

Information for our clients

Following Lehman Brothers' Chapter 11 filing, we would like to respond to the concerns of our clients related to their investments in structured notes issued by Société Générale.

What are the estimated exposures of Société Générale Group to companies of the Lehman Brothers Group?

Loans granted by Société Générale Group to Lehman Brothers Group companies represent 3 million euros.

For its own account, Société Générale Group has net senior debt exposure on Lehman Brothers Group companies in a nominal principal amount of the equivalent of 76 million euros.

Companies of the Lehman Brothers Group were counterparts to Société Générale Group in various derivative and other market activities, a large part of the exposure under these activities being collateralized. The replacement risk in this respect is estimated at around 400 million euros under present market conditions. The corresponding counterparty exposures have now been almost completely closed out.

The final loss will be a fraction of this exposure as it will depend on the liquidation conditions of Lehman Brothers' assets.

Are notes issued by Société Générale affected in any way by Lehman Brothers' bankruptcy?

There is no risk on Société Générale's signature.

All Société Générale notes or those of its affiliates are fully guaranteed by the bank and therefore bear no credit risk to Lehman Brothers, unless otherwise mentioned. Lehman Brothers' bankruptcy does not jeopardize Société Générale's guarantee.

Société Générale ensures the full liquidity of its products as always.

What is the risk for structured products with Lehman Brothers as an underlying?

If Lehman Brothers (LEH.N) is an underlying of a note, normal extraordinary event and bankruptcy procedures apply. These procedures are stipulated within the final terms of the corresponding SG note.

Pricing for other Société Générale issued structured products (i.e.: structured products that do not have Lehman Brothers as an underlying) are not affected (except for the current market impact).

Is Lyxor's ETF business affected?

There is no impact on ETF business: Lyxor ETF are not hedged with swaps traded with Lehman Brothers.

What do current market conditions imply for Société Générale's Equity Derivatives business?

We strive to best respond to our client's needs as usual; our broad range of products allows our investors to benefit in diverse market conditions.

As always, our sales teams and all of our professionals are dedicated to working with our clients on their investment needs. With over 20 years of expertise in structured products, we are more than ever committed to providing the high level of client service they have come to expect, especially in challenging times.