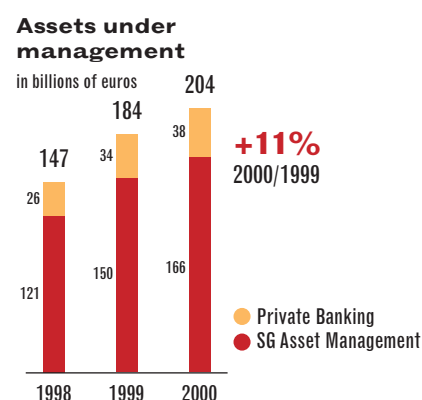
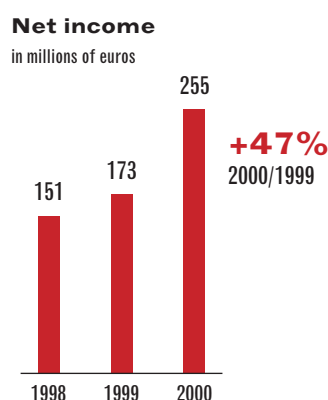
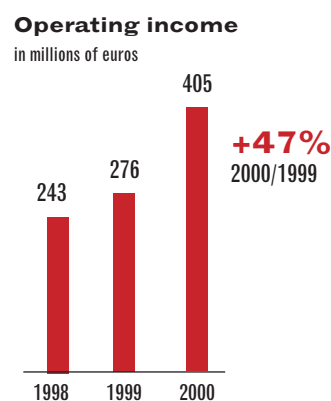
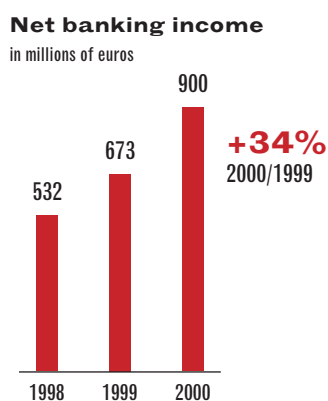
Société Générale aims to increase its profitability by developing its Asset Management distribution capacity and exploiting the growth potential offered by the Private Banking brand and networks.

Asset Management and Private Banking

Growth in assets under management and improved results

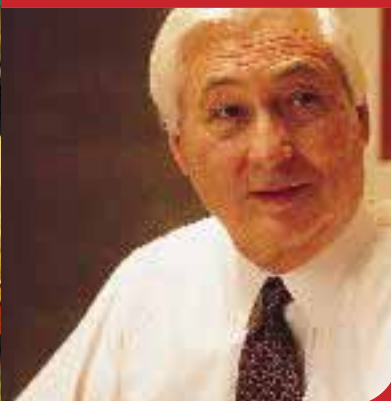
Continued commercial investments and product innovation in Asset Management together with a recognized brand in Private Banking increased the return on assets under management (+11%) and net income (+47%).

Key figures for 2000



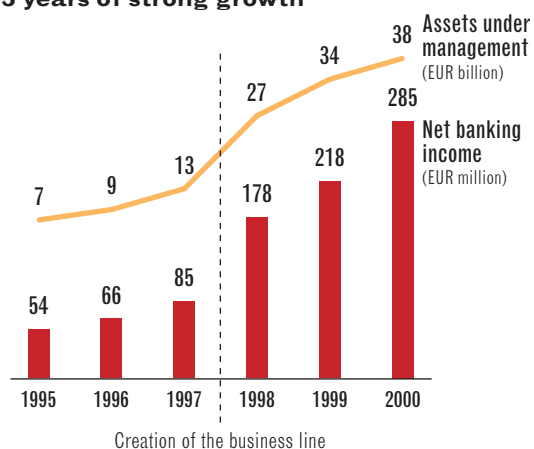
1999 figures restated to take into account the new French accounting standards.

Asset Management and Private Banking



Private Banking

5 years of strong growth



A major growth area, based on:

- a recognized brand, **SG Private Banking**,
- a presence in the major financial centers,
- a comprehensive and innovative range of products and services based on the expertise of the Group's businesses,
- strong potential for customer referrals by the domestic and international networks.

Excellent results:

- ➔ Gross operating income up 54%.
- ➔ Assets under management up 12.5% to EUR 38 billion at year-end 2000.
- ➔ Net banking income up 31% at EUR 285 million.

Athens, Geneva, Gibraltar, Guernsey, Hong Kong, Jersey, Limassol, London, Lugano, Luxembourg, Manila, Mexico, Monaco, Nassau, New York, Paris, Sao Paolo, Singapore, Tokyo, Vienna, Warsaw, Zurich.

SG Private Banking is a global business line that serves high net worth individuals looking for innovative financial solutions, notably in terms of international diversification.

Excellent results in line with targets

In 2000, SG Private Banking reaped the benefits of the considerable investments in organic growth and acquisitions (notably Hambros in the UK) made in 1998 and 1999. Assets under management reached EUR 38 billion, up 12.5% in relation to the previous year, in spite of the downbeat financial markets. **Net banking income rose 31% to EUR 285 million.**

Net income rose by 45% due to improvements in the cost-to-income ratio.

The year saw strong growth in integrated private banking services in France and significant progress was made in several fields.

Thanks to its significant development in Asia, Société Générale ranks among the top ten players in this region.

The integration of SG Hambros and SG Ruegg was completed successfully.

Ambitions for the future

SG Private Banking has two main aims:

- ensure annual growth in assets under management of at least 15% from 2002 on a like-for-like basis,

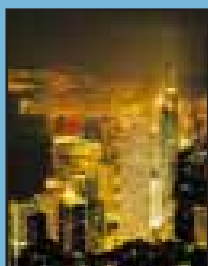
- reinforce its position as a leader in terms of product range and quality of service. In order to meet these aims, an active development policy has been set up, in particular concerning the potential offered by the branch network for attracting targeted customers such as entrepreneurs, company directors and executives. The ambition is also to improve the services provided by developing synergies with other Group business lines or by using external products that meet strict quality criteria.

SG Private Banking plans to enhance its presence in Europe and Asia by organic growth, partnerships and targeted acquisitions.

IT systems will be reinforced and new remote distribution channels developed with a view to achieving these goals.

SG Private Banking

- A global business line,
 - 22 offices in France and around the world,
 - 1,220 employees serving high net worth individuals (target: customers with assets of 1 million dollars or those with strong potential).
- 2000 saw the setting up of a financial engineering and estate planning structure, with 120 technical sales staff in 9 different offices of the Group.



Asia

Due to the Group's strong growth in Asia, Société Générale ranks among the top ten players in this region.

www.sghambros.com



www.sgbt.lu

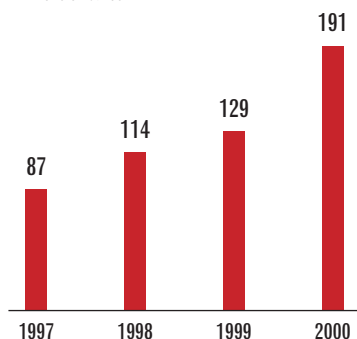
Internet

Creation of new web sites for different entities of the Group.

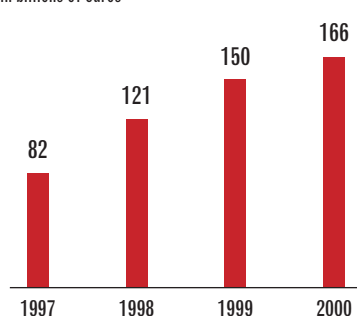
Asset Management and Private Banking

Asset Management*

Strong growth in net income
in millions of euros



Strong growth in assets under management
in billions of euros



Paris, London, Tokyo, Singapore, New York, Athens, Buenos Aires, Chicago, Dublin, Frankfurt, Luxembourg, Madrid, Milan, Monaco, Taipei.

In 2000, SG Asset Management reinforced its position on the French market and among the leading players in Europe. The Group's 1,200 specialists around the world offer all types of customers access to all asset classes on each of the world's financial markets.

- ➔ Assets under management totaled EUR 166 billion, up 10.4%.
- ➔ Net new money has increased by a factor of 2.5 in 2 years.
- ➔ Leader in mutual funds in France, with a market share of 12.9%, 2.5 points above the number two player.
- ➔ aa+ rating awarded by Fitch-AMR.
- ➔ Among the European leaders on the 3 major growth markets:
 - funds of funds,
 - alternative investment,
 - multi-manager funds, via its joint venture with Frank Russell.

* Including Étoile Gestion, the asset management arm of Crédit du Nord.

Philippe Collas

Philippe Brosse
Catherine Théry
Christian d'Allest
Véronica Bats
Jérôme de Dax
Olivier Garnier
Jean-François
de Laulanié
Patrick Pagni
Pierre Boulogne
Keith Percy

Growth and Innovation

Multi-management: these products, which combine a selection of the best fund managers with limited risk through the diversification of the investment approach, were highly successful in 2000. Funds managed by the European joint venture between SG Asset Management and the US consultancy Frank Russell, were highly successful with retail and private banking networks across continental Europe. Assets under management increased threefold in 2000 to nearly EUR 5.5 billion.

Alternative investment: SG Asset Management has been active in futures fund management via its subsidiary Barep AM for 7 years, and is also present in structured products via SG Structured AM. The Group extended its range

of alternative investment products into new areas in 2000: hedge funds and private equity. Assets under management amounted to EUR 13 billion at the end of 2000.

Broadening the distribution network: recognized for its capacity to tailor products to customer requirements, SG Asset Management has signed several distribution agreements with partner networks, banks, insurance companies and major retailers in France, Spain, Italy and Sweden. In particular, an agreement signed with the Italian insurance company Società Assicuratrice Industriale (SAI), provides for the distribution of SG Asset Management products through a new company, Banca SAI, to 3 million customers via SAI's 913 branches and its internet platform.

Risk management and transparency

SG Asset Management is committed to ensuring customer security and is aware of its customers' concerns about transparency. In this respect, the Group permanently matches the increasing sophistication of products and the rapid growth in volumes with a corresponding extension of its financial and operational risk management tools. Moreover, it has set up proprietary investment processes aimed at generating regular and sustainable strong performances, as well as applying detailed and accurate reporting procedures. This professional quality and transparency was rewarded by the aa+ rating given by the specialist asset management rating agency Fitch-AMR – the highest rating ever awarded at a global level.

highlights

Employee savings:

SG Asset Management is a major player in employee savings plans, with a 14% market share. Many new mandates were won with major industrial and service groups in France, in particular in leveraged funds and structured finance. An internet platform - esalia.fr - allows employees to carry out their transactions online (transfer of available funds between accounts, arbitrage between funds, etc.).

Internet

Launch of sgam.com portal: an international portal comprising 12 sites in 7 different languages was set up. The site for customers in France offers value-added interactive services in a personalized environment (portfolio tracking, analysis, advice, reporting, etc.).



United Kingdom:

SGAM UK's third year of activity was particularly successful in terms of both the performance of funds under management and new money. The target for the volume of assets under management by 2002, set when the subsidiary was launched, was met in mid-2000. Over the full year, new money exceeded GBP 3 billion, almost doubling assets under management within the space of one year.

USA: Cowen Asset Management entered the SG Asset Management Group. Cowen manages assets of EUR 2.1 billion for US institutionals. Funds are managed using a "value" investment style, and their performance was particularly satisfactory.

Germany: the number of individual customers increased by 43% to 236,000.

Singapore: the subsidiary was the first to launch a 100% capital-guaranteed fund denominated in Singapore dollars.



→ targets

- **SG aims to rank among the leading corporate and investment banks in Europe for its target customers.**
- **It provides its customers with expertise and financing capacity.**
- **SG continues to reallocate capital between activities to optimize the risk/return profile.**

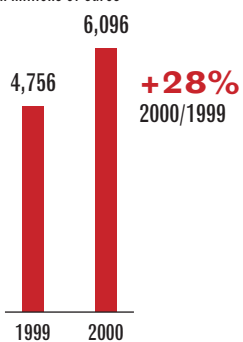
Corporate and Investment Banking

SG, the Société Générale Group's Corporate and Investment Banking division, serves corporate and investor clients in more than 50 countries. It offers its clients integrated and innovative solutions that meet their financing requirements and match their investment strategy.

Key figures for 2000: excellent performance

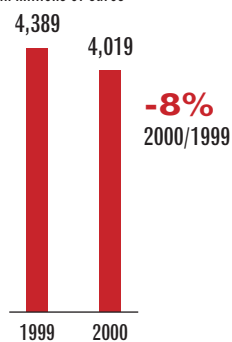
Net banking income

in millions of euros



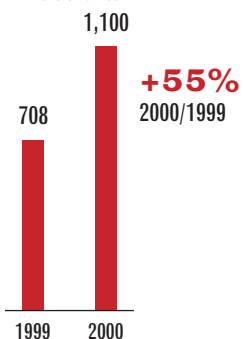
Allocated capital

in millions of euros



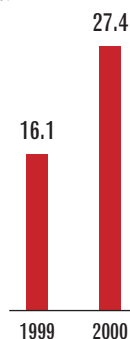
Net income

in millions of euros



ROE

%



1999 figures restated to take into account the new French accounting standards.



Corporate and Investment Banking



Recognized expertise

- ➔ **Project finance: No. 2 global arranger**
- ➔ **Export finance: No. 2 global arranger**
- ➔ **Healthcare sector: No. 4 in primary equity in the USA**
- ➔ **Equity derivatives: *Equity Derivatives House of the Year* (Risk Magazine)**

Present in more than 50 countries, including:

Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Finland, France, Germany, Hong Kong, Hungary, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico,

Netherlands, Norway, Pakistan, Philippines, Poland, Portugal, Russia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Tunisia, Turkey, United Arab Emirates, United Kingdom, United States, Venezuela.

Xavier Debonneuil

Jacques Bouhet
Bernard de Talancé
Patrick Soulard
Yves Tuloup
Jean-Pierre Mustier
Marc Litzler
Steven Brisby
Kim Fennebresque
Jean-Pierre Lesage
Jean-Paul Oudet
Christophe Mianné
Jean Stern
Marc Breillout
Jean-François Sammarcelli

Daniel Amadiou
Martin Harvey
Christian Meli
Yves-Claude Abescat
Gilbert Pla
Alain Joyet
Gérard Laur
Steven Bobasch
Craig Bennett
Patrick Ménard
Laurent Hervé
Philippe Aymerich
Jean-Philippe Coullier
Edouard-Malo Henry
Luc François

Strategy

The strategy followed in the Corporate and Investment Banking division reflects the Group's strategic levers: selective development, growth, innovation and sustainable profitability.

Targeted approach

Since 1998, substantial efforts have been made to give priority to allocating resources to target corporate clients for whom SG offers value creation and with whom the Group is developing a long-term relationship. The number of large corporate clients has thus been considerably reduced to some 3,600 in early 2000. At the same time, the **geographical approach** has been largely revised: the number of offices has been cut to around

50; in order to foster greater proximity with customers, local offices now essentially focus on commercial development and are managed from three regional hubs: Paris/London, New York and Hong Kong.

SG now has a consistent **product** platform that includes the main value-added finance products.

In 2000, SG withdrew from non-strategic businesses such as retail equity brokerage in the United States.

As a result of this focused client approach, the division has selected **seven strategic sectors**, with a view to partnering customers in those sectors that share SG's vision and understanding of their market dynamics.

A focused sectoral and geographical approach

Sector	Geographical focus
Commodities	Global
Telecoms/Media	Global with priority on Europe
Technology	Global
Healthcare	United States and Europe
Utilities	Global
Financial institutions	Europe
Transportation	Europe

Culture of innovation

- Issue of the first **HiTEC** convertible bond (High Trigger Equity Convertible) in June for the biotech company Genset. This new product was designed, developed and produced by SG, and has the following features:
 - short maturity, perfectly adapted to the rapid growth of new economy stocks;
 - zero coupon or low coupon;
 - possibility of forcing conversion at any time.

- Launch of the electronic marketplace **IntercontinentalExchange** (www.intercontinentalexchange.com) for OTC commodities trading (metals and energy).



www.intercontinentalexchange.com

- Creation of an innovative securitization structure in the form of a **synthetic CDO (Collateralized Debt Obligation)**: SG implemented a synthetic CDO via the Mercure Trading Finance Ltd. vehicle (total amount of program at year-end 2000: USD 790 million), which issues short-term securities rated A-1+ by Standard & Poor's. This structure enables the hedging of risks incurred by a portfolio of receivables linked to commodities, notably in emerging markets.



**Corporate
and Investment
Banking**

Growth partnerships

Several commercial agreements have been signed with BSCH for Corporate and Investment Banking activities covering value-added finance, M&A and convertible bonds.

These commercial agreements enable SG to leverage BSCH's commercial relations in Spain/Portugal and Latin America, and the two Groups are able to carry out transactions that either partner may not have won alone.

At year-end 2000, 17 transactions had been carried out jointly, including an advisory mandate with Union Fenosa for the acquisition of Cambridge Water and financing for power stations in Argentina.

An additional 10 mandates are currently in progress.

Innovation

In order to offer **integrated and innovative solutions**, key customers are systematically managed by senior bankers and investment bankers.

This enables a true partnership to be established with major corporate clients on the basis of tailored multi-product solutions. Financing and market activities for commodities have also been grouped within a global business sector with the same objective.

SG is also continuing its development in e-business, integrating new models within its activities. SG is a founding member of several major **electronic marketplaces** such as IntercontinentalExchange (commodities and energy) and is involved in the project to develop a pan-European platform for debt and cash management products.

A high-performance structure

The reorganization of the business into global teams over the past few years was completed in 2000:

- each business line now has its dedicated risk controllers, who report to an independent central risk division, with a view to improving risk management;
- back-office functions (finance, IT systems, operations, human resources) have been decentralized to the division and organized into global departments to reflect the Group's global business lines.

Sustainable profitability

The excellent performance of the division's business results both from increased, higher quality revenues and improved risk control.

The quality of revenues

improved due to:

- the substantial contribution of **client-related fee and commission income** to net banking income generated by investment banking and capital market activities (60% in 2000).

For example, the number of direct and indirect channels for distributing structured equity derivatives to individual customers has doubled in the past two years;

- the major contribution of **commissions** to the net banking income of value-added finance activities (43% in 2000);
- the continued **reallocation of capital** to value-added activities.

This has been made possible by active portfolio management (nominal value of EUR 11 billion in 2000, a similar level to

the previous year), which reduced outstanding loans on the balance sheet and improved ROE.

Improvements in the risk profile

- were the result of:
- tight control of the **Value at Risk (VaR)** – see definition on page 73, which has been stable for the past two years, while net banking income from investment banking activities has almost doubled over the same period;
 - active management of outstanding commitments on **emerging markets**.

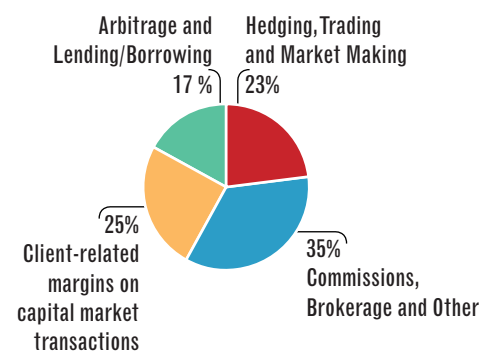
The Société Générale Group has a solid and profitable Corporate and Investment Banking platform.

After a period of substantial investments (1995-1999) and the emerging markets crisis in 1997-1998, SG is now reaping the benefits of its investments and its ongoing efforts to improve the risk profile.

<i>In millions of euros</i>	1999	2000
Net banking income	4,756	6,096
Gross operating income	1,424	1,845
Net income	708	1,100
Allocated capital	4,389	4,019
ROE (%)	16.1	27.4

Investment Banking Revenue Mix

2000 net banking income = EUR 4,781 million (+ 38%)





**Corporate
and Investment
Banking**

Mid-term orientations

The European market looks set to see strong growth due to the deregulation and consolidation currently underway in a number of industrial and service sectors. SG aims to become one of the leading European banks for its target clients, combining solid expertise in its areas of core competence with its financing capabilities.

To this end, SG will continue the selective development of its corporate and investment banking platform in terms of both its business lines and industry sectors, along the following strategic lines:

■ Consolidate SG's global position in value-added finance:

- Target: rank among the top five in export finance, project finance and commodities/energy finance;
- In a context of convergence of fixed income and debt instruments, implement an integrated supply chain from

issuers to investors, consistent with our origination-distribution business model for fixed income and debt activities;

- Maintain efforts in fixed income products in Europe, with a focus on corporate bond issues and structured debt products.

■ Selectively develop the Group's investment banking expertise...

- Consolidate SG's position among the world leaders in equity derivatives (notably by developing additional channels, for distributing structured equity products to individual customers), in commodity derivatives and in futures brokerage.
- Reinforce SG's position on convertible bonds (target: rank among the top ten worldwide);
- Continue development in M&A:
 - in Europe, by maintaining the strategy vis-à-vis the Group's major customers and focusing on segments such as mid-caps and private equity funds;
 - by pursuing specialization

of teams in selected industry sectors;

- Pursue development research, origination, sales and trading on pan-European cash equity;
- Further increase net banking income in corporate finance businesses (M&A, primary equity).

■ ... by capitalizing on the Group's strong sectoral expertise:

- Extend SG Cowen's US expertise in the technology and healthcare sectors and that of SG Barr Devlin in utilities to Europe and Asia, focusing on M&A, primary equity and sectoral research and

combining it with our financing knowhow;

- Integrate the various telecom-media and commodities teams around the world;
- Group SG's European expertise in the dedicated financial institutions and transportation sectors.

Activity in 2000

Corporate Banking

In value-added finance (export finance, project finance, M&A, real estate finance and related syndication; financial engineering; commodities/energy finance), the very good results achieved in 1999 were confirmed in 2000, with ROE standing at 15% in 2000.

In particular, 2000 was an excellent year for export finance, which saw transaction volumes double in relation to 1999. Moreover, the Group also confirmed its excellent positioning: Trade Finance magazine ranked SG number 2 in its survey based on market recognition (SG has systematically

figured among the top three banks worldwide in this annual survey for the past six years). Project finance activities also had an outstanding year: SG was ranked number two arranger worldwide (by the size of transactions); moreover, SG has been named "Bank of the Year – Americas" by

France Telecom:

SG was joint arranger and agent for the acquisition of UK wireless telecom operator Orange (EUR 30 billion). This was the largest euro-credit transaction financed on the market to date, and was the first jumbo issue that SG lead-arranged. The transaction was successfully syndicated with some 150 banks.

Paliburg: SG was arranger and lead manager of a Mortgage Backed Securities issue amounting to HKD 1.3 billion and was named "Securitization House of the year" by IFR Asia for this transaction.

Chantiers de l'Atlantique/Royal Caribbean Cruises Ltd: SG lead arranged the export financing of USD 486

million for the second cruise ship in the Millennium fleet ordered from Chantiers de l'Atlantique by Celebrity Cruises, a subsidiary of Royal Caribbean Cruises Ltd (the world's second largest cruise ship owner).

InterGen-Enka : SG lead-managed the financing of three gas projects in Turkey for USD 1.56 billion. The transaction was named "Deal of 2000 for energy



project finance in the Europe/Africa/Middle East region" by Project Finance International and Global Finance magazines.



Alstom
Chantiers de l'Atlantique



Corporate and Investment Banking

Results of Corporate Banking activities

<i>In millions of euros</i>	1999	2000
Net banking income	1,284	1,315
Gross operating income	561	532
Net income	167	225
Allocated capital	3,088	2,716
ROE (%)	5.4	8.3

Project Finance International magazine, and 13 transactions arranged by SG in 2000 were awarded prizes by various specialist journals, such as the financing of three gas projects for InterGen and Enka in Turkey (see page 51), which SG lead-managed.

In **acquisition finance**, the year was marked by major corporate transactions, in particular the financing for France Telecom's acquisition of the UK wireless telecom operator Orange (EUR 30 billion), for which SG was joint arranger and agent (see page 51); and financing for Watson Pharmaceutical's

USD 750 million acquisition of Schein Pharmaceutical, for which SG was sole arranger and underwriter.

The **commodities sector** now groups finance, capital market and investment banking related activities. The combination of expertise has encouraged innovation and led to the creation of new products such as the Mercure Trade Finance securitization vehicle (see page 47) and the awarding of several major mandates, while improving risk management. In commodities financing, SG notably arranged pre-financing for the export of diamonds on behalf of Alrosa, the world's second largest diamond producer, and also co-arranged a pre-financing export deal for Volcan, the world's fifth largest zinc producer.



Vivendi Environnement:

SG was joint-bookrunner for the IPO on the Paris Bourse which raised EUR 4.3 billion, in three parts:

- an open price offer for individual investor in the amount of EUR 1.1 billion, which was fully taken up;
- a guaranteed placement for institutional customers in the amount of EUR 1.4 billion, with demand totaling EUR 2.2 billion;
- a conversion of Convexis in the amount of EUR 1.8 billion.

Triquant Semiconductors:

SG was joint lead manager and bookrunner for a USD 345 million convertible bond issue for Triquant Semiconductors – the first US convertible bond issue managed by a European bank.

Thomson Multimedia:

SG was overall coordinator and sole bookrunner

for the second tranche of the privatization of Thomson Multimedia. This transaction, which combined a sale of shares by the French government and the issue of new shares, comprised an open price offer for individual investors and a guaranteed placement for institutionals. The Société Générale Group (domestic network, Crédit du Nord and Sogénal) received 24.8%

Investment Banking

2000 was an excellent year for this segment which regroups:

- equities: cash equity (primary, sales and trading, research) and derivatives;
- M&A and private equity activities;
- fixed income and currencies: treasury/currencies, fixed income markets (primary, sales and trading, research), derivatives;
- brokerage on organized futures markets (via the Group's subsidiary Fimat).

Cash equity

• In Europe, SG is continuing to expand outside France: SG was lead manager and sole guarantor on the first convertible bond issue in the medical technology sector in Europe, made by SkyePharma for an initial

amount of GBP 60 million.

- In France, where the Group is ranked second on the primary equity market, several major transactions were carried out in 2000, including the second tranche in the privatization of Thomson Multimedia and the IPO of Vivendi Environnement (see page 52).
- In the United States, where equity and M&A businesses are fully integrated within SG Cowen, in a sector-based approach, the Group confirmed its strong presence in the Technology and Healthcare sectors (notably Biotechnology): SG Cowen lead-managed or co-lead-managed 46 IPOs, 27 follow-on offerings and 16 private placements in these sectors. The Group is ranked number 4 by the number of primary equity transactions in the Healthcare sector

and participated in nearly fifty transactions in the technology sector. Moreover, the Group made significant progress in convertible bond activities (16 transactions): SG Cowen was joint lead-manager and bookrunner on a convertible bond issue for Triquint Semiconductors (see page 52).

Equity derivatives

In 2000, SG consolidated its leadership in terms of innovation, extending its range of structured products to life insurance and alternative asset management products. The leadership was confirmed by the "Equity Derivatives House of the Year" award from Risk Magazine in its January 2001 issue. The strategy of innovation enabled SG to continue extending its geographic

of the 1.8 million orders placed by individual investors. SG was joint bookrunner for a Convexis issued at the same time for EUR 812 million. This issue was over-subscribed by a factor of ten, and was clearly a great success.

Promodès:

SG advised Promodès in the takeover by Carrefour (EUR 15.2 billion).

BC Partners:

SG advised BC Partners on the acquisition of Mark IV Industries for EUR 2.2 billion; this acquisition was the largest LBO of a US company by a European buyer.

Pernod-Ricard:

SG advised Pernod-Ricard on the acquisition of Seagram's wine and spirits business (EUR 9.2 billion).

France Télécom:

SG lead-managed the two tranches of a bond issue in the amounts of EUR 4 billion and USD 1 billion, for the acquisition of Mobilcom. This was the largest issue ever made by a French company on the euro bond market.

Landesbank Baden-Württemberg:

SG lead-managed a subordinated Lower Tier II issue for EUR 250 million over 15 years.



Deutsche Bahn:

SG lead-managed a fixed-rate 10-year bond issue for EUR 1 billion. This issue was the first deal made by the German railways as a rated company.

coverage of the market, and notably to make a major commercial breakthrough in the United States. SG also reinforced its worldwide leadership in listed products: on the warrants market, more than one warrant out of six traded around the world are traded by SG. The Group has the broadest geographic presence in the world, covering 14 stockmarkets, including Japan, Sweden and Portugal since 2000.

M&A

2000 was an exceptional year for the markets in Europe and the United States. SG also registered high levels of activity, carrying out 115 transactions in 2000, for a total amount of EUR 62.9 billion (up 40% in relation to 1999).

- SG was involved in major transactions in Europe, notably

Results of Investment Banking activities

<i>In millions of euros</i>	1999	2000
Net banking income	3,472	4,781
Gross operating income	863	1,313
Net income	541	875
Allocated capital	1,300	1,303
ROE %	41.6	67.2

advising Promodès on its takeover by Carrefour (see page 53), P&O on the sale of its cruise business (EUR 3.3 billion), Pernod-Ricard on its acquisition of Seagram's wine and spirits business (see page 53) and BC Partners on the acquisition of Mark IV Industries (see page 53).

- Activity was also strong in the United States: net banking income increased by 26% against the previous year, in a highly active market, in particular in the technology sector. In particular, SG Cowen's teams advised QLogic on the acquisition of Ancor (EUR 1.9 billion), Cybex on its merger with Apex (EUR 1.2 billion) and GelTex Pharmaceuticals on its takeover by Genzyme Corporation (USD 1.1 billion).

- In the rest of the world, SG advised Renault on the acquisition of Samsung Motors and Cadbury Schweppes on the buyout of minority interests in its South African subsidiary.

Debt and currencies

Against a difficult background due to unfavorable interest rate trends, SG reinforced its profitability on forex markets and with regard to interest rate related businesses, the Group concentrated its fixed income strategy on the Euro markets and developed a selective approach in the United States, Asia and Australia. SG increased its presence on the bond markets, in particular for

corporate issuers in euros, and developed new hybrid debt and securitization products: SG won several prestigious mandates, including the AUD 1.1 billion ETSA Utilities transaction – the largest corporate issue ever made in Australia, and France Telecom's transaction for EUR 4 billion and USD 1 billion (see page 53), which was the largest ever euro-denominated bond issue made by a French company. SG also saw strong growth in commercial activity on foreign exchange markets and fixed income and credit derivatives, and pursued an active e-commerce strategy, launching several initiatives and partnerships at a global level.

Brokerage on organized futures markets

Fimat registered excellent results, improving its position and reinforcing its position among the world's leading clearing houses.

Trading volumes rose 30% in relation to 1999, in a context of increasing volumes around the world, essentially stemming from the financial markets, restructuring and the increasing use of electronic trading. Commercial efforts to increase customer loyalty on Fimat's major markets increased its market share from 3.5% in 1999 to 4.2% at the end of 2000 (including 6.1% in clearing, excluding Matif).

