

22.05.08

## **REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL SHAREHOLDERS MEETING**

The Board of Directors of Société Générale has considered the attached report by the Special Committee formed by the Board on January 30, 2008 subsequent to the trading losses discovered several days earlier. The Board approves the conclusions of this report and has decided to implement its recommendations. The Board shares the Committee's view that the time has now come to bring the Committee's assignment, which has been completed, to an end.

Thanks to the actions of Senior Management since the discovery of the fraud, to the considerable mobilization of the Group's teams at all levels, and to the trust of its shareholders and clients, the majority of the negative effects of the fraud on the Bank's business situation have been overcome. Above and beyond the control reinforcement measures currently being deployed, the Board is convinced that SG CIB and the Société Générale Group can and must succeed with the plan undertaken for the transformation of control methods for market activities, without compromising the factors that have assured their success and profitability, and that they will be able to find a new balance between the objectives of profitable growth and risk management.

The 2008 first quarter results have confirmed the strength of the businesses and the relevance of the strategy of the Group and its ability to bounce back in a difficult environment affected by the financial crisis. The Board considers that, with the measures described in the Special Committee's report, the Group will come out of the ordeal undergone as a consequence of the fraud stronger and better prepared to meet the challenges of the future.