

**Progress report of the Special Committee
of the Board of Directors of Société Générale**

1. The Special Committee was given the following tasks by the Board of Directors: ensure that the causes and sizes of the trading losses uncovered by the bank in January 2008 have been completely identified, that measures have been, or will be, put in place to prevent the reoccurrence of incidents of the same nature, that the information communicated by the bank faithfully reflects the findings of the inquiries and that management of the situation is conducted in the best interests of the company, its shareholders, its clients, and its employees.
2. On January 24th 2008, the bank's General Inspection department was given the responsibility to perform an internal audit. The Banking Commission dispatched an audit team which commenced its work on January 25th 2008. Criminal proceedings were opened on January 28th 2008 by the investigating magistrates, Van Ruymbeke and Desset, who entrusted the investigation to the Paris financial brigade. The French securities regulator (AMF) has opened an inquiry into the financial information and the market for Société Générale shares. The Minister of the Economy, Finance and Employment delivered a report on these events to the Prime Minister on February 4th 2008.
3. The aim of the audit carried out by the General Inspection department is to establish the chronology of the fraudulent positions, to identify the responsibilities and control malfunctions which allowed the fraud to occur, to seek the motives for the fraud and any accomplices and to confirm the absence of any other frauds using some of the same mechanisms in other equity market activities. The scope of the mission was reviewed and approved by the Special Committee, which enlisted PriceWaterhouseCoopers to review the work performed by the General Inspection.
4. To successfully carry out its mission, the General Inspection used a team of over forty employees. The aims of the different investigations are not identical but their realisation is largely based on the same tasks and on interviews with the same individuals. Consequently, the General Inspection was given responsibility for coordinating requests from the other investigating bodies with which it is cooperating in a spirit of transparency and efficiency. It goes without saying that the criminal investigation takes priority over the other inquiries and, given its constraints, it has prevented the bank's General Inspection department from carrying out all of the interviews required for its conclusions.
5. The Special Committee submits below its assessment of the interim conclusions of the internal audit mission carried out by the General Inspection department of the Société Générale, as well as a status update on the measures designed to strengthen the control systems in order to avoid the occurrence of similar frauds.

The nature of the trading activities where the fraud occurred

6. In the Global Equities Derivatives Solutions (GEDS) department of the Corporate and Investment Banking arm of Société Générale, the trading activities where the fraud

occurred can be separated into two main types of activities, depending on whether they are directly linked or not to client operations.

The former activities involve carrying out transactions in the market with a view to reducing or even eliminating the risk for the bank resulting from operations carried out for its clients.

The latter activities, called arbitrage or proprietary trading involve taking advantage of differences in the valuation of correlated assets, for example, by purchasing a portfolio of financial instruments while selling at the same time another portfolio of very similar financial instruments but with a slightly different value. The fact that the two portfolios have very similar characteristics and that they offset each other means that these activities present very little market risk. As the differences in value are often very small, numerous transactions are required involving sometimes high nominal amounts in order to generate any significant income.

In both cases, trading activities are not allowed to take positions on rises or falls in the market (called directional risk) unless they are residual, over a short period, and within strictly defined limits.

Intermediary conclusions of the internal audit mission

7. The conclusions of the internal audit mission confirm the main characteristics of the fraud, as explained on January 24th 2008 by Société Générale's management.
8. The author of the fraud departed from his normal arbitrage activities and established genuine "directional" positions in regulated markets, concealing them through fictitious transactions in the opposite direction. The various techniques used consisted primarily of:
 - purchases or sales of securities or warrants with a deferred start date;
 - futures transactions with a pending counterparty;
 - forwards with an internal Group counterparty.
9. The author of the fraud began taking these unauthorised directional positions, in 2005 and 2006 for small amounts, and from March 2007 for large amounts. These positions were uncovered between January 18th and 20th 2008. The total loss resulting from these fraudulent positions has been identified and amounts to 4.9 billion euros, after their unwinding between January 21st and 23rd 2008.
10. The General Inspection department believes that, on the whole, the controls provided by the support and control functions were carried out in accordance with the procedures, but did not make it possible to identify the fraud before January 18th 2008. The failure to identify the fraud until that date can be attributed firstly to the efficiency and variety of the concealment techniques employed by the fraudster, secondly to the fact that operating staff did not systematically carry out more detailed checks, and finally to the absence of certain controls that were not provided for and which might have identified the fraud. The Inspection General department has refrained from drawing any conclusions at this stage regarding the responsibility of the front office managers supervising the fraud's author, given the ongoing legal investigation which has not enabled it to interview all those concerned. At this stage

of the investigations, there is no evidence of embezzlement or internal or external complicity (i.e. the existence of a third party who knowingly assisted the fraudster to conceal his positions). The investigations are continuing, in particular, to cover a wider area than the activities of the author of the fraud.

11. After receiving the comments of Price Waterhouse Coopers, the Special Committee concurs with these conclusions. It has decided to make public the General Inspection department's interim summary report. The report is attached to this press release.

Measures aimed at reinforcing the control system in order to prevent further frauds

12. As soon as the fraud was uncovered, weaknesses were identified in the supervision and control system which required immediate corrective measures. Consequently, action plans were immediately implemented as part of a structured plan consisting of three priority areas:
 - Strengthening IT security through the development of strong identification solutions (biometry), the acceleration of current structural plans for the management of access security and targeted security audits
 - Reinforcing controls and alert procedures; these are reviewed mainly to ensure the appropriate circulation of relevant information between the different units and at the appropriate management level
 - Strengthening the organisational structure and governance of the operational risk prevention system to develop its cross-functional nature and better take account of the fraud risk, including from a human resources perspective.
13. The bank took into account in its action plans the comments and recommendations made in the report delivered by the Minister of the Economy, Finance and Employment to the Prime Minister on February 4th 2008. The bank has implemented or has initiated the implementation of additional measures designed to strengthen its control systems each time it appeared necessary on the aspects highlighted by the report.
14. The Special Committee has entrusted Price Waterhouse Coopers with the task of analysing all the measures that will be implemented, assessing the relevance of the measures, and making any recommendations that it deems appropriate. Price Waterhouse Coopers' report will be given to the Board of Directors and will be made public prior to the Annual General Meeting.
15. The Special Committee has ensured that the information distributed by the bank faithfully reflects the findings of the investigations and that the situation is properly managed in the best interests of the company, its shareholders, clients and staff. It will continue to do so over the next few months and will report on its mission to the Annual General Meeting of shareholders on May 27th 2008.

SOCIETE GENERALE

GENERAL INSPECTION DEPARTMENT

MISSION GREEN
Summary report
Interim conclusions as of February 20, 2008

- FEBRUARY 20, 2008 -

On January 24, 2008, the General Inspection (SEGL/INS) was entrusted by the Group's Executive Committee with the assignment of carrying out an investigation concerning the fraud committed by Jérôme KERVIEL (JK), trader in the equity derivatives division on the Turbo warrants market (cf. exhibit no. 1).

This report lays out the conclusions of this assignment as of February 20, 2008, with certain aspects of the investigations still ongoing (in accordance with the request of the Brigade Financière [French financial crime unit], we have in particular not yet been able to meet with all persons in charge within the immediate supervisors of the perpetrator of the fraud).

1. MECHANISMS AND TIMETABLE OF THE FRAUD

Our investigations allow the principal characteristics of the fraud, as presented from January 24, 2008 onwards by our Bank, to be confirmed. The fraud consisted of the taking of massive directional positions which JK hid, together with their risks and their profits (cf. exhibit no. 2), by means of a series of concealment techniques (cf. exhibit no. 3).

The reference document communicated to the regulators, to the Statutory Auditors and to the financial community reflects at this stage the reality of the major principles of the scheme.

The timetable of events as shown by our investigations (cf. exhibit no. 4) moreover demonstrates that JK's fraudulent activity, launched in 2005, took on massive proportions from March 2007 onwards, to reach a global loss of EUR 4.9 billion:

- 2005 and 2006: presence of some fraudulent transactions (notably SOLARWORLD positions of between EUR 100 and 150 million between June and October 2006) for a still limited amount of P&L¹;
- 2007: progressive constitution from March onwards of a short position on index futures reaching EUR 28 billion on 06/30/2007 (together with directional positions on equities reaching up to EUR 600 million, depending on the month), unwound in November and generating a profit of EUR 1.5 billion;
- 2008: constitution between 01/02 and 01/18 of a EUR 49 billion long position on index futures, discovered on 01/20 then unwound between 01/21 and 01/23, leading to a loss of EUR 6.4 billion.

Our investigations have validated those carried out by SG CIB teams between 01/19 and 01/23 in order to identify the incriminated positions on the four principle operational centers ("Groupe opérationnel des pôles" or GOP, [transactional centers]) used by JK and the results issued from their unwinding. Equivalent investigations have been carried out on four other GOPs within the scope of JK's involvement: no fraudulent positions have been found. Nevertheless, some additional investigations remain to be finalized in order to confirm the exhaustive identification of the fraudulent positions: we have, on the one hand, detected JK trades within the 28 other GOPs in relation to which our initial reports are reassuring and the analysis of which is currently being finalized²; we are, on the other hand, currently awaiting the absorption by OPER of numerous discrepancies in order to bring together all of the equity positions (over the 36 GOPs), which a priori involve small amounts³.

The investigation of potential access by JK into IT systems using another person's identity is currently ongoing.

¹ Estimated fraudulent P&L (gross earnings before taxes and charges) at this stage: EUR 180,000 in 2005, EUR 1.8 million in 2006.

² This mostly involves GOPs previously used by JK and no fictitious transactions have been detected here so far. Although our checks have not all been totally completed (recovery of documentary evidence), no major discrepancies have been revealed at this stage.

³ EUR 22 million position on 01/18/2008 over JK's eight main GOPs (EUR 18 million on 12/31/2007).

The seven unwarranted access incidents initially identified by the SGCIB task force have not in fine been proven (the task force had wrongly interpreted the information gathered on this subject).

2. MALFUNCTIONING AND PERSONS IN CHARGE INVESTIGATED

- **Concerning the support and control functions (OPER, ACFI, RISQ, GEDS/GSD⁴), the controls in place were as a whole implemented and carried out in accordance with procedures but did not allow the fraud to be identified before 01/18/2008. On the other hand, controls which would have allowed the fraud to be identified were missing.**

Indeed, our investigations have allowed us to acknowledge that the specified controls were indeed implemented (no evidence to the contrary at this stage) without however triggering an alert that was sufficiently loud or persistent to allow the fraud to be identified before 01/18. Following an analysis of the controls carried out by ACFI, OPER or RISQ during 2007 and 2008 (discrepancies, pending, excess amounts, etc.) and the anomalies detected, it appears that **cases of operational staff failure in relation to the procedures in force in the performance of control methods liable to reveal fraud are rare** (one case in OPER on the control of front-back discrepancies, two others within GEDS/GSD on the monitoring of counterparty risk). ACFI controls on regulatory equity capital requirements in relation to counterparty risk finally allowed the fraud to be brought to light.

At this stage of our investigations, the absence of any identification of fraud by operational staff up until 01/18/2008 can be explained by:

- **the efficacy and variety of the concealment techniques used by JK:** lies, production of forged documents, sufficient diversity of fictitious transaction types to reduce the number of cases in which he would have dealt with the same interlocutors (exploiting in particular the organization by product of OPER);
By his rapid actions (cancellation or modification of anomalous transactions), JK provided operational staff with an immediate solution. We have moreover found seven cases of false emails (cf. exhibit no. 5).
- **the fact that the operational staff did not systematically check in further detail, above and beyond the procedures in force** (cf. exhibit no. 6);
Failing this, operational staff also did not have the reflex to inform their hierarchical superiors or front office superiors of the appearance of anomalies, even for high amounts, if this was not specifically stated as part of the relevant procedures.
- **the absence of certain control measures** for which no provision was made and which would have been liable to identify the fraud, essentially within OPER;
No control exists over cancelled or modified transactions or over transactions with a deferred start date, or over transactions with technical counterparties, or over positions with a high nominal, or over non-transactional flows during a given month, all analyses which would probably have allowed the fraud to be identified.

- **Concerning front office (GEDS/DAI/TRD), at this stage, we refrain from drawing any conclusions as to the liability of JK's hierarchical superiors given the criminal proceedings currently underway, which have prevented us from interviewing all of the protagonists.**

- **Moreover, external alert signals did not allow the fraud to be revealed:**

⁴ OPER: operations department covering SGCIB's back and middle offices; ACFI: SGCIB accounting and financial affairs department; RISQ: Group risk management; GEDS/GSD: front office support team within GEDS in charge of investigating any cases in which limits on counterparty risk in market transactions are exceeded.

- a EUREX inquiry was carried out in 11/2007 concerning JK's activity: **SEGL/DEO and JK's direct hierarchical superior** were satisfied with the trader's explanations, which were not verified, contradicting EUREX's assertions concerning the direction of the positions;
- in the light of the strong growth in net banking income of a FIMAT desk used by JK, FIMAT launched an internal investigation in 11/2007 on the regulatory conformity of these transactions. This investigation recommended including other factors in its analysis and suggested that SG should be contacted in order to "examine together the increase in execution volumes entrusted by SGCIB", which was considered to be premature by **the subsidiary's management** as the investigations underway had not been completed. This investigation had not been finalized at the moment of the discovery of the fraud by SG.

3. MOTIVES AND POTENTIAL COLLUSION

On the basis of the investigations which we have been able to complete to date and which are within the scope of our competence⁵, **we have not identified any indication of embezzlement of funds**⁶. It nevertheless appears that JK might have been able to take advantage of his fraudulent activities in order to increase his "official" P&L and therefore to increase indirectly the amount of flexible compensation that could be claimed by him for 2007.

JK had earned a EUR 60,000 bonus for the fiscal year 2006. He had asked for EUR 600,000 for 2007 but had obtained only EUR 300,000.

Similarly, at this stage, **we have not identified any sign of internal or external collusion**, i.e. the existence of any third party having consciously helped JK to conceal his activities.

Certain elements for further in-depth investigation have however been noted:

- the review of JK's chat on Reuters;
- the extensive internal network of personal relationships which JK maintained, in particular with operational staff in support and control roles.

4. ADDITIONAL VERIFICATIONS WITHIN SGCIB

▪ Initial findings concerning GEDS.

Our checks have focused on the techniques used by JK, i.e. (i) transactions cancelled between early 2007 and late January 2008, (ii) trades with deferred value dates (allowing confirmation to be postponed), (iii) trades registered with technical counterparties which remain blocked in buffer banks and escape back office control, (iv) transactions with CLICKOPTIONS which are not confirmed, (v) operational centers which exteriorize an abnormal development in nominal amounts entered in futures contracts and (vi) on vacation taken by GEDS traders.

Our investigations are still on-going and have not, at this stage, led to the identification of any fraud other than that committed by JK.

▪ Widened scope of investigations.

⁵ On the one hand, certain of our investigations are still underway, such as, for example, the analysis of cash pending within the scope of JK's activities; on the other hand, it is within the competence of the current criminal inquiry and outside our competence to lead investigations into bank accounts potentially held in other banks by JK or by those close to him.

⁶ SG bank accounts have been examined, together with off-market price transactions and OTC transactions with counterparties outside of the SG Group which would have allowed JK to embezzle funds with the potential collusion of a third party.

In accordance with our assignment letter, we have defined a number of controls allowing verification that traders operating within GEDS or FICC are not using fraudulent techniques similar to those used by JK. In order to do this, we have identified two areas for work:

- one, having priority, based on the principal fraudulent mechanisms used by JK (cancellation of transactions, utilization of internal or technical counterparties, etc.);
- the other, complementary, will potentially be implemented at a later date in order to refine the profiling of suspicious trades.

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5. QUALIFICATION AND WORK IN PROGRESS
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The major part of our investigation has been launched; however, a certain number of investigations have not yet been completed.

Principally, the following tasks are still to be completed: the finalization of the certification of JK's positions (notably equity positions), an exhaustive analysis of the trades carried out by JK since 2005, the complete identification of his fraudulent P&L since 2005, the analysis of pending cash, the exhaustive analysis of internal deals between JK and other SG traders, further in-depth analysis concerning the possibility of breaches of front office system security, an exhaustive study of the electronic mailboxes and telephone recordings of JK and those of his professional contacts.

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Exhibit no. 1: JK's activities.

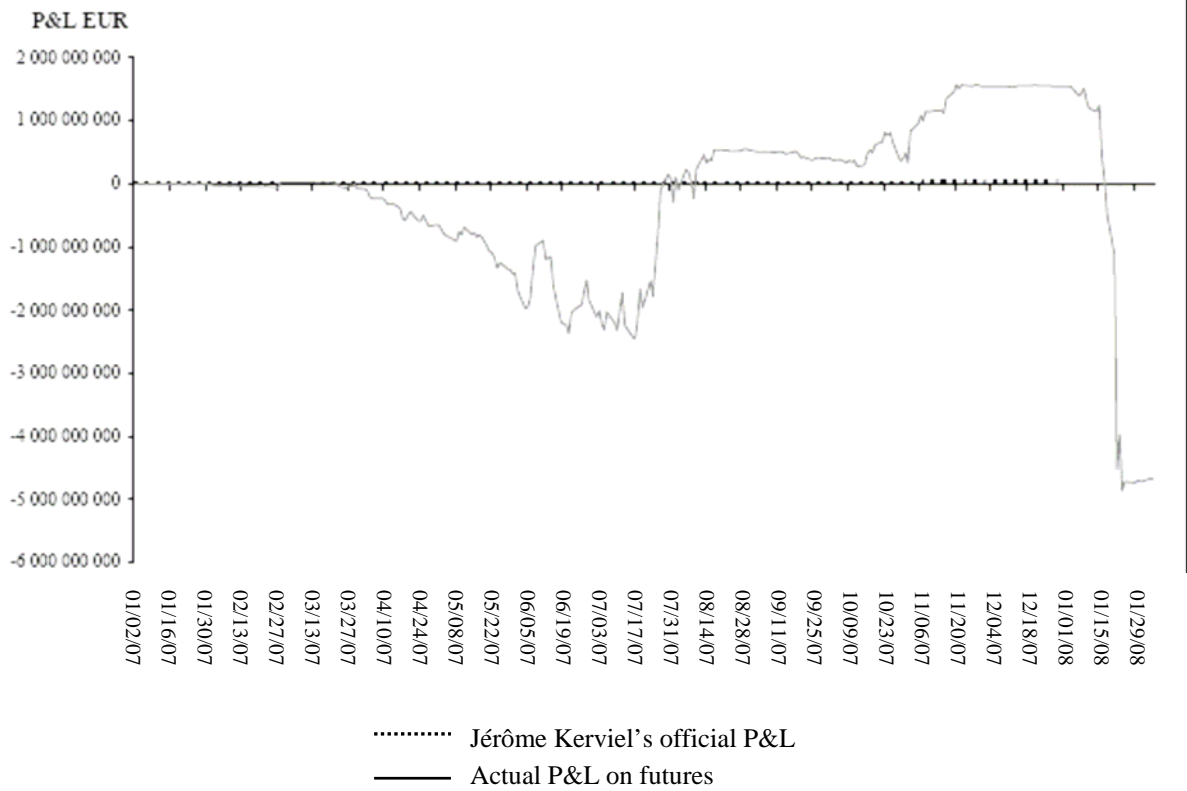
▪ **Turbo warrants**

- Principle: SG sells warrants with knock-out options (“à barrière désactivante”) to its clients (principally as call options, *i.e.*, purchase/call options offered to the client) and covers itself by buying the underlying asset in question.
- Strategy: “long turbos” are “calls down and out”, *i.e.* purchase options that can be deactivated if the spot price falls (allows the client to place money on a rise in the price of the underlying equity), whereas “short turbos” are “puts in and out”, *i.e.* options to sell that can be deactivated if the spot price rises (allows the client to speculate on a fall).
The purchase of the underlying equity is carried out by SG, which allows the client to benefit from a leverage effect (as the client does not purchase the asset). In fact, the client only pays the difference between the spot and the strike price, SG financing the rest.
- Underlying assets used: shares (single stock), baskets of shares (more unusual), ETFs (sector and/or geographical exposure), indices, *bund* (German state bonds), currency.
- Maturity: no maturity date (“open end turbo”), maturity fixed at the date of issuance of the warrant (“closed end turbo”), 1 day maturity (“day turbo” offered by ClickOptions).
- Price: (i) Closed End Turbo: Price = spot – strike + financing margin ((interest + SG margin) x Nominal) – 90% dividends to maturity; (ii) Open End Turbo: Price = spot – strike (but the strike level is adjusted in accordance with the financing margin over the lifetime for the product and every 15 days, the barrier is also adjusted by approximately 5% in order to preserve a relatively constant safety zone); (iii) Day Turbo: Price = spot – strike + premium (the premium or gap of 8/10 bps [basis points] compensates for the absence of any safety zone between the Barrier and the Strike). In actuality, the Strike is equal to the Barrier for these Turbos.
- Exchange rate taken into account and acknowledgment period in the event of knock-out: in the event of knock-out, SG resells the coverage and gives the client the difference between the strike and the next level.
- Source of remuneration for SG: margin on financing (costs re-invoiced to the client, increased by a mark-up), margin on dividends (SG receives 100% of all dividends on the underlying assets, but pays only 90% of such dividends to the client); potential gains on the unwinding of the hedge (when the turbo is “knocked”, *i.e.* the underlying price reaches the barrier, the Turbo is deactivated and the trader temporarily has a position on the cover); market making spread (the bid/offer offered to the client is greater than the spread crossed by the desk when making its hedge).

▪ **Arbitrage on competitors’ turbo warrants**

In the context of the market’s growing volatility, the Turbo desk has in fact identified competitors’ products whose price was no longer adapted to market conditions. Arbitration consists of the purchase on D of competitors’ call turbos and covering them by the sale of futures contracts. If the market opens at D+1 by showing a fall which deactivates the product, SG registers a profit (the trader can in fact re-purchase his cover with a profit).

Exhibit no. 2: The trader manages to hide his actual P&L, showing an “official” P&L which is very low in comparison.



The P&L profile generated by the fictitious transactions is parallel to that of the fraudulent P&L:

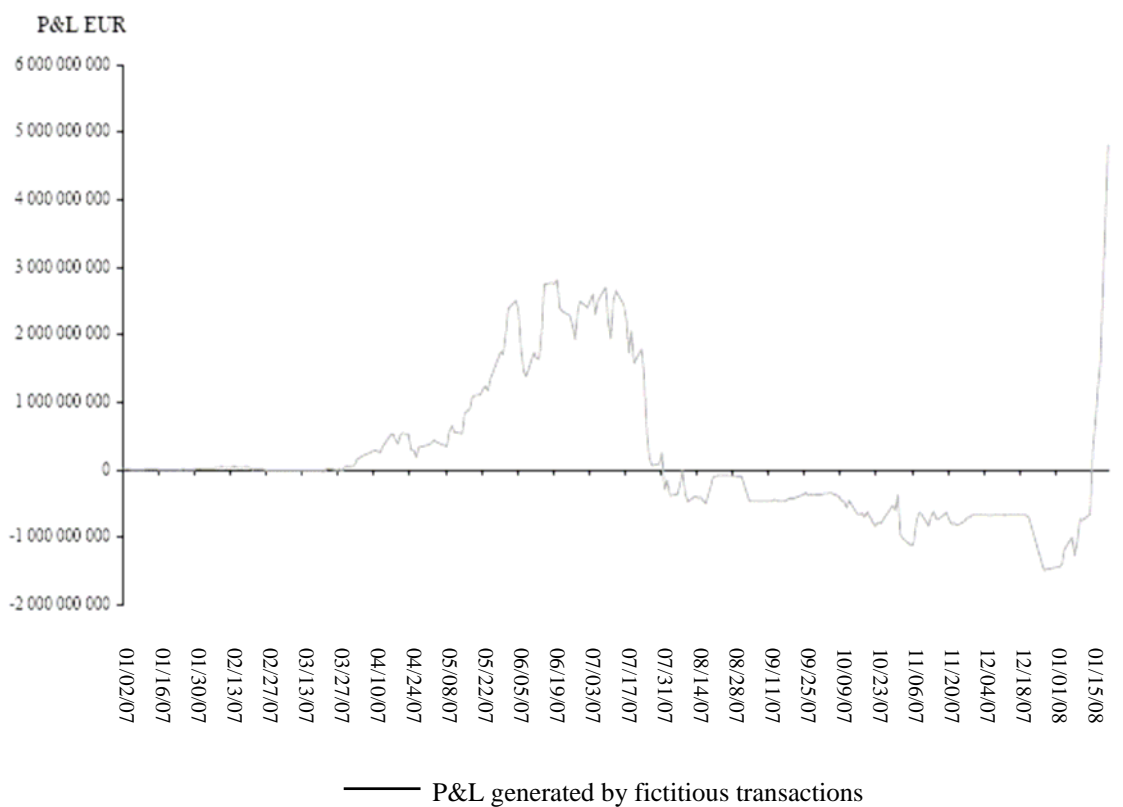


Exhibit no. 3: The techniques used by JK in order to hide the fictitious nature of his coverage.

Techniques used in order to disguise the market risk.

Principle	Control bypassed	Financial instruments used	Counterparties used
<p>Transactions combining two characteristics: - a significant level of offset (<i>i.e.</i>, the difference between the transaction date and the 30-day order value date) and a cancellation before the value date; - the use of internal counterparties within the SG Group (“CLICKOPTIONS” and “CLICKCLT” of or small scale external counterparties (Bank E) with cancellation before the value date in all cases.</p>	<p>- No settlement or delivery due to the cancellation of the transactions. - No confirmation until 5 days before the value date for transactions with a deferred value date. - No confirmation for internal transactions as these are reviewed in the context of intra-group transactions. - No margin calls with small counterparties that do not have any collateralization agreements.</p>	<p>FORWARD (off exchange) on indices (DAX, ST50E, CAC, FTSE)</p>	<p>- CLICKOPTIONS - CLICKCLT - PENDING</p>
		<p>OTC options (off exchange) on DAX_X underlying assets (Call Down and Out)</p>	<p>- CLICKOPTIONS - PENDING</p>
		<p>Equities on semi-organized market (off exchange) with deferred value date on: ALLIANZ_X, SOLARWORLD, NOKS.DE, PORSCHE_X, CONTI_X, DEUTSCHE_BANK_X, BUSINESS-OBJECT, CGYG.DE. <i>These trades are 93% registered with the counterparties CLICKOPTIONS and PENDING (115 and 31 deals respectively out of the 157 identified).</i></p>	<p>- BANK E - CLICKCLT - CLICKOPTIONS - ECHUPO - PENDING</p>
<p>Futures recorded with “PENDING” brokers and then cancelled.</p>	<p>These transactions were detected by FO/BO reconciliation control measures and by gateways (“<i>passerelles</i>”) which remained inoperable.</p>	<p>FUTURES on indices: DAX, ST50E, CAC, FTSE</p>	<p>- PENDING - NULL</p>

Techniques used in order to conceal fixed earnings.

Principle	Control bypassed	Financial instruments used	Counterparties used	Period		Average fictitious P&L over the period (EUR)	Nominal average of fictitious deals over the period (EUR)
<p>Buy and sell transactions over the same quantity of shares or derivatives, at different prices, combining two characteristics:</p> <ul style="list-style-type: none"> - a significant offset (<i>i.e.</i> difference between the transaction date and the 30 day value date) and cancellation before the value date; - use of internal SG group counterparties (“CLICKOPTIONS” or “CLICKCLT” or of small-scale counterparties (Bank E) with cancellation before the value date in all cases. <p><i>Example: purchase of 10 million DEUTSCHE BANK shares at EUR 97.77 and sale of these 10 million shares at EUR 89.97 => fictitious negative P&L of EUR 7.8m.</i></p>	<ul style="list-style-type: none"> - No settlement or delivery due to the cancellation of the transactions. - No confirmation until 5 days before the value date for transactions with a deferred value date. - No confirmation for internal transactions as these are reviewed in the context of intra-group transactions. - No margin calls with small counterparties that do not have any collateralization agreements. 	<p>Equity on semi-organized market:</p> <p><u>Shares with deferred start date:</u></p> <ul style="list-style-type: none"> - ALLIANZ_X, - DEUTSCHE_BANK_X, - PORSCHE_X, - QCEG.F, - SOLARWORLD. <p><u>Warrants:</u></p> <ul style="list-style-type: none"> - ALLIANZ_X, - SOLARWORLD, - IPYGN.F. 	<ul style="list-style-type: none"> - ECHUPO - PENDING - CLICKOPTIONS - CLICKCLT 	12/30/2005	01/17/2006	-180,000	1,024,016
				02/03/2006	07/10/2006	-2,119,748	29,276,233
				07/24/2006	08/09/2006	-648,824	17,811,471
				08/30/2006	09/17/2006	-200,000	8,900,000
				10/02/2006	10/11/2006	-184,000	25,020,320
				10/23/2006	11/26/2006	-1,452,336	24,625,368
				11/30/2006	12/12/2006	-1,818,489	113,417,710
				02/27/2007	03/25/2007	-22,577,407	130,948,963
				04/27/2007	06/28/2007	137,666,448	2,186,296,335
				08/02/2007	12/30/2007	-442,295,715	3,437,552,910
		DAX FUTURES	- PENDING	06/29/2006	06/30/2006	-800,000	139,100,000
		DAX and Eurostoxx FORWARD	- BANK E - CLICKOPTIONS	12/31/2007	01/08/2008	-1,487,311,250	40,275,069,375
Provision flow cancelled before the passage of the monthly statement of accounts	- No control over intra-month provision flows.	N/A	N/A	01/10/2008	01/18/2008	-1,485,400,000	N/A
Transactions completed with an external counterparty at an off-market price.	- No control over prices for transactions carried out with external counterparties.	Forward on RATES	PREHEDGE	06/25/07	08/21/07	-3,200,000	N/A

Exhibit no. 4: Timetable of events.

1. Key dates in 2005, 2006 and 2007.

- In 2005, JK was long on ALLIANZ shares. These transactions took place during the second semester.
- In 2006, from mid-March until mid-May, he is short on DAX before returning to zero. Then the actual positions taken on DAX were long in May, June and July. He is short on DAX during the final days of the year.
- From February 14 to February 26, 2007: Jérôme Kerviel is short on DAX (fluctuating between -10,000 and -15,000 buy/sell contracts accumulated since 01/01/07). He unwound his position on February 26.
- From February 27 to March 14, 2007: Trading remained slow on the DAX, the cumulative buy/sell fluctuating around zero.
- From March 15 to July 23, 2007: the trader progressively builds up a very large short position on the DAX (on average, he handles 1,700 contracts per working day during this period), in order to reach a cumulative total of approximately 150,000 contracts over this period, *i.e.* approximately EUR 30 billion.
- From July 24 to August 30, 2007: Jérôme Kerviel unwinds his DAX position to finally reach a cumulative buy/sell close to zero.
- From August 31 to September 10, 2007: The trader is not very active on the DAX.
- From September 11 to November 6, 2007: Jérôme Kerviel is short on the DAX to reach -80,000 futures contracts cumulated during 2007. At the same time, he is short on the STOXX reaching approximately -350,000 contracts.
- From November 7 to December 31, 2007: he unwinds his positions on the DAX and STOXX. He goes short on the STOXX before unwinding his position during the first half of November. At the end of the year, his position is zero.

2. Detailed timetable of the discovery of the fraud in 2008.

- **Monday, December 31, 2007: Presence of 8 forward trades with an internal counterparty.**
 - Jérôme Kerviel possesses 8 forward transactions with an internal counterparty (ClickOption).
 - These transactions do not appear in the daily reporting because of the internal counterparty (zero counterparty risk).
- **Wednesday, January 2, 2008: Launch of change of the internal counterparty for Establishment E.**
 - Transmission failure of Thetys files (GEDS back office) to RISQ/CMC, the daily reporting does not include up-to-date data.
 - At 17:43, Jérôme Kerviel sends the ITS numbers of the 8 transactions to agent 1 (OPER/GED/PNL/REC) and asks her: “*we will put the broker in anticipation of the counterparty conf.*”.
- **Thursday, January 3, 2008: Validation of counterparty change.**
 - During the course of this day, the counterparty for the 8 forwards is modified (move from an internal counterparty to Establishment E). The transaction numbers and dates remain the same (*i.e.* before 12/31/2007).
 - At 10:26, Jérôme Kerviel sends his Term Sheet to agent 2 (middle office control OPER/GED/MID/DLM) (this point remains to be investigated).
 - At 11:32, agent 2 sends an email pursuant to the telephone conversation in order to settle the problem of the inversion of direction between the justification and the Eliot entry.
 - At 17:53, the Thetys files were indeed received by RISQ/CMC but the counterparty is still ClickOption.

- **Friday, January 4, 2008: Technical problem at RISQ/CMC.**
 - Transmission failure for daily Thetys files to RISQ/CMC, the daily reporting does not include up-to-date data.
 - At 23:12, receipt by RISQ/CMC of files permitting the Basel II regulatory calculations.
- **Monday, January 7, 2008: First alert at RISQ/CMC dashboard level.**
 - Successful transmission of files generated by Thetys to RISQ/CMC for the daily dashboard. These files do indeed contain the 8 forwards with Bank E as counterparty.
 - RISQ/CMC calculates the daily dashboard position, a very high level of risk appears (CVar) on the Bank E counterparty. The size of the amount involved causes an error to be suspected.
- **Tuesday, January 8, 2008: Request for regularization of the situation by GEDS/DAI/GSD.**
 - The alert is transferred by RISQ/CMC/GAP (application managers) to GEDS/DAI/GSD (agent 3 and agent 4). This alert refers to an unquestionably high underlying asset without giving a value. This will not be verified. Agent 3 asks him for explanations concerning his positions, she obtains the reply *“this materializes the give up of puts made late, I owe money to the counterparty. It will be rebooked asap”*. In an interview, she admits not having understood the explanation.
 - At 11:47, the back office file is sent to ACFI for calculation of the Cooke ratio.
- **Wednesday, January 9, 2008: Cancellation of transactions with Bank E and filing of a provision flow (“flux de provision”).**
 - Agent 4 replaces agent 3 and asks Jérôme Kerviel to regularize the situation at 13:47, then at 19:25.
 - At 19:44, Jérôme Kerviel declares that he has cancelled the transactions and that they will no longer appear. Jérôme Kerviel cancels the 8 transactions and files a *“flux pro”* in order to hide his profits.
- **Thursday, January 10, 2008: GEDS/DAI/GSD and RISQ/CMC acknowledge the end of the problem.**
 - The alert disappears from the RISQ/CMC daily dashboard. Agent 4 confirms to Jérôme Kerviel that the problem has indeed been resolved.
 - At 08:59, RISQ/CMC/ISP (agent 5) receives from GEDS/DAI/GSD (agent 4) confirmation that the problem has been resolved without any exact explanation (*“The Bank E deals corrected yesterday evening”*).
 - From RISQ/CMC’s side, the problem has been definitively closed at this date.
 - Extract from the complete [data]base is loaded in Off-Balance Sheet Cooke at ACFI.
 - At around 18:00, a first calculation is launched but fails.
- **From Friday, January 11 to Monday, January 14, 2008: Period during which the regulatory calculations were carried out.**

- **Tuesday, January 15, 2008: First regulatory calculations show a very high Cooke ratio for Bank E.**
 - The ACFI/ACR/ACT cell (agent 6) responsible for the calculation of regulatory capital in the context of the Cooke ratio carried out an initial calculation on the basis of data received on 01/08/08. This calculation shows a result much higher than anticipated in terms of CWA [Cooke Weighted Assets] and RWA [Risk Weighted Assets]. The analysis of these figures shows the 8 transactions with Bank E as counterparty. A connection is made with the calculation carried out in 4C with Basel II. The values are even higher still (approximately double the amount, as Bank E has no IRBA rating).
 - At 15:01, agent 6 contacts agent 3 (GEDS/DEAI/GSD) to ask her for explanations on Jérôme Kerviel's 8 forwards, drawing agent 3's attention to the size of the nominal amounts. Agent 3 replies that the transactions have been cancelled and transfers the emails exchanged with Jérôme Kerviel.
 - At 16:55, agent 6 contacts ACI/ACR/FCO (agent 7) to find out if the 8 forwards should be taken into account.
 - At 17:19, agent 7 asks OPER/GED/PNL/REC (agent 1) if the 8 transactions have indeed been cancelled in the accounts and in the front office as of 12/31/2007.
 - At 17:47, agent 7 asks Jérôme Kerviel if the 8 transactions can be netted. Jérôme Kerviel replies affirmatively at 17:57, with copy to agent 6.
 - At 20:17, agent 6 asks how the transactions have been remodeled. Jérôme Kerviel sends an email at 20:42 in which he states that this models an undue P&L payment, but he does not reply to the question as to how the deals have been remodeled. Not understanding the explanation, agent 6 speaks to agent 8, his manager.
 - At 20:39, agent 8 (ACFI/ACR/ACT/BA2) contacts DEVL/CBR/CAP (email sent to agent 9 and agent 10) on the question of the 8 transactions with Bank E.
 - At 20:42, agent 11 asks agent 12 to verify the assertion of agent 8: "*the trader indicates that FCO had validated the modeling of these deals which poses problems for us re Cooke [ratio] (+EUR3bn on GEDS)*". Indeed, contrary to Jérôme Kerviel's assertions, FCO never validated the montage (agent 12 found no trace, either verbal or written, nor has Jérôme Kerviel produced anything).

- **Wednesday, January 16, 2008: Exchanges between ACFI, OPER and DEVL and first questions to the trader.**
 - At 09:27, email sent to ACFI/NOR (agent 13) in order to have a verbal discussion as, in the context of subsidiarity, ACFI/NOR deals in the first instance with risk management questions coming from SGCIB.
 - At 10:12, ACFI/ACR/ACT/Cooke-Basel 2 (agent 6) forwards to DEVL/CBR/CAP the various exchanges concerning the subject.
 - At 10:26, DEVL/CBR/CAP sends an email to ACFI/ACR/ACT/Cooke-Basel 2 (agent 8) in order to confirm to her that the subject will be dealt with.
 - In the meantime, DEVL/CBR/CAP has called ACFI/ACR/ACT/Cooke-Basel 2 (agent 6) who gave a brief description of the problem.
 - At 10:53, agent 11 (ACFI/ACR/FCO) transfers the emails relating to Jérôme Kerviel's forwards to agent 12.
 - At 11:37, ACFI/ACR/ACT/Cooke-Basel 2 (agent 8) makes a response considering that this is a modeling problem and that FCO would have given its agreement (whereas this is a forged document, *cf.* above).
 - At 11:41, transfer by DEVL/CBR/CAP of previous exchanges to ACFI/NOR (agent 13) in order to share the same level of information but without making any judgment as DEVL/CBR/CAP is still awaiting the conclusions of examinations at an accounting level.
 - At 12:16, agent 1 (OPER/GED/PNL/REC) transfers to agent 7 (ACI/ACR/FCO) the information in her possession concerning the 8 transactions.

- At 13:04, agent 7 transfers the emails on the problem to agent 12, his manager at ACFI/ACR/FCO (agent 7 having a heavy workload at that time, he therefore transfers the matter to him).
 - At 13:06, agent 12 writes to OPER/GED/PNL/REC (agent 14 and agent 15) “*we nevertheless have hyper significant values on these deals. Please investigate (knowing that this is making the Cooke [ratio] explode...).* We can discuss whenever you like” (see email 13). At 13:15, agent 14 replies that everything is fine from their point of view and that they will revert to agent 6 as soon as possible (see email 14). Agent 12 received nothing else after this. He himself describes this email as “*an excess of zealotness*” in so far as OPER/GED/MID/DLM had already completed the task of verification.
 - At 14:14, agent 11 (ACFI/ACR/FCO) sends an email to Jérôme Kerviel to tell him that agent 12 will be calling him in order to understand the justification of the 8 forwards. He will not call him before the meeting held the next day. He considers in fact that this is not strictly speaking a problem concerning the FCO and gives priority to the verification of documentary evidence.
 - At 14:42, agent 12 asks agent 16 (OPER/GED/MID/DLM) to verify the documentation and the controls over the 8 transactions. Agent 16 transfers this request to agent 17 and to agent 18 (OPER/GED/MID/DLM) at 14:59.
 - At 15:38, agent 17 sends a reply to agent 16 who takes up the emails exchanged with Jérôme Kerviel, agent 1 and agent 2, with the (false) TS of Bank E. This indicates “*During the booking of these Forwards transactions, the MO Control received the confirmations, the booking being compliant, validation in Tethys took place*”. The conclusion states “*After the Cooke ratio had been exceeded, these transactions were cancelled, a new modeling must be defined, but the FO is awaiting the modeling to be adopted from ACFI/NOR*” (see email 15). At 15:41, agent 16 transfers this information to agent 12.
 - At 17:10, agent 12, seeking to discover the position of ACFI/NOR (that Jérôme Kerviel is awaiting, according to OPER/GED/MID/DLM), contacts agent 19 (ACFI/NOR). Agent 19 is at home and replies via her Blackberry at 18:08.
 - At 18:45, further to email exchanges with agent 12 and agent 20 (ACFI/NOR under the responsibility of agent 19), the decision is made to refer to agent 13 (specialized in questions of risk management standards, while agent 19 and his team are specialized in accounting standards).
 - At 18:52, agent 13 replies that she has had a return from agent 8 on this subject. She contacted Jérôme Kerviel several times during the course of the day (by telephone), without managing to understand his explanations.
 - At 19:11, agent 12 decides that a meeting must be organized “*very urgently tomorrow*”.
- **Thursday, January 17, 2008: Meeting between ACFI and the trader, then between ACFI and DEVL.**
- At 11:26, the meeting is finally set for 16:30 to 17:30 with the participation of: Jérôme Kerviel, agent 12 (ACFI/ACR/FCO), agent 13 (ACFI/NOR), agent 19 (ACFI/NOR), agent 20 (ACFI/NOR), agent 6 (ACFI/ACR/ACT/COK), (in the end, agent 8 (ACFI/ACR/ACT/COK) was not present).
 - The meeting took place at 16:30 (exact time to be confirmed). Jérôme Kerviel having learnt that the problem with Bank E came from the absence of a framework agreement, declares that his true counterparty is Bank C, which brings the Cooke ratio down to approximately EUR 390 million. It is decided that ACFI should approach DEVL/CBR. A note exists summarizing the principal points of this meeting.
 - At 17:30, during a meeting with ACFI/NOR on another subject, DEVL/CBR/CAP (agent 21) is informed of the problem of the weighting of the 8 forward contracts with Bank E and questioned on the particular points that ACFI/NOR (agent 19) should raise during the ad hoc meeting scheduled for that evening. DEVL/CBR/CAP (agent 21) asks for verification of certain points.

- At 18:30, agent 13 (ACFI/NOR) and agent 21 (DEVL/CBR/CAP) call Jérôme Kerviel in order to obtain additional information. They ask him to submit to ACFI/NOR legally valid documentary evidence (signed contract) or any other formal document reviewed and validated by SEGL/JUR.
 - At 19:31, agent 21 (DEVL/CBR/CAP) sends an email to agent 10 (DEVL/CBR/CAP) in order to debrief on the discussion with agent 13 and Jérôme Kerviel. It is in particular stated that ACFI/NOR (with OPER and SEGL/JUR) must ensure that the legal formalities permitting the netting of cash flows are respected.
- **Friday, January 18, 2008: Problem reaches GEDS and in-depth questioning prior to the discovery.**
- In the morning, agent 22 and agent 13 call agent 23 (GEDS/DAI/TRD/INC) and agent 24 (ACFI/GED) to warn them of the Cooke ratio problems on GEDS due to the 8 forwards. This call was not part of a standard procedure but, during the period of account closure, this was usual. Two points surprise agent 23, the high nominal value and the fact that this concerns a broker.
 - At 11:40, agent 23 confirms the amounts mentioned during the telephone conversation and states that he will see what he can do.
 - He asks agent 3 (GEDS/DAI/GSD) if she has any information. Agent 3 transfers the email exchanges on the daily reporting alert of the 7th to the 9th and states that the transactions have been cancelled.
 - Agent 23, not really understanding what has happened, goes directly to see Jérôme Kerviel. As the explanations are unclear, he insists further and agent 25 (GEDS/DAI/TRD/EFI/FRA) joins them. Jérôme Kerviel declares that his actual counterparty is Bank C.
 - At 12:59, Jérôme Kerviel sends the (false) justification of Bank C, further to the request made by agent 23.
 - Agent 23, agent 26 and agent 25 sum up the matter. The subject is judged to be very important and a meeting is organized for the evening.
 - At 17:36, agent 23 transfers the replies from SEGL/JUR on the options for carrying out a netting (see email 16).
 - At the end of the day, a meeting takes place with agent 26, agent 25, agent 27 (GEDS/DAI/TRD/DTO), agent 28 (OPER/GED) and agent 23.
 - Agent 27 takes charge of the case and suggests calling the contact at Bank C on Saturday (he knows him personally). This allows the discovery that the transaction is fictitious to be made.
 - During the day, Jérôme Kerviel enters the transactions into Eliot, repeating the same characteristics used for the 8 previous forwards, but with Bank C as counterparty. Indeed, 6 forwards are redirected to Bank C and 2 towards "Pending". These transactions have numbers which are different from those of the previous forwards.

Exhibit no. 5: JK appears to have used forged emails on seven occasions.

The emails listed below have been examined:

- *verifying that they concerned fictitious transactions or transactions made under conditions other than those indicated in the emails;*
- *verifying through the ZANTAZ application (email archiving) that JK did not receive any message from the sender indicated on such dates;*
- *identifying possible anomalies in the emails (modified signature as compared with other emails from the same sender).*

Sender	Bank	Date of forged email	Subject of forged email	Forwarded to	Date of forwarded email	Message found via ZANTAZ?	Identification of anomalies in the message?	Message related to a transaction now identified as fictitious?
Counterparty 1	Bank A	04/12/07	Turbo&Short price Certificates Tomorrow before 13:00	Agent 29	05/11/07	No	No	Yes
Counterparty 2	Bank B	04/30/07	Problems on Settlement on knocked products March and April Italian market	Agent 29	05/16/07	No	No	-
Counterparty 3	Bank C	06/15/07	Trade details DAX Future Roll Over	Agent 4	07/19/06	No	Yes	-
Counterparty 3	Bank C	06/15/07	Trade details DAX Forward Roll Over	Agent 29	07/06/07	No	Yes	Yes
Counterparty 4	Bank D	06/28/07	CDO Trade Details confirmation	Agent 29	07/12/07	No	Yes	-
Counterparty 5	Bank E	01/17/08	Trade Details	Agent 23	01/18/08	No	No	Yes
Counterparty 3	Bank C	01/18/08	Trade Details	Agent 23	01/18/08	No	Yes	Yes

Exhibit no. 6: Supervisors did not systematical extend their controls beyond what was called for by procedures.

Control	Department	Number of alerts identified in the context of JK ⁷	Description of the detected alert ⁸	Why did the control not allow the fraud to be detected?
Control of input (deals, flux)	OPER/GED/MID/DLM	6 alerts between 01/2007 and 01/2008	<i>January 07 / Agent 2:</i> characteristics input in ELIOT for two transactions are not consistent with pre-confirmation sent.	Procedures were followed but no initiative was taken to verify the truth of JK's assertions or to transmit the information to immediate superiors (actions not explicitly called for by procedures).
			<i>May 07 / Agent 30:</i> OPER detected a transaction with a maturity date appointed Saturday.	
			<i>July 07 / Agent 31:</i> no pre-confirmation was received for one of the transactions recorded by JK.	
			<i>October 07 / Agent 31:</i> variations were detected in the balance of Delta basket cash.	
			<i>October 07 / Agent 31:</i> variations were detected in the balance of Delta basket cash.	
			<i>January 08 / Agent 32:</i> OPER identified a counterparty error between the portfolio and the GOP input.	

⁷ The number shown in the table corresponds to alerts identified by the General Inspection department on 02/15/08.

⁸ The date indicated in the table corresponds to the date of the first email sent on the subject.

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
Front-back spreads / buffer banks	OPER/GED/MID/DLM	11 alerts between 01/2007 and 10/2007	<i>January 07 / Agent 33:</i> trades presenting a pending counterparty.	Procedures were followed by middle office but no initiative was taken to verify the truth of JK's assertions or to transmit the information to immediate superiors (actions not explicitly called for by procedures).
			<i>January 07 / Agent 33:</i> six pending transactions were detected in ELIOT.	
			<i>February 07 / Agent 33:</i> six pending transactions were detected in ELIOT.	
			<i>February 07 / Agent 33:</i> four pending transactions were detected in ELIOT.	
			<i>March 07 / Agent 33:</i> test transactions were integrated into ELIOT on Stock Futures.	
			<i>April 07 / Agent 33:</i> ten pending transactions were detected in ELIOT.	
			<i>June 07 / Agent 34:</i> the name of the broker was not given for a GOP 2A trade.	
			<i>July 07 / Agent 34:</i> the name of the broker was not given for a GOP 2A trade.	
			<i>July 07 / Agent 34:</i> the name of the broker was not given.	
			<i>October 07 / Agent 33:</i> futures transactions appear in the buffer bank with a pending counterparty.	
			<i>October 07 / Agent 34:</i> the name of the broker was not given for a trade.	

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
Gateways	OPER/GED/ PNL/REC/ ACFI/ACR/ FCO	13 alerts between 03/2007 and 10/2007	<i>March 07 / Agent 29:</i> THETYS produced a high level of GOP 2A account flow due to four high nominal value transactions (GBP 1072m).	Procedures were followed but no initiative was taken to verify the truth of JK's assertions and of the corrections suggested by him, even when these lacked probability. The next level of superiors failed to react when notified.
			<i>April 07 / Agent 35:</i> a residual front-accounting spread of EUR 95m was caused by 3 DAX futures indexes with a pending counterparty for EUR 88m and by a forward recorded against CLICKOPTIONS for EUR 6m.	
			<i>April 07 / Agent 7:</i> following the alert listed above by OPER/GED/PNL, several email exchanges and a request for proof to the front office. An alert was also issued at the meeting of the accounts committee on the use of fictitious futures and forwards justified by <i>knocked</i> warrants.	
			<i>May 07 / Agent 29 and agent 35:</i> a price spread appears for warrants that would be knocked at the end of April.	
			<i>May 07 / Agent 29:</i> the gap in method at the closing date of April 07 is for – EUR 8m on a single future.	
			<i>May 07 / Agent 29:</i> OPER reiterated the problems encountered with knocked warrants in March and April.	
			<i>May 07 / Agent 7:</i> relevant questions to the middle office on the anomaly caused by knocked warrants	
			<i>June 07 / Agent 35:</i> ACFI identifies a large rise in gap in method on the 2A for the May closing of indexed futures.	
			<i>June 07 / Agent 12:</i> alert in the gateway update and request for explanation by email to the trader on the above-mentioned gap in method concerning 74,000 DAX contracts.	
			<i>July 07 / Agent 29:</i> two transactions are booked with fictional counterparties (PRE HEDGE and PRO EXCEPT) for a nominal value of EUR 7 billion.	
			<i>July 07 / Agent 29:</i> identification of the booking of a transaction before portfolio historization then cancellation after historization and before release in the back office applications which in the absence of input of a new deal can allow falsified results.	
			<i>August 07 / Agent 1:</i> lack of confirmation of the client on deals booked in ELIOT, then ultimately cancelled.	
<i>October 07 / Agent 1:</i> freeze on flow over EUR 1 billion in SAFE on the 2A.				

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
GMI / clearer Reconciliation	OPER/GED/ BAC/LIS	1 alert in 02/2007	<i>February 07 / Agent 36:</i> a GMI / clearer discrepancy was revealed on a GOP 2A trade with Fimat Frankfurt.	Focused on its task of resolving discrepancies, the back office contented itself with an email from the operations middle office indicating that the trade would be cancelled.
Settlement / delivery	OPER/GED/ BAC/OTC	3 alerts between 06/2007 and 08/2007	<p><i>June 07 / Agent 37:</i> a discrepancy of EUR 1.4m is observed on several OTC options during reconciliation with CLICKOPTIONS.</p> <p><i>July 07 / Agent 37:</i> a discrepancy of EUR 36m is observed on one OTC option during reconciliation with CLICKOPTIONS.</p> <p><i>August 07 / Agent 37:</i> a discrepancy of EUR 3.6m is raised on 2 OTC options during reconciliation with CLICKOPTIONS.</p>	Focused on its task of balancing discrepancies, the back office contented itself with regularization of discrepancies by the operations middle office without proof or did not cast a critical eye on the prompt explanations that it was given.
	OPER/GED/ BAC/LIS	1 alert in 06/2006	<i>June 06 / Agent 38:</i> seven trades for the purchase or sale of shares with CLICKOPTIONS are abnormally lowered in EOLE and are thus rejected by the <i>back office</i> who asks the operations middle office to take care of these anomalies.	
Monitoring of commissions paid to brokers	GEDS/DAI/ TRD/DTO	1 alert in 12/2007	<i>December 07 / J. Kerviel:</i> the trader asks OPER/GED/MID/TRS for explanations on the high amount of commissions (EUR 1.2m) that appear in his CPM.	OPER is surprised at the level of fees indicated in view of the trend of the beginning of the year but focuses on the task given to it by procedures (to verify that sums cited in the CPM correspond in fact to invoices) and does not take the initiative to transmit information to immediate superiors.

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
Intra-group reconciliation	ACFI/ACR/ACT/CNS	5 alerts between 12/2006 and 06/2007	<i>December 2006 / Agent 39:</i> a EUR 4m discrepancy in earnings is created by two options on the GOP 2A between SGPM and CLICKOPTIONS.	ACFI/ACR/ACT correctly turned to OPER, as procedures dictated, to obtain an explanation of these discrepancies, which was justified to them by an error in counterparty. However, ACFI/ACR/ACT did not take the initiative to transmit information to immediate superiors, even when the amounts were high.
			<i>March 2007 / Agent 40:</i> a EUR discrepancy in earnings is created by <i>forwards</i> on the GOP 2A between SGPM and CLICKOPTIONS.	
			<i>April 2007 / Agent 40:</i> a EUR 242m discrepancy in earnings is created by <i>forwards</i> on the GOP 2A between SGPM and CLICKOPTIONS.	
			<i>May 2007 / Agent 40:</i> two discrepancies in earnings of EUR 1.1 billion and EUR 0.5 billion are created by forwards and options, respectively, on the GOP 2A between SGPM and CLICKOPTIONS.	
			<i>June 2007 / Agent 40:</i> two discrepancies in earnings of EUR 0.8 billion each are created by forwards and options on the GOP 2A between SGPM and CLICKOPTIONS.	

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
Analytical accounting review	ACFI/ACR/ACT	7 alerts between 01/2007 and 11/2007	<i>January 2007 / Agent 41:</i> a substantial variation in a balance sheet account (EUR 1.2 billion) and in an off-balance sheet account (EUR 17 billion) was observed on the GOP 2A.	The analytical accounting review consists simply of verification by OPER/GED/PNL that the accounting balances are properly explained by management data.
			<i>March 2007 / Agent 41:</i> substantial variations were observed in balances on six balance sheet accounts (EUR 13 billion) and on two off-balance sheet accounts (EUR 53 billion) on the GOP 2A.	
			<i>April 2007 / Agent 41:</i> a significant variation in balances on two balance sheet accounts (EUR 50 billion) was observed on the GOP 2A.	
			<i>June 2007 / Agent 41:</i> substantial variations in two balance sheet accounts (EUR 6 billion) and significant positions on two off-balance sheet accounts (EUR -25 and 15 billion) were reported on the GOP 2A.	
			<i>September 2007 / Agent 41:</i> substantial variations were observed in the balances in two balance sheet account (EUR 16 billion) and on two off-balance sheet accounts (EUR 32 billion) on the GOP 2A.	
			<i>October 2007 / Agent 41:</i> a substantial variation in two balance sheet accounts (EUR 8 billion) and on two off-balance sheet accounts (EUR 53 billion) were reported on the GOP 2A.	
			<i>November 2007 / Agent 42:</i> a significant variation on the balance sheet accounts (EUR 5 billion) was observed on the GOP 2A.	

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
Monitoring of counterparty risk	RISQ/CMC/ GEDS/DAI/ GSD	2 alerts: 1 in 07/2007, 1 in 01/2008	<i>July 07 / Agent 3, Agent 4 and Agent 5:</i> an exceeding of the limits of CVAR is identified on Bank C (transaction by JK consumes USD 760m of the USD 1,230m limit on this counterparty).	RISQ/CMC fulfilled its duty to the letter by transmitting the alert. GEDS/GSD did not seek to understand the explanation given by JK.
			<i>January 08 / Agent 3, Agent 4 and Agent 5:</i> a highly elevated counterparty risk (EUR 2.3 billion of CVAR) is identified on the counterparty Bank E.	
Monitoring of Cooke weighted average (CWA)	ACFI/ACR/ ACT/COK	1 alert in 01/2008	<i>January 2007 / Agent 6:</i> alert and investigation following 8 transactions on forwards with counterparty Bank E creating a CWA of EUR 3 billion – exchange of emails and meeting with the trader.	The alert allowed the detection of the fraud.

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
Monitoring of market risks	RISQ/RDM/ EQY	24 alerts between 07/2006 and 09/2007	<i>July 06 / Agent 43:</i> notification of a delta margin (“repli”) limit exceeded by EUR 4m.	RISQ/RDM/EQY attribute the cause of the anomalies to recurring problems in recording transactions in computer systems. They settle for notifying JK and his immediate superiors of the exceeding of the limit and to verify its resorption.
			<i>December 06 / Agent 44:</i> a delta of EUR -11m is transferred onto the ZFL_SPX portfolio.	
			<i>December 06 / Agent 44:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>January 07 / Agent 46:</i> the margin limit is exceeded by EUR 32m.	
			<i>January 07 / Agent 44:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>April 07 / Agent 44:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>June 07 / Agent 45:</i> an exceeding of the limit of EUR 23m is noted.	
			<i>June 07 / Agent 45:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>July 07 / Agent 44:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>July 07 / Agent 44:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>August 07 / Agent 47:</i> a EUR -8m sudden increase in stress test risk is identified on the ZFL_DAX portfolio.	
			<i>August 07 / Agent 45:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>August 07 / Agent 45:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
			<i>August 07 / Agent 47:</i> a EUR 0.5m sudden increase in stress test risk is identified on the ZFL_DAX portfolio.	
			<i>August 07 / Agent 45:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.	
<i>August 07 / Agent 47:</i> the department identifies sudden increase in stress test risk of -35m EUR on the ZFL_DAX and of EUR 7.7m on the ZFI_DECADE.				
<i>August 07 / Agent 45:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.				

Control	Department	Number of alerts identified in the context of JK	Description of the detected alert	Why did the control not allow the fraud to be detected?
			<p><i>August 07 / Agent 44:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.</p> <p><i>August 07 / Agent 47:</i> a sudden increase in stress test risk of EUR -34m is identified on the ZFL_DAX.</p> <p><i>September 07 / Agent 44:</i> identification of a margin limit exceeded by EUR 3.6m.</p> <p><i>September 07 / Agent 48:</i> the global stress test consumption is EUR-46m on Delta One, of which EUR -28m is on the DELTA-ONE SA2.</p> <p><i>September 07 / Agent 48:</i> RISQ/RDM observes a EUR +5.2m reduction of risk on the ZDE_DECADE.</p> <p><i>September 07 / Agent 44:</i> RISQ/RDM sends a list of portfolios for which delta must be validated.</p> <p><i>September 07 / Agent 48:</i> the Delta One desk exceeds its stress test limit, essentially due to the variations observed on two portfolios (JK_STRAT and ZFL_MINISX5E).</p>	