



How the rogue trade was unravelled



SOCIETE GENERALE

Wednesday, Jan 2

Mr Jerome Kerviel starts New Year trading by building up an exposure of billions of euros on each of the three most liquid European exchange futures indexes, but markets move sharply against him over the following fortnight.

Friday, Jan 18

Risk department notices irregularities in identity of trade counterparty. Mr Jean-Pierre Mustier, head of Societe Generale (SG) investment banking, is alerted and returns to office.

Saturday, Jan 19

Rogue trader Jerome Kerviel is summoned to SG's Paris headquarters where Mr Mustier interrogates him through the night, establishing that he is concealing losses of around 1.5 billion euros (\$10.2 billion). Rogue SG board meets to discuss problems, approves emergency rights issue. Regulators at Banque de France agree that SG should attempt to unwind the position before disclosing it.

Monday, Jan 21 - Wednesday, Jan 23

SG unwinds positions but sharp market falls exacerbate losses, with its trades accounting for an estimated 10 per cent of daily volumes. By the time positions are closed, the loss has swelled to 4.9 billion euros.