



PRESS RELEASE

SG PARIBAS: MANAGEMENT COMMITTED TO ACHIEVING RETURN ON EQUITY OF 18% FROM 2001

(Paris, March 24, 1999)--Following detailed surveys carried out since February 1st by the large number of joint Paribas / Société Générale working groups, further details are now available regarding the expected benefits of the merger and the targets to which the entire SG Paribas Executive Committee is committed:

- **increased synergies which are capable of being realized more rapidly than initially anticipated (650 million euros of additional net income in 2001, compared with an initial estimate of 500 million euros);**
- **more balanced allocation of equity capital between the different core businesses: as of 2001, 60% of equity will be allocated to activities related to retail banking, financial services and asset management;**
- **return on equity after tax of 18% from 2001;**
- **6 billion euros of surplus equity by 2001 available for distribution to shareholders.**

In **retail banking and specialized financial services**, SG Paribas will offer its private and small-to-medium-sized corporate customers a unique combination of a traditional high-street bank (branch network) and a bank with advanced distribution channels (telebanking, online banking, partnerships, etc...). There will be substantial improvement in operating efficiency and processing costs, with limited restructuring charges. In 2001, the contribution of these core businesses to net income will be 1.4 billion euros, with an anticipated return on equity of 17%.

In **investment banking**, the refocusing of credit activities towards high value-added financings and a reduced exposure to emerging markets will result in a lower risk profile and a reduction in allocated equity (down by 2.2 billion euros in 2001 compared with the initially forecast reduction of 1.2 billion euros). In 2001, the contribution of this core business to net income will be 1 billion euros, with an anticipated return on equity of 16%.

In **asset management**, the growth targets have been confirmed. In 2001, the contribution of this business grouping to net income will be 700 million euros, with a return on equity estimated at **28%**.

Following a detailed analysis of the Paribas and Société Générale **proprietary investment** portfolios, the reduction of minority interests in listed companies will be accelerated.

| 1998 / 2001 (ESTIMATE) | | | | | | |
|---|----------------------------|--------------|------------------|-------------|---------------|-------------|
| (in billions of euro) | Contribution to net income | | Allocated equity | | ROE (as a %) | |
| | 1998 (1) | 2001 | 1998 (1) | 2001 | 1998 (1) | 2001 |
| Retail banking and specialized financial services | 0.9 | 1.4 | 5.8 | 8.5 | 15.9 % | 17 % |
| Asset management | 0.4 | 0.7 | 1.3 | 2.4 | 28 % | 28 % |
| Investment banking | 0 | 1.0 | 8.3 | 6.1 | 0.1 % | 16 % |
| Proprietary investments and real estate | 1.2 | 0.4 | 2.8 | 1.8 | 41.2 % | 23 % |
| Other | (0.4) | (0.1) | - | - | NS | - |
| TOTAL: | 2.1 | 3.4 | 18.2 | 18.8 | 11.4 % | 18 % |

(1) Combined SG Paribas pro forma figures

These are estimated unaudited figures.

Owing to the current uncertainty regarding the timetable of the share exchange offers, no new date has been set for the annual shareholders' meetings.

To prevent this situation from penalizing our shareholders financially, measures will be taken to ensure that the dividends - or advances for an equivalent amount - will be paid, as in previous years, during the month of May at the latest.

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