



Commodity Futures Trading Commission

Office of Public Affairs

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Examples of Misconduct From Written and Oral Communications by Société Générale S.A.

Examples of Société Générale's Attempts To Manipulate U.S. Dollar LIBOR To Benefit the Paris Treasury Desk's Money Market and Derivatives Trading Positions

April 22, 2010

U.S. Dollar LIBOR Submitter: So, today I'll post the 1 Month at 28.5 [. . .] considering that the LIBOR is set at 26-25.

[. . .] between you and me, the LIBOR is extremely manipulated [. . .] Each contributor has their own interests. If you look at my submissions today [. . . and . . .] SocGen submissions over the last month . . . they are actually a little higher than the LIBOR [. . .] **everyone submits with respect to their interests.**

Other Caller: Ok. **And what's your interest now?**

U.S. Dollar LIBOR Submitter: **Our interest is to raise it [. . .] Because we have positions indexed against 1 Month and we have an interest [. . .]** we, the treasury, [are] generally a lender of 1 Month[. . .]. **So, we have open positions [. . .]**

May 10, 2010

Former U.S. Dollar LIBOR Submitter: [. . .] **Are you going to reduce the LIBOR [. . .]?**

U.S. Dollar LIBOR Submitter: **No, I want to still submit to increase [. . .] that's what we decided to do.** The strategy is going to be the same [. . .].

Former U.S. Dollar LIBOR Submitter: You're always the one who's the highest.

U.S. Dollar LIBOR Submitter: [. . .] I'm on the increase marginally. I'm the first [in] the panel.

Former U.S. Dollar LIBOR Submitter: **Why are you doing that, just for my information? [. . .].**

U.S. Dollar LIBOR Submitter: **Because we have very large fixings, that's why.**

Former U.S. Dollar LIBOR Submitter: **You have large fixings?**

U.S. Dollar LIBOR Submitter: **Yeah [. . .]. That's been for the last two months.**

May 10, 2010 [continued]

U.S. Dollar LIBOR Submitter: [. . .] **I'm still going to contribute [. . .] between 2 bps and 2.5 bps higher than estimated [. . .] to be selected for the panel. I do a little historical analysis. You have to submit between 2 bp higher and 2.5 bps higher [. . .] that's my strategy [. . .].**

Former U.S. Dollar LIBOR Submitter: Yeah.

Examples of Société Générale's False Reporting of U.S. Dollar LIBOR, Euro LIBOR, and Euribor To Protect Its Reputation Against Negative Market Perception

February 4, 2009

Head of London Treasury: I am pleased to announce that [. . . Société Générale] has been chosen to contribute USD libor's from Monday 9th Feb. Obviously, this is a great privilege and sign of our market standing [. . .] **now you have the difficult part in quoting the libors!!! good luck!!!!**

Head of Paris Treasury: [. . .] I will call you back tomorrow in order to have your point of view on **the way we have to quote this Libor (to target to be always within the 8 banks panel, or to accept to be out of the panel [. . .]**

May 10, 2010

Head of Paris Treasury: [. . .] Concerning the **EURIBORs, it looks like you've sent out a message that we shouldn't contribute above EURIBOR**. Why's that?

Global Head of Treasury: [. . .] **yes [. . .]. We shouldn't show that we are . . . that we are a problem, ok? [. . .] you all should be careful [. . .] make sure to check [. . .] that it's not higher than [French Bank A . . .]** monitor Keep a close watch If you monitor it well, even if you just keep one [basis point] lower than [French Bank A], it won't be a problem. All right? Because [. . .] we are [. . .] being watched

Head of Paris Treasury: Yes.

Global Head of Treasury: [. . .] Use [French Bank A] as a [benchmark].

May 20, 2010 (email from Analyst to Head of Investor Relations)

Analyst: Good evening, I see on Bloomberg that **SG is offering one of the best payouts on pretty much all the maturities USD and EUR**. How should I interpret this? **Doesn't this mean that SG has more difficulty [raising funds] than her fellow banks with the interbank [market]?**

May 20, 2010 (email from Head of Investor Relations to Global Head of Treasury)

Head of Investor Relations: [. . .] **on the subject we were discussing** together yesterday, **I've just received a question from a shares analyst**. What should I answer to make him understand that Bloomberg's indications are not indicative?

The Global Head of Treasury: [. . .] it's not about our issuance prices. **It's about our contributions for Libor fixing**. I will get back to you with more detail on our contribution vis-à-vis those of other contributors but it has nothing to do with our levels for raising funds.

May 20, 2010

The Global Head of Treasury: Yeah, **I have a problem here because I received an email [. . .] written by investors** saying, [. . .] "I see on Bloomberg that [. . .] SG is offering among the best [payments] on pretty much all the dollar and euro maturities. How should I interpret that?"

Head of Paris Treasury: **That's LIBOR [. . .] it's . . . Our LIBOR submission**

The Global Head of Treasury: [continuing to read the analyst email] "Doesn't that mean that

SG is having a harder time than its peers on interbanking?" [. . .] is that ou[r] LIBOR submission? **Are we the highest in dollar and euro?**

Head of Paris Treasury: We're not the highest, we're in the five highest [. . .] .

The Global Head of Treasury: **you see, this is what I was saying to you. It's what I was saying to the guys . . . on the LIBOR and EURIBOR. We must not appear too high because of course they're going to start wondering things, you see, and that gets transmitted to investors They [ask . . .] why is SG putting a LIBOR so high? [. . .] This is the stuff that gets around [. . .] .**

May 21, 2010 (email from the Global Head of Treasury to the Head of SCIB, the Deputy Head of Global Markets, and the Head of Global Markets)

Global Head of Treasury: **We are not the highest of the contributors to Libor. This indicator has been followed by the desk which contributes to Libor since we have belonged to the panel [. . .] we will closely monitor to avoid questions or negative interpretations.**

Head of SCIB: **Duly noted.**

May 21, 2010 (email from the Global Head of Treasury to the Head of Investor Relations, the CFO, and the Deputy CFO)

Global Head of Treasury: . . . SG submits the same quotation on EUR for Euribor and EUR Libor. That's why **our Euribor contributions need to be analyzed (even if the analyst who questioned you only referred to Libor) [. . .] [With respect to U.S. Dollar LIBOR] we are displaying a rate of [LIBOR 3 month] flat but we are paying up to [LIBOR 3 month]+5bps to raise funds [. . .] we are going to see if we can . . . lower our submissions a bit to avoid these questionable interpretations**, keeping in mind that we joined the USD panel last year and that we already monitor our submissions very closely.

Head of Investor Relations: Thanks a lot.

May 21-23, 2010 (email from the Global Head of Treasury to the Paris Treasury Desk)

Global Head of Treasury: Last night (in front of [Executive Committee], I had to explain the fact that **SG is the highest contributor on the USD and Euro Libor and the negative image that it gave of the capacity of SG to refinance on the market**. Perhaps we are the highest amongst the non-eliminated banks. **We have to calm everything down and stop giving fodder to all the analysts or commentators** who are watching [. . .] **the financial Directorate had already gotten a few comments before [the Head of Investor Relations] even questioned me. We must try not to be amongst the highest non-eliminated banks.**

Head of Paris Treasury: I don't understand [. . .] we are not the highest Yet **you conclude that we have to change our way of contributing. Doing that would mean that we are [. . .] having a role in making the fixings inconsistent**

Global Head of Treasury: **We mustn't be the highest bank after the elimination of the extremes [. . .] what counts is that [the CFO] has already received three instances of negative feedback on our contributions to whom they have [had] to send denials/refutations regarding the difficulties we have refinancing in the market. We therefore have to put an immediate end to these negative comments from the market that lead people to assume that SG is paying a lot and has trouble financing itself. I think it's clear to everyone that we must react fast [. . .] .**

Head of Paris Treasury: **We'll do what [the Executive Committee] asks us to do, but you must admit that it's a total charade**

May 24, 2010 (conference call with the Global Head of Treasury and the Paris Treasury Desk)

Head of Global Treasury: **Friday night I was attacked by [the Head of SCIB] going into the meeting [. . .] he attacked me saying "Hey, your LIBOR submissions are too high. There's been feedback from analysts." And actually . . . [the CFO] had already had [investors question our submissions] 3 times . . . and ask questions at the investor thing, saying "Your LIBOR submission is high. Does that mean you have refi[nancing] problems? Why are you the highest, etc.?" [. . .] it's annoying because it means that we actually have to lower our EURIBOR contribution as well [. . .] We can't make [Euro] LIBOR and EURIBOR submissions that are different. So we're going to be forced to lower our EURIBOR submission as well [. . .] _____ everyone is watching [. . .] market commentators and analysts [. . . the CFO] saw two [negative comments based on the submissions . . .] I personally am not _____ it's not very easy, but it still has to be done just the same? [Do]you understand?**

Euribor Submitter: **Yes, I understand.**

Head of Global Treasury: **So you understand it well?**

Euribor Submitter: **I understand the thing.**

Head of Global Treasury: [. . .] as a result **the EURIBOR has to be lowered [. . .]**. On the euro we're high. So that means [Euribor Submitter] that **you will also have to watch how to lower the EURIBOR [with the Euro LIBOR. They are] the same thing. [B]efore leaving [. . .] call me** if I haven't called you first. **Alright?**

Euribor Submitter: **Alright.**

May 24, 2010 (call between U.S. Dollar LIBOR Submitter and Back-up U.S. Dollar LIBOR Submitter)

U.S. Dollar LIBOR Submitter: You've surely seen the email[s] about LIBOR [. . .] from [the Head of Paris Treasury] and [the Global Head of Treasury]. **[The Global Head of Treasury] asked [us] to lower the EURIBOR contributions, and consequently the [Euro] LIBOR contributions as well. And with the Dollar [LIBOR] too we have to be careful. Basically, we are not to be the highest of the non-excluded [banks] So, I lowered it a little. We're going to lower it again [. . .]**

May 26, 2010 (call between the Global Head of Treasury and Head of SCIB).

Global Head of Treasury: [. . .] **we have reviewed our fixings in order to avoid [. . .] being questioned about them again.** But in fact [. . .] by lowering our fixings to avoid being the highest on the Euro LIBOR; we have been excluded from EURIBOR. Because we're too low on the EURIBOR.

May 26, 2010 (call between the Head of Paris Treasury and the Head of London Treasury)

Head of Paris Treasury: I don't know if [the Global Head of Treasury spoke] to you about this issue, but **we had [. . .] some pressure from the top management [. . .] to decrease our LIBOR [. . .]** The top management, [. . .] **had some feedback from some investor that . . . we were the highest bank contributing in the LIBOR.** So, they're talking about **both Dollar, I think, and Euro [. . .]**. **We try . . . to be within the panel of the calculation [. . .] [The**

Global Head of Treasury] asked us [. . .] to lower . . . our contribution [. . .] in order to be within [. . .] the middle of the panel, but on the Euro side [. . .] if we lower our contribution, [. . .] we have also to decrease the EURIBOR [. . .] **we are paying over LIBOR . . . LIBOR plus five, plus six [. . .]**.

Head of London Treasury: This is where it puts us in a dangerous territory. I mean you can do it a few times, but [. . .] **if we start to get a real blow out in terms of LIBOR, and [our submission] does move away substantially from where the market prices are[,] it puts us in a very very difficult situation [. . .]**.

June 16, 2010 (email from Head of London Treasury to Global Head of Treasury and Head of Paris Treasury)

Head of London Treasury (Subject: Libor USD Contribution): **I dont think posting 3m libor at 0.5525 is anyway realistic . . . given we are posting 63 issue levels to the broker/dealers, and we are actively looking to source funds. We have increased our market funding levels without moving our Libor contribution I think we are leaving ourselves exposed to a possible claim of market manipulation [. . .] I am extremely uncomfortable with this situation.**

June 17, 2010 (call between the Global Head of Treasury, the Head of London Treasury, the Head of Paris Treasury, and others)

Head of London Treasury: my true concern at this moment in time is the fact there's been more and more emphasis put on the dollar LIBOR. Now **I appreciate as a bank we have to try protect our name as much as possible, but I do think that you know when we are structurally changing the levels that we're paying in the market we're gonna have to start tweaking our LIBOR [submissions]**

Global Head of Treasury: I discuss[ed] this yesterday [. . .] **I had a word with [the CFO]. I will send a mail to [the CFO], [the Head of Investor Relations] and [the Head of SCIB] . . . that we are uncomfortable with the position [of] putting the LIBOR which is eight or ten basis points below what we pay in the market, just in order not to be pointed out by investors [. . .]** We cannot increase [our LIBOR submission] by twenty basis points [at once . . .] we know that[. . .] but **what we will do[. . .] is to increase gradually our contribution, by one, two [. . . basis] points.** But [. . .] **as soon as [executive management is] question[ed] of [why we are submitting high LIBORs], in terms of complaint or question [. . .] we [can respond].**

Head of Paris Treasury: **Because of stigma**

Global Head of Treasury: [. . .] **yes.**

June 17, 2010 (email from Global Head of Treasury to the CFO, the Head of SCIB, and the Head of Investor Relations)

Global Head of Treasury (Subject: Libor USD Contribution): As we discussed 3 weeks ago at the liquidity [a/k/a Pointe Marché] meeting, **we are continuing to adjust our contribution to the USD Libor in order not to be the highest contributing bank amongst those that are taken into account. [. . .] Libor contributions have hardly followed the market increase at all. We thus end up contributing –on the 3-month, for instance—a rate 8 bps below the one we are showing in the market (and therefore at least 10 bps below the one we really pay). The situation is becoming critical because we are far outside the BBA rules and**

we are taking the risk of being accused of market manipulation. As discussed last night with [the CFO], we suggest progressively increasing our contribution to get back to our real market level [. . .]. However, **we can return to the current method if the feedback [. . .] is once again too negative.**

June 23, 2010 (call between the U.S. Dollar LIBOR Submitter and the Former U.S. Dollar LIBOR Submitter)

U.S. Dollar LIBOR Submitter: [in response to a question about Société Générale’s U.S. Dollar LIBOR submission] . . . Am I on speaker or am I on the phone?

Former U.S. Dollar LIBOR Submitter: No you're just on my telephone.

U.S. Dollar LIBOR Submitter: OK, in fact at the beginning **the strategy was to be in the heart of the panel** [. . .] between you and me [. . .] four weeks [ago], [the Global Head of Treasury] got approached by [the Head of SCIB saying], “Yes, we have an investor saying that your LIBOR submissions are actually high and [. . .] that means that you’re have funding problems.” [. . .] [Then] . . . a week ago, the Head of London Treasury said, “Yes, but **the BBA is beginning to worry because we’re posting prices on the 3 Months . . .**” **At the time it was 60, [. . .] 58 and we submitted 53 [. . .]**” So it wasn’t consistent. And **I completely agree.** It’s a mess [. . .] I believe [the Head of London Treasury is] right. **The BBA is right. You see, it’s not consistent to contribute 53 and three quarters when you’re [cost of funds is] 63.** [. . .] it’s highly between you and me.

July 27, 2010 (the Global Head of Treasury forwards an email to the Head of Paris Treasury, the Senior U.S. Dollar Money Market Trader, and the Back-up U.S. Dollar LIBOR Submitter).

In response to negative market commentary suggesting Société Générale’s high 3 month U.S. Dollar LIBOR submission could indicate French banks are paying premiums for dollars, the Global Head of Treasury instructs the Paris Treasury Desk that the commentary is “T_____

August 24, 2010 (call between U.S. Dollar LIBOR Submitter and Former U.S. Dollar LIBOR Submitter discussing need to make submissions that are in the panel of banks calculated in the U.S. Dollar LIBOR fix)

U.S. Dollar LIBOR Submitter: [. . .] **I think that I’m going to lower the submission at least at 1.5 bps, or even 2 bps [. . .] knowing that I have to lower my spread again in keeping with . . . what can I say? . . . with the consensus for the fixing, otherwise I’ll be excluded again from the panel.** Because here, I was excluded on the short. From 1 Week up to 4 Month, I was the first of those excluded. So, **I absolutely have to be part of the panel.**

November 23, 2010 (the Head of Paris Treasury acknowledges borrowing above LIBOR in the 3-month tenor to an unknown party)

Head of Paris Treasury: Yup. You see now, the **LIBOR is worth 28. On the 3 Months we refinanced actually at 32-33.**

Unknown Party 1: Okay. And historically, since we’ve been like that how have our additional costs fluctuated, let’s say?

Head of Paris Treasury: **At the worst of the crisis it was 60 [basis points].**

Examples of Société Générale's Attempts To Conceal Its False LIBOR Submissions

January 18, 2011 (The Head of London Treasury and Paris Treasury discuss the BBA's requests to see costs of funding data will reveal Société Générale is submitting artificially low)

Head of London Treasury: [. . . the BBA has . . .] been asking for this [funding data] for a while [. . .].

Head of Paris Treasury: **But you know the problem is if we provide some information, so[me] hard data of what we raise, they will also discover today that our Libor is lower than the levels we pay [. . .].**

Head of London Treasury: Well [. . .] it's a difficult one [. . .] we can always say that we pay for special relationships [. . .].

January 25, 2011 (Head of Paris Treasury forwarding to Head of London Treasury, and copying U.S. Dollar LIBOR Submitter, an email from U.S. Dollar LIBOR Submitter attaching altered costs of funding data to provide BBA)

U.S. Dollar LIBOR Submitter: Here are (at [last] !) the **data to provide to BBA**. I send you the whole file, where you can **see our real cost of fund against our own Libor contribution**. **The data to provide to BBA are the "yellow" ones [. . .].** Here's the explanation of the methodology in English (if you ever need it...).

The "yellow" chart, pictured below on the right titled "TO SHOW TO BBA", contained falsified costs of funding data and included a note "**data to provide to BBA**". Another attached chart, also pictured below, included a note stating "**= real data (not [to] be shown to BBA)**".

SPREAD cost of fund - LIBOR CONTRIBUTION							TO SHOW TO BBA						
		13-Dec	14-Dec	15-Dec	16-Dec	17-Dec			13-Dec	14-Dec	15-Dec	16-Dec	17-Dec
USD	O/N	-0.02	-0.02	0.01	0.01	0.00	USD	O/N	0.2400	0.2300	0.2300	0.2300	0.2300
USD	1 Month	0.01	0.02	0.01	0.01	0.02	USD	1 Month	0.2845	0.2900	0.2973	0.2967	0.2925
USD	3 Month	0.05	0.04	0.05	0.03		USD	3 Month	0.3375	0.3300	0.3425	0.3250	0.3150
USD	6 Month						USD	6 Month	0.4850	0.4825	0.4800	0.4825	0.4825
		20-Dec	21-Dec	22-Dec	23-Dec	24-Dec			20-Dec	21-Dec	22-Dec	23-Dec	24-Dec
USD	O/N	-0.02	-0.01	-0.01	-0.01	-0.02	USD	O/N	0.2450	0.2450	0.2450	0.2450	0.2450
USD	1 Month	0.02	0.02	0.02	0.03	0.01	USD	1 Month	0.2900	0.2900	0.2900	0.3000	0.2800
USD	3 Month	0.06		0.06	0.10		USD	3 Month	0.3475	0.3075	0.3475	0.3575	0.3575
USD	6 Month						USD	6 Month	0.4945	0.4945	0.4945	0.4925	0.4925
		27-Dec	28-Dec	29-Dec	30-Dec	31-Dec			27-Dec	28-Dec	29-Dec	30-Dec	31-Dec
USD	O/N			-0.01	-0.01	-0.08	USD	O/N			0.2450	0.2450	0.2450
USD	1 Month			0.04	0.01	0.04	USD	1 Month			0.3000	0.2800	0.3000
USD	3 Month			0.07	0.11		USD	3 Month			0.3475	0.3575	0.3575
USD	6 Month						USD	6 Month			0.4875	0.4875	0.4875
		3-Jan							3-Jan				
USD	O/N	-0.01					USD	O/N	0.2450				
USD	1 Month	0.02					USD	1 Month	0.2900				
USD	3 Month	0.08					USD	3 Month	0.3475				
USD	6 Month						USD	6 Month	0.4850				
= real data (not be shown to BBA)							= data to provide to BBA						

February 3, 2011 (call between Heads of London and Paris Treasury)

Head of Paris Treasury: So they want our guarantee of what, exactly?

Head of London Treasury: That the Libor submissions are correct.

Head of Paris Treasury: [. . .] **it's not correct because [. . .] our real Libor should be the levels of our real cost of funds, so it should be 5 basis points higher.**

February 4, 2011 (call between Head of London Treasury and Global Head of Treasury)

Head of London Treasury: [. . .] an ongoing issue is that letter from the [market regulator . . .] they actually talk about [. . .] Libor submissions [. . .] in terms of the definitions [. . .] **tread very carefully because the [market regulator] can come in and look at our books.** [. . .] they're just asking that the senior management are comfortable with the processes and the systems and controls [. . . and that] our Libor basic submission[s . . .] are [. . .] reflective of our funding conditions [. . .].

Global Head of Treasury: [. . .] **The point is we do not contribute our real funding. So, what do you want?** [. . .] can you send me a quick e-mail where you explain: **As you know, today, in order not to be the highest contributor of the Libor we put contributions which are below our funding level [. . .] and I will send it to [the Head of SCIB . . .],** and we need to have a decision if we strongly increase our price that will mean we'll be the highest contributor on the panel [. . .] explain [. . .] the way the contribution today is done [. . .] **Paris is quoting in order to be [in the middle].** The issue now is that there is more scrutiny from the [market regulator . . .] And we [will] put that to [the Head of SCIB, the Head of U.K. Group Compliance, and the Group Head for the U.K.]

February 15, 2011 (email from Global Head of Treasury to Head of SCIB and CFO)

Global Head of Treasury: The BBA—and now [market regulator] which has asked senior management for a validation of the Libor contribution procedure—is putting on more and more pressure regarding the validity of the contributions submitted by the banks that are members of the fixing [. . . .] And **currently, our contribution to the 3-month USD libor is between 3 and 5 bps below our real prices.** [. . .] **We [. . .] therefore have to choose between continuing to risk BBA audits or bringing our contribution into line with our real funding level and risking questions about our liquidity [. . . .]** We suggest that we increase our contribution level in order to be in line with our real funding cost but to pay attention to whether the two other French banks [. . .] follow us.

[The following replies were sent on February 16, 2011]

CFO (to Global Head of Treasury and Head of SCIB): Do you get the feeling that Anglo-Saxon panel banks are less at risk than us?

Global Head of Treasury: [. . .] **we pay much more than many other banks on the panel and this hasn't been fully translated into our contribution** which has a consistent spread between it and our real funding deals[. . .] .

CFO (to Global Head of Treasury, Head of SCIB, Deputy CFO, and the Head of Group Treasury and ALM): OK. Let's **start to converge beep by beep**

February 18, 2011 (call between Global Head of Treasury and Head of Paris Treasury)

Global Head of Treasury: we're easily 8 bps higher on average [. . .] in theory **we should be contributing at 39** [. . .]. **We'll go up to 35** [. . .].

February 18, 2011 (the Head of Paris Treasury forwards an email to the Global Head of Treasury and the Senior U.S. Dollar Money Market Trader)

The Head of Paris Treasury discusses market commentary stating that a French bank is finding it "impossible to find USD funding at Libor with premiums being paid on short tenors at above Libor + 10 bps.")

Head of Paris Treasury (Subject: One French bank is flagging up caution in the USD): [. . .] I don't want to be paranoid because it might not be us . . . but **this [. . .] information [. . .]** was circulating in the market [. . .] which **reinforces my belief that we must be very careful when raising our USD Libor contributions. I passed the message on to [the U.S. Dollar LIBOR Submitter] that he should go up very progressively to 0.3490/0.35 next week [. . .] we're far below the levels we pay.**

March 17, 2011 (email between CFO, Global Head of Treasury, and Head of SCIB)

CFO: [. . .] Have you seen this news? [attached commentary about LIBOR-related investigations]

Global Head of Treasury: [. . .] the investigations relate to the 2006-2008 period (and SG wasn't on the USD Libor until February 2009) [. . .] **we have raised our contributions a bit since our email exchanges [. . .]. Every day we monitor our contributions relative to our level posted in the market, relative to the panel members [. . .]."**

CFO: Why do you think that we're not being questioned?

Global Head of Treasury: We only joined the USD Libor panel in February 2009 [. . .].

July 5, 2011

Head of London Treasury: [. . .] I've just got a quick question about how you do your Libor quotes.

Back-up U.S. Dollar LIBOR Submitter: [. . .] it's compared with the estimated Libor, the second point **it's against our competitors[. . .] we try to be the sixth bank [. . .]** we do statistics every day and we check where we are on the quotation compared with the highest and, you know, it's **the first in quote it's the sixth bank, [. . .]** as you know, big brother checking us, watching us and [. . .] **if I'm changing a small basis point everybody is checking on the U.S. market for this moment it's really touchy [. . .] that's the reason why we decided to don't move to increase our Libor rates these times, because the American investors are really sensitive on our Libor and the . . . third point we try to be the first inside who contribute the Libor, the number six [. . .]** because we push the Libor higher, but we are inside [. . .] **try to be the first one and the highest.**

August 31, 2011

Global Head of Treasury: [. . .] I'm calling about [. . .]. **These problems about the LIBOR are starting up again. [. . .]** So, once again **there's a newspaper here that just leaked the info that "SG submits higher rates for" ... for the 15th time in August, and that its 3 Month LIBOR has increased. [. . .]**

Head of Paris Treasury: Well, I have to go hunt for the information. But I think that normally, they are increasing all in line.

September 7, 2011 (call)

U.S. Dollar LIBOR Submitter 2: Yes, indeed. I just spoke with [Head of Paris Treasury]. She told me it's not a good idea [to reference a funding bid] increase against [. . .] LIBOR or against EURIBOR[. . .]. It's so "touchy" right now [. . .] we are a contributor. Keeping in mind that there is a lawsuit ongoing in the United States on the LIBOR contributors.

Global Head of Liquidity Solutions: So, neither LIBOR nor EURIBOR to be [quoted]

U.S. Dollar LIBOR Submitter 2: Hey, [your counterparty] can calculate it as he wants [. . . .] Or **we can tell him face to face, but not in writing [. . .] it's a permanent game of bluff [. . .] That is why we must avoid comparing what we contribute with what we pay [. . . .]**

September 13, 2011 (call)

U.S. Dollar LIBOR Submitter 2: [. . .] we are paying better right now because there is a huge competition between French banks [. . .] **in one-to-one in front of a corporate we are paying a really good price. But not in the market [. . . .] Because[. . .] we are contributor on the LIBORs, and all Big Brother is watching us [. . .]**. And you see where the LIBOR is fixing, really low, okay [. . .] it's bullshit. It's only bullshit. But [. . .] all our competitors are doing it like that. That's the problem. That's why we decide, **we didn't show in the market an aggressive price. We see a normal price in the market, but in one-to-one, in front [. . .] we overpay.**

Examples of Société Générale's Senior Treasury Managers Attempts to Insulate Themselves from Legal Ramifications

September 7, 2011

Head of London Treasury: [. . .] We have a [. . .] spreadsheet [. . .] **that will [not] tell [what our true] Libor is**

Head of Paris Treasury: [. . .] for the dollar [. . .] **we had some feedbacks [to lower LIBORs] from [the Head of SCIB], and the top management [. . . after] we increased rates [and received] bad feedbacks from investors [. . .]. . So clearly we don't speak about that, no?**

Head of London Treasury: [. . .] no . . . well . . . I think you need to discuss that with [the Global Head of Treasury] [. . .] **I would clarify with [her] how you want to discuss about the management bad pressure on you because [. . .] that could be tricky for you**

Head of Paris Treasury: [. . .] it's very difficult because we have been attacked everyday by every department [. . .] telling us [You] cannot pay to corporate levels so high [. . .] and the other **side my contribution on Libor, you know what it is [. . .]. One time you are going to meet me in jail.** You see the point?

September 8, 2011 (call)

Global Head of Treasury: [. . .] about LIBOR investigations [. . .] I'm starting to worry [. . .] because now [investigators] who came to London [. . .] are now coming to Paris [. . .] And

we are in a situation where we are in complete breach as to the way we do LIBOR right now because every time we submit it . . . if we submitted it at the true price we're paying, we would get a whole lot of comments. It's always the same story: we contribute LIBOR much lower than what we're willing to pay. And so I . . . I don't really know. [. . .] [Regulators are] going to do what they did with the commodity traders who have now ended up in prison [. . .] I don't know what we should do in order to protect the people [. . .] who are all specifically named [. . .] . **For instance today we're submitting LIBOR 40 bps below what we really pay** [. . .] there are quite a few elements that suggest that in fact our submission is false since nobody actually wants to show that he's paying more for dollars than the guy next to him [. . .] clearly there are elements which are [. . .] very damaging. Secretariat: [. . .] we'll have to explain why that's the case but [. . .] **I fear that . . . in the end, facts are facts, right, so umm . . . we're not going to obstruct them. We're not going to remake the facts.**

Global Head of Treasury: Yes but it's now, **today** [. . .] **at the moment right now we're in a LIBOR investigation** [. . .] **people are putting themselves at risk right now by continuing to submit in this way** [. . .] **what do I get them to say, the guys who are being questioned whilst we're asking them to submit in such a way that we stay in the middle of the range when they're paying 20 or 30 or 40 bps more?** [. . .] **on dollar LIBOR** [. . .] **we're in total breach** [. . .] . What do I do to protect the guys? [. . .] we can't [. . .] keep asking people to submit like this [. . .] we do need to have backup even internally if ever it goes too badly wrong, [. . .] .

September 9, 2011 (call)

CFO: Did you see [the email questioning . . .] our basis points for [funding] over Libor compared to what we're showing in our official Libor contribution? [The email] said "Yesterday our [funding] rate was 43 [. . .] when we're sending 35 to the BBA."

Global Head of Treasury: Well yes, **that's what I was telling you yesterday** [. . .] **We've never been this wide. You know** [. . .] **we're very far away from reality** [. . .] **we're in cloud cuckoo land with our contributions.** [. . .] What do we do?

CFO: Well if you add 8 basis points you become the widest [. . .] .

Global Head of Treasury: [. . .] You see everyone puts 35, if we start putting 45[. . .] . I mean you saw the article 2 days ago when the said we had moved [our submissions up . . .] the guys who contribute, including me, in the end we're responsible for this. So I have to, **the bank has to, you see, guarantee that it's normal that we submit that in order to protect SG's name** against . . . all the . . . stupid articles coming out you know . . .] **I'm really paying LIBOR+20, even LIBOR +30** [. . .] **the LIBOR that's published, I'm contributing LIBOR + 1 or 2 bp.** [. . .] **the gap has never ever been this big.** [. . .] **right now we're way off the mark** [. . .] **The submitters have not] refused to contribute but if I were in their position, I would refuse to contribute.**

CFO: What do we reply to this [email]? Do we do nothing? **Or off the record do we say "Listen . . ." Best to shut up, right?**

Global Head of Treasury: We can answer "CP is only one source of funding on the US investor not our global funding base", something like that [. . .] . we really do have to decide on what we're going to do. Meaning **whether we remain in breach, and** [. . .] **how we cover ourselves from future attacks** because they're coming [. . .] . And once again they are targeting people personally, with [. . .] traders going to prison [. . .] **for us** [. . .] **there is manipulation** [. . .] **at the request of the bank to avoid showing that we're no longer able to get funding.**

CFO: I hear you. OK.

September 9, 2011 (email)

Global Head of Treasury: [Global Head of SCIB . . .] . We have to discuss how we're going to protect the contributors, especially after the latest legal developments.

Head of SCIB: I'll try to call you [. . .].

Global Head of Treasury: For information, **we have never been so far removed from reality in order to avoid inappropriate interpretations from commentators.**

September 9, 2011 (call)

Global Head of Treasury: What do I need to know?

Head of Paris Treasury: [. . .] they're going to grill you on [. . .] why you're [paying] above your Libor.

Global Head of Treasury: **They don't know that we contribute above**

Head of Paris Treasury: **No, they don't know [that we pay above our LIBOR submission].** I said [. . .] that Libor was [. . .] our [. . .] level at which we wanted to obtain cash, and so we could also get transactions above and [. . .] below [our submission . . .] **I played dumb** [. . .].

September 14, 2011 (call)

CFO: How was your meeting yesterday [. . .] about Libor[? . . .]

Global Head of Treasury: [. . .] I explained the issues we have. And so I'm waiting for the . . . waiting for [the indemnification] letter you know [. . .] Because as for the current investigation [. . .] the [submitters . . .] already all answered [. . .] **from what I can see nobody made any mistakes** and in any case they were looking for manipulations [. . .] Anyway, you see [. . .] **there are no digital snapshots of a fixing or of things like that so [. . .] the conclusion is that we couldn't be attacked about that [. . .] we're not involved in the "attacking excessively low Libor" because [. . .] well, they chose a time period that ended when we just were just entering the Libor panel [. . .] and in any case it was a lot easier for us to justify our contributions. But now we can't justify it at all, so I explained why we couldn't to them.**

CFO: OK.

Global Head of Treasury: So I'm waiting for [the indemnification letter . . .]

CFO: Yes, hey I'll [send a] remind[er about the indemnification letter]. OK? [. . .]

Global Head of Treasury: [. . .] **almost all the deals we're doing are above the prices we're submitting for Libor.**

CFO: Hmm hmm.

Global Head of Treasury: [. . .] we have to give them [. . .] all the deals we made during the month of August and our LIBOR contributions for the month of August.

CFO: Right now?

Global Head of Treasury: Yeah.

September 14, 2011 (call)

Global Head of Treasury: [. . . about] the LIBOR request, because I want us to be backed [by the Bank] on this [. . .] **we said we'd give them the list of the [. . .]. All the deals we made in August and our LIBOR contributions** at the same time, that way they have a month

of our deals and our contributions.

Head of Paris Treasury: Ah august, that's a great idea.

Global Head of Treasury: Well no actually, **it's not good that they're seeing now how we do it.** You see? [. . .]

Head of Paris Treasury: Well **I said to the [submitters]: keep contributing amongst the high ones but not the highest.**

Global Head of Treasury: [. . .] Except that **we're not allowed to do that in theory.** [. . .] **[The CFO] asked me how it went, my call [. . .] about the LIBOR [. . .] it is the bank who should be helping you [. . .]** . I don't know where we're headed

Head of Paris Treasury: Trust within companies is always limited.

Global Head of Treasury: Exactly, and you know [. . .] . **It's not as if [the Head of SCIB] will come be a witness for us.**

Head of Paris Treasury: Well no, I wouldn't count . . . **I think you're right.**

September 21, 2011 (call)

Head of Treasury for the Americas: I think our levels are too low

Head of Paris Treasury: Well **our levels are too low** [. . .] we can't show **When you contribute at 35 for LIBOR** in the morning to avoid getting crushed in the market [. . .] **you can't go up You can't display** [a higher bid for funds] **You'll have to bring us oranges when we're in prison You know**

September 22, 2011 (call)

U.S. Dollar LIBOR Submitter 2: Well [. . .] we have to pay the price, you see **I posted 60. If there are any at 65, I'll take it. We won't discuss it.**

Unknown Party 4: **What level are you posting at in the market?**

U.S. Dollar LIBOR Submitter 2: **Not on the market.** We're not posted at all. We posted LIBOR 32, okay? [. . .] **If we show something [. . .] much too far off from our LIBOR submission, I'd be going to prison tomorrow, so**

September 27, 2011 (call)

Senior U.S. Dollar Money Market Trader: **[The indemnification letters] arrived this morning.** I'd put them aside.

Head of Paris Treasury: Were they addressed by name? Does everyone have one?

Senior U.S. Dollar Money Market Trader: [. . .] yes. **I put yours aside [. . .]**

Head of Paris Treasury: **Hold on to it.** [. . .]

Senior U.S. Dollar Money Market Trader: Yeah, hold on. Let me lock it up. [laughs]

Head of Paris Treasury: Lock it up. **You're responsible for my letter. I don't want to go to prison by myself**

September 27, 2011 (call)

Global Head of Treasury: Have you heard about the letter for the LIBOR?

Senior U.S. Dollar Money Market Trader: Yes, I got it.

Global Head of Treasury: [. . .] I realize that the LIBOR [. . .] we're pretty much very far away from the [submission], so . . . well, **[the indemnification letter] doesn't completely protect but it shows that the bank was aware . . . so, there you go...**

Senior U.S. Dollar Money Market Trader: It won't stop us from ending up in prison, basically. Is that it? In Guantanamo [laughs]

Global Head of Treasury: I requested it so that way, you know, **it shows that the bank was actually aware of it at the highest level because we don't have a procedure that tells us to submit like we submit**, you know [. . .] and we're going to be individually interviewed because it's coming around quickly. The Americans are going [to ask us questions about our LIBOR submissions . . .].

October 3, 2011 (call)

Head of Paris Treasury: [. . .] **we had done a real interbank deal 50 bps above . . . the level we were fixing in LIBOR, we're going to have to answer for, to be really disingenuous and say it was to maintain a commercial relationship**, you know [. . .]

Global Head of Treasury: **are we in the high ones on LIBOR or not?**

Head of Paris Treasury: Well **yes, we're trying to stay on the panel, to be 4th or 5th, you see.**

Global Head of Treasury: [. . .] you can go up. You go up 1 bp every day until you catch up [. . .] we also said to stay pretty much, without, you know, to not necessarily stay . . . you know, no one is making us avoid being eliminated, that's something we're imposing on ourselves. So I suggest you go up [. . .] Because it's true that we are indeed, more and more, more and more, you know **we're going to have more and more problems, which will get harder and harder to [justify the submissions].**

Head of Paris Treasury: [. . .] **We're screwed.**

Global Head of Treasury: [. . .] In any case if **we're 50 bp [between our cost of funding and our LIBOR submissions], they know very well that 50 bp isn't due to [special circumstances . . .].**

Head of Paris Treasury: I don't know how we're going to explain it, but

Global Head of Treasury: Me neither [. . .] I have a bad feeling. I have a really really bad feeling about this whole thing.

Head of Paris Treasury: Yeah, apart from being dishonest [about the interbank deals] and saying that [deal] was the only one [at that level]

Examples of Société Générale's Attempts To Manipulate Euribor and Euro LIBOR, False Reporting of Euribor and Euro LIBOR, and Aiding and Abetting in the Attempted Manipulation of Euribor

Examples of Société Générale's Euro Derivatives Traders Request Skewed Euribor Submissions To Benefit Trading Positions

September 26, 2006 (email Euro Derivatives Trader to Senior Euro Derivatives Trader 1)

Euro Derivatives Trader: do you know who within the treasury give our [submission] for [E]uribor? If so do **want to see if he can skew a little low for tomorrow's reset!**

September 27, 2006

Senior Euro Derivatives Trader 1: [. . .] **we have a huge fixing today [. . .] on some 3 month [. . .]**

Head of Paris Treasury: [. . .] **we also [have a fixing . . .]**

Senior Euro Derivatives Trader 1: For us **it's in our interests that it fix as low as possible.**

[. . .]

Head of Paris Treasury: **Not our direction**

Senior Euro Derivatives Trader 1: It's not your direction

Head of Paris Treasury: What's the amount?

Senior Euro Derivatives Trader 1: 7 billion.

Head of Paris Treasury: Yeah, you're going to be bigger than us. Do you want to know where it should fix? I think it would fix below 38.

Senior Euro Derivatives Trader 1: [. . .] do you have a lot in the other direction?

Head of Paris Treasury 1: [. . .] **it's smaller than you . . . so we're going to try to fix it**

Senior Euro Derivatives Trader 1: **Middle of the range**

Head of Paris Treasury: **Middle** . . . **exactly**

Senior Euro Derivatives Trader 1: Ok excellent!

December 17, 2007 (Bloomberg chat with several Société Générale Euro derivatives traders)

Senior Euro Derivatives Trader 1: [. . .] Just had a speech with [the Head of Paris Treasury] to explain [our] pos[ition . . .] she agrees that current level is already high and risk minimum.

She knows now our risk I told her like a favour to contribute high rates today and lower for the coming days, that will cost me a lunch I guess

Euro Derivatives Trader 2: if it is a lunch at [restaurant], you should be fine.

January 16, 2009

Unknown Party 7: the EURIBOR is completely manipulated [. . .]

Senior Euro Derivatives Trader 2: What? You thought it wasn't manipulated before? (laughs) [. . .] . Just to reassure you, **in the past I was regularly asking [Euribor Submitter] to submit high or low [. . .] . And, so to reassure you, well I've done it with other banks too** . . . (laughs).

Examples of Société Générale's Euro Derivatives Traders Coordinating with Barclays Euro Derivatives Traders To Manipulate Euribor

May 31, 2006 (Bloomberg chat)

Barclays Senior Euro Derivatives Trader: **can you tell the guys at the treasury to put a low fixing on the 12m?**

Senior Euro Derivatives Trader 2: **ok [. . .] it's done [. . . the Euribor Submitter] said ok [. . .]**

July 6, 2006 (Bloomberg chat)

Barclays Senior Euro Derivatives Trader: **1m really low please** if you can

Senior Euro Derivatives Trader 2: **I'll ask [. . .] 1m fix well down**

Barclays Senior Euro Derivatives Trader: [. . .] **thank you**

October 18, 2006 (Bloomberg chat)

Barclays Senior Euro Derivatives Trader: if you can **low 1m and low 3m**

Senior Euro Derivatives Trader 2: [. . .] **low as requested**

March 16, 2007

Barclays Senior Euro Derivatives Trader: kids **I need a very low fixing**
Senior Euro Derivatives Trader 3: [. . .] **I asked they're looking into it [. . .] yes their interest is on lower too**
Barclays Senior Euro Derivatives Trader: **ok great thanks**

Examples of Société Générale's Fall 2007 Internal Attempts To Manipulate Euribor and Euro LIBOR in Order To Mitigate Losses from the Paris Treasury Desk's Trading Position

September 27, 2007

Back-up Yen LIBOR Submitter: Your 3 month EURIBOR, is that correct? 4.68?
Euro LIBOR/Euribor Submitter 1: Yes [. . .] **we have some instruction from [Global Head of Treasury] that [. . .] she would like the EURIBOR 3 month [. . .] lower . . . on the EURIBOR.**

October 10, 2007

Unknown Party 5: [. . .] are you still going to contribute at the same levels on the 3 Month? [. . .]
Euro LIBOR/Euribor Submitter 2: Yes. [. . .] **We have been instructed to [ensure] that [the 3 Month Euribor fixing] drops [. . .] And when you're told you have to, well [. . .]. You do it.**

October 10, 2007

Head of London Treasury: [. . .] **I've noticed the LIBOR fixings for euros that SG is out of line particularly with the market. [. . .] is there a particular reason for it?**
Then Head of Paris Treasury (eventual Global Head of Treasury): Yeah [. . .] because the EURIBOR [fixings] are very high. [. . .] And [. . .] **we are long [. . .] because we had to raise all this 3 Month money [. . .]. We end[ed] up long, very cash long [. . .] we are losing half a basis point every day.**
Head of London Treasury: [. . .] the BBA are analyzing LIBOR's that are out of line shall we say [. . .] all the major banks were pretty much in line [. . .].
Then Head of Paris Treasury (eventual Global Head of Treasury): [. . .] **I will discuss with the desk. [. . .] I think [this is] one way to push the market to go a little down and to push EURIBOR also down.**
Head of London Treasury: [. . .] if it is seen that SG's actually paying equal to or higher than the LIBORs they're setting in the market, it will cause major ructions [. . .] we're trying to get onto the Dollar LIBOR and [. . .] **we're on the [. . .] LIBOR committee [. . .] Which puts us in a bit of a difficult situation if we're kind of manipulating it.** So [. . .] I'm just fearful [. . .].
Then Head of Paris Treasury (eventual Global Head of Treasury): **Well the LIBOR [. . .] is just global manipulation by everybody** (laughs).

October 10, 2007

Head of Treasury for Europe and Asia: [. . .] **The 3 Month LIBOR and EURIBOR yesterday, we submitted it at 65, is that right?**

Euro LIBOR/Euribor Submitter 1: Yes.

Head of Treasury for Europe and Asia: Damn. **Why did we do that? Was it a mistake or did we try to [meet] the objectives?**

Euro LIBOR/Euribor Submitter 1: No. **No, it was to lower the fixings.**

Head of Treasury for Europe and Asia: Oh. So we went from 79 to 65.

Euro LIBOR/Euribor Submitter 1: [. . .] that's actually how **we're trying to lower the fixings** [. . .].

Head of Treasury for Europe and Asia: And, what is our interest in lowering the fixings?

Euro LIBOR/Euribor Submitter 1: [. . .] **It's [then Head of Paris Treasury (eventual Global Head of Treasury)] along with Senior Euro Money Market Trader as well who asked us to do it.**

November 30, 2007

Head of London Treasury: I spoke to [Then Head of Paris Treasury (eventual Global Head of Treasury)] [. . .] I think [. . .] **You tried to [. . .] guide the LIBORs lower for a while there [. . .] by breaking ranks with everyone and quoting a lower price?** I think it was for a while [. . .] I think it was in the beginning to mid part of October

Head of Paris Treasury: **We have fixed once the EURIBOR lower when we were long December contracts. Yeah, it was some manipulation, we can say.**

Head of London Treasury: Yeah

Examples of Société Générale's Manipulation, Attempted Manipulation, and False Reporting of Yen LIBOR To Benefit Société Générale Trading Positions

July 13, 2006 (call from Senior Yen Derivatives Trader to Yen LIBOR Submitter)

Senior Yen Derivatives Trader: Ah hello. My name is [. . .] I'm calling from Tokyo. **I don't know if [Global Head of Treasury] told you he told me to call you.**

Yen LIBOR Submitter: Yeah.

Senior Yen Derivatives Trader: Yeah. Erm, basically what I want to discuss with you actually no, we have a big derivatives booking yeah.

Yen LIBOR Submitter: Yeah.

Senior Yen Derivatives Trader: Yeah, and if that if you don't mind, **we would like you to try to adjust your contribution to the LIBOR to help the fixing to go our way.**

Yen LIBOR Submitter: Er, **well we can try within reason, yes certainly.**

August 31, 2006 (communication between Senior Yen Derivatives Trader and Head of Treasury for Europe and Asia)

Senior Yen Derivatives Trader: say, who is replacing [Yen LIBOR Submitter]?? **Can you tell him to put the 3m JPY LIBOR as high as possible, and the 6m as low as possible and to really go to battle**, there is 400b on the two fixings . . . they're already going to cost us a lot

Head of Treasury for Europe and Asia: [Back-up Yen LIBOR Submitter], he knows what is going on

August 20, 2007

Senior Yen Derivatives Trader (copying Head of Treasury for Europe and Asia): hi. **we have quite a big libor 6mth fixing today could you try for us to make it a tad lower if possible?**

Yen LIBOR Submitter: . . . **I will try and help.**