

PROSPECTUS DATED 20 MAY 2008



SOCIÉTÉ GÉNÉRALE
(incorporated in the Republic of France as a *société anonyme*)

€1,000,000,000
UNDATED DEEPLY SUBORDINATED FIXED TO FLOATING RATE NOTES
Issue Price: 100%

The €1,000,000,000 undated deeply subordinated fixed to floating rate notes (the **Notes**) of Société Générale (the **Issuer**) will be issued outside the French Republic on 22 May 2008 (the **Issue Date**) in the denomination of €50,000 each. The Notes have no final maturity date and holders of the Notes do not have the right to call for their redemption.

The Notes will bear interest (i) from (and including) the Issue Date to (but excluding) 22 May 2013 (the **Fixed Rate Period**), at a fixed rate of 7.756 per cent. per annum payable annually in arrear on 22 May in each year and commencing on 22 May 2009, and (ii) thereafter (the **Floating Rate Period**), at a floating rate calculated on the basis of 3-month Euribor plus a margin of 3.35 per cent. per annum payable quarterly in arrear on or about 22 May, 22 August, 22 November and 22 February in each year, commencing on 22 August 2013, as further described in "Terms and Conditions of the Notes – Interest and Interest Suspension".

For so long as compulsory interest provisions do not apply, the Issuer may elect, and in certain circumstances shall be required, not to pay interest falling due on the Notes on any Interest Payment Date (as defined in Condition 1 of the Notes). Any interest not paid on such date shall be forfeited and no longer be due and payable by the Issuer, as further described in "Terms and Conditions of the Notes - Interest and Interest Suspension".

The Current Principal Amount (as defined in Condition 1 of the Notes) of the Notes may be written down if certain regulatory events occur. Following such reduction, the Current Principal Amount can be written back up if certain conditions are met, as further described in "Terms and Conditions of the Notes - Loss Absorption and Return to Financial Health".

Upon the occurrence of certain regulatory events or events relating to deductibility of interest for tax purposes, all (but not some only) of the Notes may, and in certain circumstances shall, be redeemed at their Early Redemption Amount (as defined in Condition 1 of the Notes), subject to the prior written approval of the *Secrétariat général de la Commission bancaire* in France. See "Terms and Conditions of the Notes - Redemption and Purchase".

The obligations of the Issuer in respect of principal and interest on the Notes (which constitute *obligations*) are direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank *pari passu* among themselves and with all other present and future Support Agreement Claims and Tier 1 Subordinated Notes but shall be subordinated to present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer as further described in "Terms and Conditions of the Notes - Status of the Notes and Subordination".

The Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**) is the competent authority in Luxembourg for the purpose of Directive n°2003/71/EC (the **Prospectus Directive**) and the Luxembourg law on prospectuses for securities of 10 July 2005, for the purpose of approving this Prospectus. Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market (regulated by Directive 2004/39/EC) of the Luxembourg Stock Exchange.

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on the Issue Date with a common depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 2 July 2008 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances - see "*Summary of Provisions relating to the Notes while represented by the Global Notes*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

The Notes are expected to be assigned, on issue, a rating of "A1" by Moody's Investors Service, Inc. (**Moody's**) and a rating of "A" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**). The ratings address the Issuer's ability to perform its obligations under the terms of the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by Moody's or S&P. A suspension, reduction or withdrawal of either rating assigned to the Notes may adversely affect the market price of the Notes.

An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.

Bookrunner and Lead Manager
Société Générale Bank & Trust

Co-Lead Managers

Banca IMI S.p.A.

Barclays Bank Plc

J.P.Morgan Securities Ltd.

Merrill Lynch International

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information contained in this Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

*In this Prospectus, unless the context otherwise requires, (i) references to the **Issuer** or to **Société Générale** mean Société Générale (parent company) and (ii) references to the **Société Générale Group** or the **Group** mean Société Générale and its consolidated subsidiaries.*

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see the section entitled "Documents Incorporated by Reference"). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus.

*The Managers (as defined in the section entitled **Subscription and Sale**) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes. The Managers do not accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.*

This Prospectus comprises a prospectus for the purpose of (i) Article 5.3 of the Prospectus Directive and (ii) the relevant implementing measures in the Grand Duchy of Luxembourg and, in each case, for the purpose of giving information with regard to the Issuer.

In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Managers to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue and sale of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention. Investors should review, inter alia, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Notes.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, its business, its financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom, France and Italy, see the section entitled "Subscription and Sale".

*The Notes have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state of the United States of America and may not be offered, sold or delivered within the United States of America or to or for the account or benefit of any person in the United States of America, within the meaning of Regulation S under the Securities Act (**Regulation S**), or to any person acting on a non-discretionary basis for any person in the United States of America.*

In this Prospectus, unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union.

Any amendments of the Terms and Conditions of the Notes will be subject to the prior approval of the Secrétariat général de la Commission bancaire.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. The Issuer and the Group may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors. Please refer to the section entitled "Risk Factors" below.

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SUMMARY

This summary of the terms and conditions of the Notes must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them in the section entitled "Terms and Conditions of the Notes".

Issuer:	Société Générale
Description:	€1,000,000,000 Undated Deeply Subordinated Fixed to Floating Rate Notes (the Notes).
Managers:	Société Générale Bank & Trust as Bookrunner and Lead Manager and Banca IMI S.p.A., Barclays Bank Plc, J.P.Morgan Securities Ltd. and Merrill Lynch International as Co-Lead Managers
Fiscal Agent and Paying Agent:	Société Générale Bank & Trust
Calculation Agent:	Société Générale Bank & Trust
Denomination:	€50,000 per Note.
Original Principal Amount:	€50,000 per Note, not taking into account any Loss Absorption or Reinstatement, pursuant to Conditions 5.1 (Loss Absorption) and 5.2 (Return to Financial Health).
Current Principal Amount:	At any time, the principal amount of each Note calculated on the basis of the Original Principal Amount of such Note as such amount may be reduced, on one or more occasions pursuant to the application of the Loss Absorption mechanism and/or reinstated on one or more occasions following a Return to Financial Health.
Maturity:	The Notes will be undated securities of the Issuer with no fixed redemption or maturity date.
Form of the Notes:	The Notes will be in bearer form in the denomination of €50,000. The Notes will initially be represented by the Temporary Global Note, without interest coupons or talons, which will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg on or about the Issue Date. The Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without interest coupons or talons, not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable for definitive Notes only in the

limited circumstances set out in the Permanent Global Note, as described under "Summary of Provisions relating to the Notes while represented by the Global Notes" below.

Status of the Notes:

The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of article L.228-97 of the French *Code de commerce*.

The obligations of the Issuer in respect of principal and interest on the Notes (which constitute *obligations*) are direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and with all other present and future Support Agreement Claims and Tier 1 Subordinated Notes but shall be subordinated to present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer.

The principal and interest of the Notes shall rank in priority to Issuer Shares. In the event of liquidation, the principal and interest of the Notes shall rank in priority to any payments to holders of Issuer Shares.

Negative Pledge:

There will be no negative pledge in respect of the Notes.

Events of Default:

There will be no events of default in respect of the Notes. However, the Notes must be redeemed in the event of liquidation of the Issuer.

Interest:

Each Note bears interest on its Current Principal Amount at a fixed rate of 7.756 per cent. per annum (the **Fixed Interest Rate**) from (and including) 22 May 2008 (the **Issue Date**) to (but excluding) the First Call Date, payable annually in arrear on 22 May in each year (each, a **Fixed Rate Interest Payment Date**), commencing on 22 May 2009 until (and including) the First Call Date and thereafter at the Floating Interest Rate for each Floating Rate Interest Period as determined by the Calculation Agent in accordance with Condition 4.3 (Description of the Floating Rate Interest) below payable quarterly in arrear on 22 May, 22 August, 22 November and 22 February in each year (each a **Floating Rate Interest Payment Date**), commencing on 22 August 2013.

First Call Date means 22 May 2013.

Floating Interest Rate means a floating rate calculated on the basis of 3-month Euribor plus a margin of 3.35 per cent. per annum.

Floating Rate Interest Period means the period beginning on (and including) the First Call Date and ending on (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

Interest payments are subject to the provisions set forth below under "Interest Payments", "Loss Absorption" and "Reinstatement".

Interest Payments:

Compulsory Interest and Optional Interest

(a) On any Compulsory Interest Payment Date

The Issuer shall, on each Compulsory Interest Payment Date, for so long as the compulsory interest provisions apply (as set out in the definition of Compulsory Interest Payment Date), pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on (but excluding) such Compulsory Interest Payment Date.

Interest on each Note with respect to, and falling due on, any Compulsory Interest Payment Date will be calculated on the basis of its Current Principal Amount.

(b) On any Optional Interest Payment Date

For so long as the compulsory interest provisions do not apply, the Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to restoring its regulatory capital in order to ensure the continuity of its activities.

On any Optional Interest Payment Date, the Issuer may, at its option, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on (but excluding) such Optional Interest Payment Date, but subject to such election and decision having been made as described above, the Issuer shall have no obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Interest on each Note with respect to, and falling due on, any Optional Interest Payment Date will be calculated on the basis of its Current Principal Amount.

Save as otherwise provided, any interest not paid on an Optional Interest Payment Date will be forfeited and accordingly will no longer be due and payable by the Issuer.

Interest will cease to accrue from (and including) the date of the occurrence of a Supervisory Event to (but excluding) the date of the occurrence of the End of Supervisory Period.

Optional Interest and Supervisory Event

(c) Interest Payable on Optional Interest Payment Dates following the occurrence of a Supervisory Event

In the event that a Supervisory Event occurs during the Interest Period ending on (but excluding) an Optional Interest Payment Date:

- (i) the payment of Broken Interest, if any, in respect of each Note shall automatically be suspended and, in

addition, the amount of Broken Interest may be reduced to absorb losses in accordance with Condition 5.1; and

- (ii) no interest on the Notes shall accrue nor be payable by the Issuer with respect to the remaining period in such Interest Period or any other Interest Period during the period starting on (and including) the date of the Supervisory Event and ending on (but excluding) the date of the occurrence of the End of Supervisory Period.
- (d) Interest Payable on Optional Interest Payment Dates after End of Supervisory Period

At the option of the Issuer, any Broken Interest, to the extent not reduced to absorb losses in accordance with Condition 5.1 (Loss Absorption), may be paid on the first Optional Interest Payment Date falling on or after the date of the occurrence of the End of Supervisory Period. Any Broken Interest not paid by the Issuer on such first Optional Interest Payment Date will be forfeited.

Loss Absorption:

In the event of the occurrence of a Supervisory Event, the board of directors of the Issuer will convene an extraordinary shareholders' meeting during the 3 months following the occurrence of the Supervisory Event in order to propose a share capital increase or any measure regarded as necessary or useful to remedy the Supervisory Event. The Issuer shall not be required to convene an extraordinary shareholders' meeting pursuant to Condition 5 (Loss Absorption and Return to Financial Health) if the board of directors has the power to decide such share capital increase. If the share capital increase or any proposed measures are not accepted by the extraordinary shareholders' meeting or if the share capital increase is not sufficiently subscribed to remedy the Supervisory Event, or if the Supervisory Event remains on the last day of the financial half year during which the Supervisory Event has occurred, the board of directors of the Issuer will implement, within 10 Business Days following the last day of this financial half year, a reduction of the amount of Broken Interest, if any, and thereafter, if necessary, of the Current Principal Amount of the Notes (**Loss Absorption**). A Loss Absorption will firstly be implemented by partially or fully reducing the amount of the Broken Interest, if any. If the total reduction of Broken Interest is not sufficient for the purpose of the Loss Absorption, a further Loss Absorption will be implemented by partially or fully reducing the Current Principal Amount of the Notes.

The amounts by which Broken Interest and, as the case may be, the Current Principal Amount of the Notes are reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities, will be the lower of (i) the amount of losses of the Issuer which, following a Supervisory Event, have not been allocated to its shareholders funds (*capitaux propres*) as set out in its consolidated accounts and (ii) the sum of the amounts of Broken Interest, if any, and the Current Principal Amount of the Notes before such reduction.

Notwithstanding any other provision, the Current Principal Amount of each Note shall never be reduced to an amount lower than one cent.

For the avoidance of doubt, the first remedy to the Supervisory Event will be the share capital increase pursuant to the issue by the Issuer of Issuer Shares in relation to the measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy such Supervisory Event. To the extent such increase of share capital is not sufficient, the Loss Absorption will be applied first against the amount of Broken Interest, if any, and thereafter, if necessary, against the Current Principal Amount of the Notes as herein described.

Broken Interest and the Current Principal Amount of the Notes pursuant to the above provision may be reduced on one or more occasions, as required.

In the event that other Tier 1 Subordinated Notes which would be subject to such reductions are outstanding, such reductions will be applied on a pro-rata basis among the Notes and such other Tier 1 Subordinated Notes.

Accrued Interest payable on any Compulsory Interest Payment Date is not subject to reduction.

Reinstatement:

If a positive Consolidated Net Income is recorded for at least two consecutive financial years following the date of the occurrence of the End of Supervisory Period (a **Return to Financial Health**), the Issuer shall increase the Current Principal Amount of the Notes (a **Reinstatement**) to the lower of (i) the maximum principal amount that would not trigger the occurrence of a Supervisory Event and (ii) the Original Principal Amount.

The Issuer shall increase the Current Principal Amount of the Notes to the lower of (a) the maximum principal amount that would not trigger the occurrence of a Supervisory Event and (b) the Original Principal Amount if, at any time from (and including) the date of the occurrence of any End of Supervisory Period, and whether or not a Return to Financial Health has occurred, any of the following events has occurred:

- (a) any declaration or payment by the Issuer of a dividend (whether in cash, shares or any other form, but not including a dividend consisting solely of newly issued Issuer Shares), or more generally any payment of any nature, by the Issuer on Issuer

Shares; or

- (b) any payment of any nature by the Issuer (whether in cash, shares or any other form, but not including a dividend consisting solely of newly issued Issuer Shares) on any Tier 1 Subordinated Notes, any Support Agreement or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes, *provided that*, in each case, such payment was not itself compulsorily required to be paid solely as a result of a dividend or other payment having been made on any Parity Securities, any Issuer Shares, the Notes, any Tier 1 Subordinated Notes, any Support Agreement or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes; or
- (c) any optional redemption by the Issuer of the Notes.

No such Reinstatement shall be made as a result of a redemption or repurchase by the Issuer or any subsidiary of the Issuer of any Parity Securities, other Tier 1 Subordinated Notes or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes or in the event of a redemption, repurchase or other acquisition by the Issuer of Issuer Shares.

The amount of any Reinstatement will not exceed the amount of the latest Consolidated Net Income of the Issuer.

For the avoidance of doubt, any Reinstatement shall be made up to such maximum amount, to the extent any such Reinstatement does not trigger the occurrence of a Supervisory Event.

In the event that other Tier 1 Subordinated Notes are outstanding and may also benefit from a reinstatement or an increase of their then current principal amount in accordance with their terms, any Reinstatement will be applied on a pro-rata basis with other reinstatements made on such other Tier 1 Subordinated Notes.

Such Reinstatement shall be made on one or more occasions in the conditions described above until the Current Principal Amount of the Notes has been reinstated to the Original Principal Amount (save in the event of occurrence of another Supervisory Event).

Call from the First Call Date:

On the First Call Date and on any Interest Payment Date thereafter, the Issuer, subject to having given not less than 30, and not more than 45, calendar days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 11 (a **General Call Notice**), and subject to prior approval of the SGCB, may, at its option, redeem all, but not some only, of the Notes at their Original Principal Amount, together with any amounts outstanding thereon, including Accrued Interest.

Call before or after the First Call Date for Taxation Reasons or Regulatory Reasons:

- (i) If by reason of any change in French law, any change in Applicable Banking Regulations, or any change in the official application or interpretation of such laws or regulations,

becoming effective on or after the Issue Date, the proceeds of the Notes cease to be eligible as Tier 1 Capital for the Issuer, the Issuer may, at its option, on any Interest Payment Date falling prior to the First Call Date, subject to having given not more than 45 nor less than 30 calendar days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital (an **Early Redemption Date**).

- (ii) If by reason of any change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations, or any other change in the tax treatment of the Notes, becoming effective on or after the Issue Date, interest payment under the Notes was but is no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date falling prior to the First Call Date, subject to having given not more than 45 nor less than 30 calendar days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes (an **Early Redemption Date**).
- (iii) If by reason of a change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (Taxation), the Issuer may, on any Interest Payment Date falling prior to the First Call Date, subject to having given not more than 45 nor less than 30 calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of

principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter (an **Early Redemption Date**).

- (iv) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable (including any additional amounts which would be payable pursuant to Condition 8 (Taxation) but for the operation of such French law), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than ten Business Days' prior notice to the Noteholders in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes then outstanding at their Original Principal Amount provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or, if such date has passed, as soon as practicable thereafter (an **Early Redemption Date**).

Taxation:

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer shall, to the fullest extent permitted by law, pay such additional amount as may be necessary, in order that each Noteholder, after deduction or withholding of such Taxes, will receive the full amount then due and payable except in certain cases.

Meetings of Noteholders:

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Listing and admission to trading:

Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. Such listing and admission to trading is expected to occur as of the Issue Date or as soon as practicable thereafter.

Ratings: The Notes are expected to be assigned, on issue, a rating of "A1" by Moody's Investors Service, Inc, (**Moody's**) and a rating of "A" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**). The ratings address the Issuer's ability to perform its obligations under the terms of the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by Moody's or S&P. A suspension, reduction or withdrawal of either rating assigned to the Notes may adversely affect the market price of the Notes.

Risk factors There are risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes and risk factors that are material for assessing the market risk associated with the Notes. The Risks factors are described in the section entitled "Risk Factors" below.

Selling Restrictions: The Issuer has not registered, and will not register, the Notes under the Securities Act or any state securities laws. Accordingly, the Notes may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws. There are restrictions on the sale of the Notes and the distribution of offering material relating to the Notes in various jurisdictions. See "Notice to Investors" and "Subscription and Sale".

Governing Law: The Notes will be governed by, and construed in accordance with, English law, except that the Subordination provisions of the notes (set out in Condition 3 (Status of the Notes and Subordination) will be governed by French law.

Note Codes: The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear under Note Codes.

The International Securities Identification Number (ISIN) for the Notes is XS0365303329 and the Common Code is 36530332.

RISK FACTORS

Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Prospectus and, in particular, the risk factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment. This section is not intended to be exhaustive and prospective investors should make their own independent evaluation of all risk factors and should read the detailed information set out elsewhere in this Prospectus. Other risks and uncertainties unknown to the Group or considered insignificant at this time could equally have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer. Words and expressions defined in the Sections entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this Section.

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

RISK FACTORS RELATING TO THE ISSUER

See Section "Risk factors relating to the Issuer" in the Cross-Reference List on page 21 of this Prospectus with respect to Documents Incorporated by Reference.

RISK FACTORS RELATING TO THE NOTES

The Notes are undated securities and need not be redeemed by the Issuer.

The Notes are undated securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time (except as provided in Condition 6 of the Notes (Redemption and Purchase)).

The Noteholders have no right to require redemption of the Notes, except if a judgment is issued for the insolvent judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason. See Condition 9 of the Notes (Enforcement Event).

The Notes are deeply subordinated obligations and will be subordinated to all the Issuer's existing and future indebtedness.

The Notes are by their terms deeply subordinated in right of payment to all current and future unsubordinated and ordinarily subordinated indebtedness of the Issuer and any *prêts participatifs* granted to the Issuer and any *titres participatifs* issued by it (participating loans and participating securities, respectively, each as defined under French law). If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Notes shall rank in priority only to any payments to holders of Issuer Shares. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Notes will be terminated. Although the Notes may pay a higher rate of interest than comparable notes which are not deeply subordinated, there is a greater potential risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent.

As of 31 December 2007, the Issuer had indebtedness of €1,090.1 billion, including but not limited to debt due to banks, customer deposits (including savings accounts), debt securities, other liabilities and subordinated indebtedness, all of which are senior to the Notes.

The Issuer is not prohibited from issuing further debt which may rank pari passu with or senior to the Notes.

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes or on the amount of securities that it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's bankruptcy. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment. As of 31 December 2007, the Issuer had €4.1 billion of indebtedness outstanding that ranks *pari passu* to the Notes.

There are no events of default under the Notes.

The Conditions of the Notes do not provide for events of default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on, the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In certain circumstances, the Issuer may decide not to pay interest on the Notes or be required by the terms of the Notes not to pay such interest.

For so long as the compulsory interest provisions do not apply, the Issuer may elect, and in certain circumstances shall be required, not to pay interest falling due on the Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date shall be forfeited and shall no longer be due and payable by the Issuer, save as otherwise provided. See Condition 4 of the Notes (Interest and Interest Suspension).

In addition, in certain circumstances, payment of interest will be suspended automatically upon the occurrence of a Supervisory Event. See Condition 4 of the Notes (Interest and Interest Suspension).

The Issuer may reduce the principal amount of the Notes to absorb losses.

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Tier 1 Capital of the Issuer. See Condition 3 of the Notes (Status of the Notes and Subordination) and "Capital Adequacy of the Société Générale Group". Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Terms and Conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, in certain circumstances and/or upon the occurrence of certain events, payments of interest under the Notes may be restricted and, in certain cases, forfeited and the amount of Broken Interest and the Current Principal Amount of the Notes may be reduced. See Condition 5 of the Notes (Loss Absorption and Return to Financial Health).

The Issuer may redeem the Notes under certain circumstances.

The Notes are undated securities in respect of which there is no fixed redemption or maturity date. Nevertheless, the Notes may be redeemed at the option of the Issuer (a) in whole (but not in part) on the First Call Date and on any Interest Payment Date thereafter and (b) in whole (but not in part) at any time for certain tax or regulatory reasons. See Condition 6 of the Notes (Redemption and Purchase). Early redemption of the Notes is subject to the prior approval of the *Secrétariat général de la Commission bancaire*.

Redemption for tax reasons

The Issuer may redeem the Notes in whole (but not in part) if (i) certain tax law changes requiring the payment of additional amounts occur, if the Issuer would become obligated to pay additional amounts in respect of French withholding tax as a result of a change in French tax law or interpretation of such law becoming effective after the issue date of the Notes or (ii) if interest payment under the Notes was but is no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes. Any redemption of the Notes will be subject to Condition 6.2 of the Notes (Redemption and Purchase).

Redemption for regulatory reasons

The Issuer may redeem the Notes in whole (but not in part) if, as a result of any change in French law or regulations, or any change in the official application or interpretation thereof, the proceeds of the Notes cease to be eligible as Tier 1 Capital for the Issuer.

In each of the above cases, there can be no assurance that, at the relevant time, investors will be able to reinvest the amounts received upon redemption at a rate that will provide the same returns as their investment in the Notes.

The Notes are a new issue of securities, and there is no assurance that a trading market will develop or that it will be liquid.

The Notes are a new issue of securities and have no established trading market and there can be no assurance that an active trading market will develop. Even if an active trading market does develop, no one, including any of the Managers, is required to maintain its liquidity. The liquidity and the market prices for the Notes can be expected to vary with changes in market and economic conditions, the Issuer's financial condition and prospects and other factors that generally influence the market prices of securities.

Any decline in the credit ratings of the Issuer or changes in rating methodologies may affect the market value of the Notes.

The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those on the offered Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the Notes. The Issuer expects that two credit rating agencies will assign credit ratings to the Notes on issue. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, the rating agencies may change their methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

Interest payments in respect of the Notes may be subject to the EU Savings Directive.

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange

with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

No voting rights

The Notes do not give the Noteholders the right to vote at meetings of the shareholders of the Issuer.

No legal and tax advice

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published and that have been filed with the CSSF in Luxembourg and shall be incorporated in, and form part of, this Prospectus (together, the **Documents Incorporated by Reference**):

- (a) the English version of the 2008 document de référence of Société Générale submitted to the *Autorité des marchés financiers* on 3 March 2008 under No. D.08-0084, except for page 1 containing the *Autorité des marchés financiers* visa, the statement made by M. Bouton of Société Générale at page 354 and Chapter 13, pages 357 to 358 containing the Cross Reference Table (the **2008 Registration Document**). To the extent that the 2008 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein. The 2008 Registration Document contains, among other things, the audited annual consolidated financial statements of Société Générale for the financial year ended 31 December 2007 and the related notes (at pages 168-265) and audit report (at pages 266-267);
- (b) the Société Générale Press Release dated 11 March 2008 with respect to a €5.5 billion capital increase for Société Générale;
- (c) the Société Générale Press Release dated 17 March 2008 in relation to the appointment of Frédéric Oudea as Deputy Chief Officer of Société Générale Group;
- (d) the two Société Générale Press Releases dated 19 March 2008 in relation to (i) Jean-François Gautier and Jean-Louis Mattei joining the Executive Committee of Société Générale Group; and (ii) the new appointment and mandate renewal of directors proposed for Société Générale's Board of Directors;
- (e) the Société Générale Press Release dated 21 March 2008 in relation to class action in the United States;
- (f) the Société Générale Press Release dated 17 April 2008 in relation to the dissociation of the functions of Chairman and Chief Executive Officer;
- (g) the Société Générale Press Release dated 9 May 2008 in relation to the appointment of Didier Valet as Group Chief Financial Officer;
- (h) the two Société Générale Press Releases dated 12 May 2008 in relation to (i) the appointment of Daniel Bouton as Chairman and Frédéric Oudea as Chief Executive Officer; and (ii) the appointment of Sylvie Rucar as Chief Executive Officer of SG Global Investment Management and Services and Arnaud Jacquemin as Deputy Chief Financial Office; and
- (i) the Société Générale Press Release dated 13 May 2008 in relation to the first quarterly results of Société Générale.

Any information not specifically referred to above but contained in a document incorporated by reference herein is incorporated by reference for information purposes only.

Copies of documents incorporated by reference in this Prospectus can be obtained from the office of Société Générale and the specified office of each of the Paying Agents, in each case at the address given at the end of this Prospectus. This Prospectus and the documents incorporated by reference are available on the Luxembourg Stock Exchange's website at www.bourse.lu and on the Issuer's website at www.socgen.com.

Any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Documents Incorporated by Reference shall be read in connection with the table below (as set out in **Cross-Reference List**). Any information contained in the Documents Incorporated by Reference that is not cross-referenced in the following table is for informational purposes only.

CROSS-REFERENCE LIST

Information included in the 2008 Registration Document

RISK FACTORS	
Risk factors that may affect the issuer's ability to fulfil its obligations under the securities	2008 Registration Document, pages 128 to 130 and 132 to 160
INFORMATION ABOUT THE ISSUER	
HISTORY AND DEVELOPMENT OF THE ISSUER	
The legal and commercial name of the Issuer	2008 Registration Document, pages 2 and 338
The place of registration of the Issuer and its registration number	2008 Registration Document, page 338
The date of incorporation and the length of life of the Issuer	2008 Registration Document, page 338
The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office	2008 Registration Document, page 338
Recent Events	2008 Registration Document, page 51
BUSINESS OVERVIEW	
PRINCIPAL ACTIVITIES	
A description of the Issuer's principal activities stating the main categories of products sold and/or services performed	2008 Registration Document, pages 6 to 11 and 47 to 48
ORGANISATIONAL STRUCTURE	
If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	2008 Registration Document, pages 24 to 25
ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
Names, business addresses and functions in the Issuer of the members of the administrative, management, and supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:	2008 Registration Document, pages 64 to 74

CONFLICTS OF INTEREST	
Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	2008 Registration Document, page 68
MAJOR SHAREHOLDERS	
To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	2008 Registration Document, page 21 and page 333
A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.	Not applicable
FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	2008 Registration Document, pages 162 to 265 (consolidated) and 269 to 328 (parent)
FINANCIAL STATEMENTS	
If the Issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	2008 Registration Document, pages 162 to 265 (consolidated) and 269 to 328 (parent)
AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION	
A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	2008 Registration Document, pages 266 to 267 and 330 to 331
MATERIAL CONTRACTS	
A brief summary of all material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued.	2008 Registration Document, page 61

BALANCE SHEET	2008 Registration Document, pages 162 to 163
INCOME STATEMENT	2008 Registration Document, page 164
NOTES AND AUDITORS' REPORT	2008 Registration Document, pages 168 to 267

TERMS AND CONDITIONS OF THE NOTES

*The following (except for paragraphs in italics) is the text of the terms and conditions applicable to the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the definitive notes (if any) issued in respect of the Notes and incorporated by reference into the global notes representing the Notes (the **Global Notes**). See The Global Notes (below) for a description of provisions that apply to the Notes while they are represented by Global Notes, some of which modify the effect of the following terms and conditions.*

The issue outside the Republic of France of the €1,000,000,000 Undated Deeply Subordinated Fixed to Floating Rate Notes (the **Notes**, which expression shall in these Conditions, include any further notes issued pursuant to Condition 13 (Further Issues) and forming a single series with the Notes) of Société Générale (the **Issuer**) was decided on or about 19 May 2008 by Frédéric Oudea, acting pursuant to a resolution of the board of directors (*conseil d'administration*) of the Issuer dated 13 May 2008. The Notes are issued subject to and with the benefit of a fiscal agency agreement (the **Agency Agreement**) dated on or about 22 May 2008 between the Issuer, Société Générale Bank & Trust as fiscal agent and principal paying agent (the **Fiscal Agent**, which expression shall, where the context so admits, include any successor for the time being of the Fiscal Agent), and the other paying agents named therein (together, the **Paying Agents**, which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of the Paying Agents or any additional paying agents appointed thereunder from time to time). Société Générale will act as calculation agent (the **Calculation Agent**, which expression shall, where the context so admits, include any successor for the time being of the Calculation Agent). Reference below to the **Agents** shall be to, the Fiscal Agent, the Paying Agents and/or the Calculation Agent, as the case may be. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons and the talons (**Talons**) for further interest coupons appertaining to the Notes respectively, the **Couponholders** and the **Coupons** (which expression shall in these Conditions, unless the context otherwise requires, include the holders of the Talons and the Talons respectively) at the specified offices of each of the Paying Agents. References herein to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1. DEFINITIONS

For the purposes of these Conditions:

Actual/Actual – (ICMA) has the meaning set forth in Condition 4.2 (Description of the Fixed Rate Interest).

Accrued Interest means any interest accrued and due.

Adjusted Yield means the Bond Yield plus 1 per cent.

Applicable Banking Regulations means, at any time, the capital adequacy regulations then in effect of the regulatory authority in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other relevant jurisdiction) having authority to adopt capital adequacy regulations with respect to the Issuer.

BIS Press Release has the meaning set forth in Condition 3 (Status of the Notes and Subordination).

Bond Yield means the rate per annum equal to the annual yield to maturity of the Comparable Bond Issue, assuming a price equal to the Comparable Bond Price for the Calculation Date.

Broken Interest means, in respect of any Interest Period whose Interest Payment Date is an Optional Interest Payment Date, the amount of interest which accrues on the Notes, as calculated by

the Calculation Agent, with respect to the period from (and including) the immediately preceding Interest Payment Date (or in the case of the first Interest Period, the Issue Date) to (but excluding) the date of the occurrence of a Supervisory Event.

Business Day means, unless otherwise specified, a day (other than a Saturday or Sunday) on which commercial banks are open for business in Paris and Luxembourg.

Calculation Agent means Société Générale Bank & Trust.

Calculation Date means the third TARGET Settlement Day prior to the Early Redemption Date.

Comparable Bond Issue means, with respect to any Early Redemption Date, the bond selected by the Quotation Agent that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes from the Early Redemption Date to the First Call Date.

Comparable Bond Price means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (b) if the Quotation Agent obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

Compulsory Interest Payment Date means each Interest Payment Date prior to which, at any time during a period of one year prior to such Interest Payment Date:

- (a) the Issuer declared or paid a dividend (whether in cash, shares or any other form, but not including a dividend consisting solely of newly issued Issuer Shares), or more generally made a payment of any nature, on any Issuer Shares; or
- (b) the Issuer made a payment of any nature (whether in cash, shares or any other form, but not including a dividend consisting solely of newly issued Issuer Shares) on any Tier 1 Subordinated Notes, any Support Agreement or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes, *provided that*, in each case, such payment was not itself compulsorily required to be paid solely as a result of a dividend or other payment having been made on any Parity Securities, any Issuer Shares, the Notes, any Tier 1 Subordinated Notes, any Support Agreement or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes; or
- (c) any subsidiary of the Issuer which has issued Parity Securities declared or paid a dividend on such Parity Securities, *provided that* such dividend was not itself compulsorily required to be paid solely as a result of a dividend or other payment having been made on such Parity Securities, any other Parity Securities, any Issuer Shares, the Notes, any Tier 1 Subordinated Notes, any Support Agreement or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes,

provided however that, if a Supervisory Event occurred during the Interest Period immediately preceding such Interest Payment Date, such Interest Payment Date shall only be a Compulsory Interest Payment Date if such Supervisory Event occurred prior to the relevant event described in sub-paragraph (a), (b) or (c) above.

For the avoidance of doubt, there will be no Compulsory Interest Payment Date as a result of a redemption or repurchase by the Issuer or any subsidiary of the Issuer of any Parity Securities, Tier 1 Subordinated Notes (including the Notes) or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes or as a result of a redemption, repurchase or other acquisition by the Issuer of any class of Issuer Shares.

Consolidated Net Income means the consolidated net income (excluding minority interests) of the Issuer, as calculated and set out in the audited annual consolidated accounts of the Issuer adopted by the Issuer's shareholders' general meeting.

Coupon has the meaning set forth above.

Couponholder has the meaning set forth above.

CRBF Regulation has the meaning set forth in Condition 3 (Status of the Notes and Subordination).

Current Principal Amount means, at any time, the principal amount of each Note calculated on the basis of the Original Principal Amount of such Note as such amount may be reduced, on one or more occasions pursuant to the application of the Loss Absorption mechanism and/or reinstated on one or more occasions following a Return to Financial Health, as the case may be, pursuant to Conditions 5.1 (Loss Absorption) and 5.2 (Return to Financial Health).

Early Redemption Amount means an amount payable in respect of each Note on an Early Redemption Date which shall be the higher of (a) the Original Principal Amount together with any Accrued Interest to the Early Redemption Date and (b) the Make Whole Amount.

Early Redemption Date has the meaning set forth in Condition 6.2(b).

End of Supervisory Period means, following a Supervisory Event, the earlier to occur of either of the following events:

- (a) if (i) a Supervisory Event has occurred (whether pursuant to paragraph (a) or paragraph (b) of the definition thereof) and (ii) in the case of a Supervisory Event pursuant to paragraph (b), the circumstances described in paragraph (a) of the definition of Supervisory Event have eventuated the aggregate of the risk-based consolidated capital ratios of the Issuer and its consolidated subsidiaries and affiliates, calculated in accordance with the Applicable Banking Regulations, complying with the minimum percentage required in accordance with Applicable Banking Regulations; or
- (b) if (i) a Supervisory Event has occurred pursuant to paragraph (b) of the definition of Supervisory Event and (ii) the circumstances described in paragraph (a) of the definition of Supervisory Event have not eventuated, SGCB notifying the Issuer that it has determined, in its sole and absolute discretion, that, in view of the then financial condition of the Issuer, the circumstances which led it to provide the notification pursuant to paragraph (b) are no longer continuing.

EU Savings Directive Tax Law has the meaning set forth in Condition 7.7 (Agents).

Existing Support Agreements means the support agreements executed by the Issuer in connection with the following issues of securities:

- (a) the €500,000,000 7.875% Non-cumulative Trust Preferred Securities issued by SG Capital Trust I on 22 February 2000;
- (b) the U.S.\$90,000,000 Floating Rate Non-cumulative Company Preferred Securities, Class B-1 and the U.S.\$335,000,000 6.302% Non-cumulative Company Preferred Securities, Class B-2 issued by SG Preferred Capital II, L.L.C. on 27 November 2001; and
- (c) the €650,000,000 5.419% Non-cumulative Trust Preferred Securities issued by SG Capital Trust III on 10 November 2003.

Extraordinary Resolution has the meaning set forth in Schedule 3 to the Agency Agreement.

First Call Date means 22 May 2013.

Fixed Interest Rate has the meaning set forth in Condition 4.1 (General).

Fixed Rate Interest Amount has the meaning set forth in Condition 4.2 (Description of the Fixed Rate Interest).

Fixed Rate Interest Payment Date has the meaning set forth in Condition 4.1 (General).

Fixed Rate Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Fixed Rate Interest Payment Date and each successive period beginning on (and including) a Fixed Rate Interest Payment Date and ending on (but excluding) the next succeeding Fixed Rate Interest Payment Date.

Floating Interest Rate has the meaning set forth in Condition 4.3(a).

Floating Rate Interest Amount has the meaning set forth in Condition 4.3(b).

Floating Rate Interest Determination Date has the meaning set forth in Condition 4.3(a).

Floating Rate Interest Period means the period beginning on (and including) the First Call Date and ending on (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date.

Floating Rate Interest Payment Date has the meaning set forth in Condition 4.1 (General).

General Call Notice has the meaning set forth in Condition 6.2 (Issuer's Call Options).

Interest Payment Date means a Fixed Rate Interest Payment Date or a Floating Rate Interest Payment Date.

Interest Period means a Fixed Rate Interest Period or a Floating Rate Interest Period.

Issue Date has the meaning set forth in Condition 4.1 (General).

Issuer Shares means any classes of share capital or other equity securities issued by the Issuer.

Loss Absorption has the meaning set forth in Condition 5 (Loss Absorption and Return to Financial Health).

Make Whole Amount means an amount in Euro rounded to the nearest cent (half a cent being rounded upwards), as determined by the Calculation Agent, equal to the sum of (x) the then present value of the Original Principal Amount, (y) the then present values of the scheduled interest amounts, calculated on the basis of the Original Principal Amount, from (and including) the Early Redemption Date to the First Call Date. The present values of (x) and (y) shall be calculated by discounting the Original Principal Amount and the scheduled interest amounts from the Early Redemption Date to the First Call Date at the Adjusted Yield on an Actual/Actual-ICMA annual basis.

Member State has the meaning set forth in Condition 7.7 (Agents).

Noteholder has the meaning set forth above.

Optional Interest Payment Date means any Interest Payment Date other than a Compulsory Interest Payment Date.

Ordinarily Subordinated Obligations means direct, unconditional, unsecured and subordinated obligations of the Issuer which rank in priority to the *prêts participatifs* granted to the Issuer, the *titres participatifs* issued by the Issuer, Support Agreement Claims, Tier 1 Subordinated Notes and the Notes.

Original Principal Amount means the principal amount of each Note on the Issue Date (i.e. €50,000) not taking into account any Loss Absorption or Reinstatement, pursuant to Conditions 5.1 (Loss Absorption) and 5.2 (Return to Financial Health).

Parity Securities means any preferred securities or preferred or preference shares issued by any subsidiary of the Issuer, the proceeds of which are eligible as consolidated *fonds propres de base* for the Issuer, to the extent that such subsidiary benefits from any Support Agreement.

Payment Business Day means unless otherwise specified, a day (other than a Saturday or Sunday) on which commercial banks are open for business in Paris and Luxembourg and a day which is a TARGET Settlement Day.

Primary Bond Dealer means any credit institution or financial services institution that regularly deals in bonds and other debt securities.

Quotation Agent means Société Générale and its successors, provided, however, that if the foregoing shall cease to be a Primary Bond Dealer, the Issuer will be entitled to appoint another Quotation Agent that is a Primary Bond Dealer in the Euro-zone.

Reference Bond Dealer means either the Quotation Agent, or any other Primary Bond Dealer selected by the Quotation Agent after consultation with the Issuer.

Reference Bond Dealer Quotations means the average, as determined by the Quotation Agent, of the bid and ask prices for the Comparable Bond Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Bond Dealer at 11:00 am (London time) on the Calculation Date.

Reinstatement has the meaning set forth in Condition 5.2 (Return to Financial Health).

Relevant Date has the meaning set forth in Condition 8 (Taxation).

Return to Financial Health has the meaning set forth in Condition 5 (Loss Absorption and Return to Financial Health).

SGCB means the French *Secrétariat général de la Commission bancaire* which reference shall, where applicable, include any other authority having supervisory authority with respect to the Issuer.

Supervisory Event means the occurrence of either of the following events:

- (a) the aggregate of the risk-based consolidated capital ratios of the Issuer and its consolidated subsidiaries and affiliates, calculated in accordance with the Applicable Banking Regulations, falling below the minimum percentage required in accordance with the then Applicable Banking Regulations; or

- (b) the SGCB notifying the Issuer, that it has determined, in its sole and absolute discretion, that, in view of the deteriorating financial condition of the Issuer, the circumstances described in paragraph (a) are likely to occur in the short term.

Support Agreement means the Existing Support Agreements and any other guarantee, support agreement or other agreement or instrument with an effect similar to the Existing Support Agreements, if claims under such guarantee, support agreement or other agreement or instrument rank behind present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer, Ordinarily Subordinated Obligations and Unsubordinated Obligations and in priority to any payments to holders of any classes of share capital and of any other equity securities issued by the Issuer.

Support Agreement Claim means any claim against the Issuer pursuant to a Support Agreement.

Talon has the meaning set forth above.

Talonholder has the meaning set forth above.

TARGET Settlement Day has the meaning set forth in Condition 7.5 (Payment only on a Presentation Date).

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer system.

Taxes has the meaning set forth in Condition 8 (Taxation).

Tier 1 Capital has the meaning set forth in Condition 3 (Status of the Notes and Subordination).

Tier 1 Subordinated Notes means direct, unconditional, unsecured and deeply subordinated notes of the Issuer issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*, eligible as consolidated *fonds propres de base* for the Issuer, which rank *pari passu* among themselves and with the Notes and behind the *prêts participatifs* granted to the Issuer, the *titres participatifs* issued by the Issuer, Ordinarily Subordinated Obligations and Unsubordinated Obligations.

Unsubordinated Obligations means direct, unconditional, unsecured and unsubordinated obligations of the Issuer which rank in priority to Ordinarily Subordinated Obligations.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of €50,000 with Coupons and one Talon attached on issue.

2.2 Title

Title to the Notes and to the Coupons will pass by delivery.

2.3 Holder Absolute Owner

The Issuer and any Paying Agent (to the fullest extent permitted by applicable laws) may deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or

interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

3. STATUS OF THE NOTES AND SUBORDINATION

The Notes are deeply subordinated notes of the Issuer issued pursuant to the provisions of article L. 228-97 of the French *Code de commerce*.

The proceeds of the issue of the Notes will be eligible for regulatory purposes as consolidated *fonds propres de base* for the Issuer. *Fonds propres de base* (**Tier 1 Capital**) shall have the meaning given to it in Article 2 of *règlement* n° 90-02 dated 23 February 1990, as amended, of the *Comité de la Réglementation Bancaire et Financière* (the **CRBF Regulation**), or otherwise recognised as *fonds propres de base* by the SGCB. The CRBF Regulation should be read in conjunction with the press release of the Bank for International Settlements dated 27 October 1998 concerning instruments eligible for inclusion in Tier 1 Capital (the **BIS Press Release**).

The obligations of the Issuer in respect of principal and interest on the Notes (which constitute *obligations*) and the Coupons respectively are direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and with all other present and future Support Agreement Claims and Tier 1 Subordinated Notes but shall be subordinated to present and future *prêts participatifs* granted to the Issuer and present and future *titres participatifs*, Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer.

The Notes and the Coupons shall rank in priority to Issuer Shares. In the event of liquidation, the Notes and the Coupons shall rank in priority to any payments to holders of Issuer Shares.

4. INTEREST AND INTEREST SUSPENSION

4.1 General

Each Note bears interest on its Current Principal Amount at a fixed rate of 7.756 per cent. per annum (the **Fixed Interest Rate**) from (and including) 22 May 2008 (the **Issue Date**) to (but excluding) the First Call Date, payable annually in arrear on 22 May in each year (each, a **Fixed Rate Interest Payment Date**), commencing on 22 May 2009 until (and including) the First Call Date and thereafter at the Floating Interest Rate for each Floating Rate Interest Period as determined by the Calculation Agent in accordance with Condition 4.3 below payable quarterly in arrear on 22 May, 22 August, 22 November and 22 February in each year (each a **Floating Rate Interest Payment Date**), commencing on 22 August 2013.

Interest will cease to accrue on each Note on the due date for redemption thereof unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, interest will continue to accrue at the relevant rate as specified in the preceding paragraph (as well after as before judgment) on the Original Principal Amount of such Note until the day on which all sums due in respect of such Note up to (but excluding) that day are received by or on behalf of the relevant Noteholder.

4.2 Description of the Fixed Rate Interest

The amount of interest (the **Fixed Rate Interest Amount**) payable on each Note on each Fixed Rate Interest Payment Date will be the product of the Current Principal Amount of such Note and the Fixed Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest euro cent (half a euro cent being rounded upwards).

If interest is required to be calculated in respect of a Fixed Rate Interest Period where the Current Principal Amount of a Note is less than its Original Principal Amount, it shall be calculated by the Calculation Agent by applying the Fixed Interest Rate to the then Current Principal Amount of such Note and multiplying such product by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest euro cent (half a euro cent being rounded upwards). For the purposes of this Condition:

Actual/Actual (ICMA) means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

Regular Period means each period from (and including) the Issue Date or any Fixed Rate Interest Payment Date to (but excluding) the next Fixed Rate Interest Payment Date.

4.3 Description of the Floating Rate Interest

- (a) The Notes bear interest at the floating rate as described below (the **Floating Interest Rate**) from the First Call Date, payable on each Floating Rate Interest Payment Date, *provided, however, that*, if any Floating Rate Interest Payment Date would otherwise fall on a date which is not a Payment Business Day, it will be postponed to the next Payment Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Payment Business Day.

The Floating Interest Rate for each Floating Rate Interest Period will be determined by the Calculation Agent on the following basis:

- (i) the Calculation Agent will determine the rate for deposits in Euro for a period equal to the relevant Floating Rate Interest Period which appears on the display page designated EURIBOR01 on the Reuters Service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11:00 a.m., (Brussels time), on the second Business Day before the first day of the relevant Floating Rate Interest Period (the **Floating Rate Interest Determination Date**);
- (ii) if such rate does not appear on that page, the Calculation Agent will:
- (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market to provide a quotation of the rate at which deposits in Euro are offered by it at approximately 11.00 a.m. (Brussels time) on the Floating Rate Interest Determination Date to prime banks in the Euro-zone interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
- (B) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and
- (iii) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m. (Brussels time) on the relevant Floating Rate Interest Determination Date for loans in Euro to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Floating Interest Rate for such Floating Rate Interest Period shall be the sum of a margin equal to 3.35 per cent. per annum and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, the Floating Interest Rate applicable to the Notes during such Floating Rate Interest Period will be the sum of 3.35 per cent. per annum and the rate applicable in relation to the Notes in respect of the immediately preceding Floating Rate Interest Period.

- (b) Determination of Floating Interest Rate and calculation of Floating Rate Interest Amount by the Calculation Agent.

The Calculation Agent will, as soon as practicable after the determination of the Floating Interest Rate in relation to each Floating Rate Interest Period, calculate the amount of interest (the **Floating Rate Interest Amount**) payable in respect of each Note for such Floating Rate Interest Period. The Floating Rate Interest Amount will be calculated by applying the Floating Interest Rate for such Floating Rate Interest Period to the Current Principal Amount of such Note, multiplying the product by the actual number of days in such Interest Period divided by 360 and rounding the resulting figure to the nearest cent (half a euro cent being rounded upwards).

- (c) Publication of Floating Interest Rate and Floating Rate Interest Amount

The Calculation Agent will cause the Floating Interest Rate and the Floating Rate Interest Amount for each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer, the Fiscal Agent and the Calculation Agent will cause publication thereof in accordance with Condition 11 (Notices) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The Floating Rate Interest Payment Date so published may subsequently be amended (or appropriate arrangements made by way of adjustment). If the Notes become due and payable under Condition 6.3 (Purchases) or under Condition 9 (Enforcement Event) other than on a Floating Rate Interest Payment Date, the Accrued Interest and the Floating Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously described by the Calculation Agent in accordance with this Condition 4 (Interest and Interest Suspension) but no publication of the Floating Interest Rate or the Floating Rate Interest Amount so calculated need be made.

4.4 Compulsory Interest and Optional Interest

- (a) On any Compulsory Interest Payment Date

The Issuer shall, on each Compulsory Interest Payment Date, for so long as the compulsory interest provisions apply (as set out in the definition of Compulsory Interest Payment Date), pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on (but excluding) such Compulsory Interest Payment Date.

Interest on each Note with respect to, and falling due on, any Compulsory Interest Payment Date will be calculated on the basis of its Current Principal Amount.

Accrued Interest payable on any Compulsory Interest Payment Date is not subject to reduction in accordance with Condition 5.1 (Loss Absorption).

- (b) On any Optional Interest Payment Date

For so long as the compulsory interest provisions do not apply, the Issuer may elect not to pay interest on any Optional Interest Payment Date in particular with a view to restoring its regulatory capital in order to ensure the continuity of its activities.

On any Optional Interest Payment Date, the Issuer may, at its option, pay interest in respect of the Notes accrued to that date in respect of the Interest Period ending on (but excluding) such Optional Interest Payment Date, but subject to such election and decision having been made as described above, the Issuer shall have no obligation to make such payment and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Interest on each Note with respect to, and falling due on, any Optional Interest Payment Date will be calculated on the basis of its Current Principal Amount.

Notice of non-payment of all or any interest under the Notes on any Optional Interest Payment Date shall be given to the Noteholders in accordance with Condition 11 (Notices). Such notice shall be given at least seven Business Days prior to the relevant Optional Interest Payment Date.

Save as otherwise provided, any interest not paid on an Optional Interest Payment Date will be forfeited and accordingly will no longer be due and payable by the Issuer.

The amount of Broken Interest in respect of the Interest Period ending immediately prior to any Optional Interest Payment Date may be reduced to absorb losses following a Supervisory Event, as provided in Condition 5.1 (Loss Absorption).

Interest will cease to accrue from (and including) the date of the occurrence of a Supervisory Event to (but excluding) the date of the occurrence of the End of Supervisory Period.

4.5 Optional Interest and Supervisory Event

(a) Interest Payable on Optional Interest Payment Dates following the occurrence of a Supervisory Event

In the event that a Supervisory Event occurs during the Interest Period ending on (but excluding) an Optional Interest Payment Date:

- (i) the payment of Broken Interest, if any, in respect of each Note shall automatically be suspended and, in addition, the amount of Broken Interest may be reduced to absorb losses in accordance with Condition 5.1 (Loss Absorption); and
- (ii) no interest on the Notes shall accrue nor be payable by the Issuer with respect to the remaining period in such Interest Period or any other Interest Period during the period starting on (and including) the date of the Supervisory Event and ending on (but excluding) the date of the occurrence of the End of Supervisory Period.

(b) Interest Payable on Optional Interest Payment Dates after End of Supervisory Period

At the option of the Issuer, any Broken Interest, to the extent not reduced to absorb losses in accordance with Condition 5.1 (Loss Absorption), may be paid on the first Optional Interest Payment Date falling on or after the date of the occurrence of the End of Supervisory Period. Any Broken Interest not paid by the Issuer on such first Optional Interest Payment Date will be forfeited.

In respect of any Optional Interest Payment Date which occurs on or after the date of the occurrence of the End of Supervisory Period, interest on each Note will recommence accruing on its Current Principal Amount, on the basis of the number of days elapsed during the period from (and including) the date of the occurrence of the End of Supervisory Period to (but excluding) the next succeeding Optional Interest Payment Date as calculated by the Calculation Agent in accordance with Condition 4.2 (Description of the Fixed Rate Interest) or 4.3 (Description of the Floating Rate Interest). At the option of the Issuer, such interest may be paid on the next succeeding Optional

Interest Payment Date occurring as from the date of the occurrence of the End of Supervisory Period (inclusive). Any such Interest not paid by the Issuer on such first Optional Interest Payment Date will be forfeited.

5. LOSS ABSORPTION AND RETURN TO FINANCIAL HEALTH

5.1 Loss Absorption

In the event of the occurrence of a Supervisory Event, the board of directors of the Issuer will convene an extraordinary shareholders' meeting during the 3 months following the occurrence of the Supervisory Event in order to propose a share capital increase or any measure regarded as necessary or useful to remedy the Supervisory Event. The Issuer shall not be required to convene an extraordinary shareholders' meeting pursuant to this Condition 5 (Loss Absorption and Return to Financial Health) if the board of directors has the power to decide such share capital increase. If the share capital increase or any proposed measures are not accepted by the extraordinary shareholders' meeting or if the share capital increase is not sufficiently subscribed to remedy the Supervisory Event, or if the Supervisory Event remains on the last day of the financial half year during which the Supervisory Event has occurred, the board of directors of the Issuer will implement, within 10 Business Days following the last day of this financial half year, a reduction of the amount of Broken Interest, if any, and thereafter, if necessary, of the Current Principal Amount of the Notes (**Loss Absorption**). A Loss Absorption will firstly be implemented by partially or fully reducing the amount of the Broken Interest, if any. If the total reduction of Broken Interest is not sufficient for the purpose of the Loss Absorption, a further Loss Absorption will be implemented by partially or fully reducing the Current Principal Amount of the Notes.

The amounts by which Broken Interest and, as the case may be, the Current Principal Amount of the Notes are reduced to enable the Issuer to absorb losses in order to ensure the continuity of its activities, will be the lower of (i) the amount of losses of the Issuer which, following a Supervisory Event, have not been allocated to its shareholders funds (capitaux propres) as set out in its consolidated accounts and (ii) the sum of the amounts of Broken Interest, if any, and the Current Principal Amount of the Notes before such reduction.

Notwithstanding any other provision, the Current Principal Amount of each Note shall never be reduced to an amount lower than one cent.

For the avoidance of doubt, the first remedy to the Supervisory Event will be the share capital increase pursuant to the issue by the Issuer of Issuer Shares in relation to the measures adopted by the extraordinary shareholders' meeting of the Issuer to remedy such Supervisory Event. To the extent such increase of share capital is not sufficient, the Loss Absorption will be applied first against the amount of Broken Interest, if any, and thereafter, if necessary, against the Current Principal Amount of the Notes as herein described.

Broken Interest and the Current Principal Amount of the Notes pursuant to the above provision may be reduced on one or more occasions, as required.

In the event that other Tier 1 Subordinated Notes which would be subject to such reductions are outstanding, such reductions will be applied on a pro-rata basis among the Notes and such other Tier 1 Subordinated Notes.

Accrued Interest payable on any Compulsory Interest Payment Date is not subject to reduction.

Notice of any Supervisory Event and of any End of Supervisory Period shall be given to the Noteholders in accordance with Condition 11 (Notices). Such notice shall be given as soon as practicable following the occurrence of a Supervisory Event and of any End of Supervisory Period.

Notice of any Loss Absorption shall be given to the Noteholders in accordance with Condition 11 (Notices). Such notice shall be given at least seven Business Days prior to the relevant Loss Absorption.

5.2 Return to Financial Health

If a positive Consolidated Net Income is recorded for at least two consecutive financial years following the date of the occurrence of the End of Supervisory Period (a Return to Financial Health), the Issuer shall increase the Current Principal Amount of the Notes (a Reinstatement) to the lower of (i) the maximum principal amount that would not trigger the occurrence of a Supervisory Event and (ii) the Original Principal Amount.

The Issuer shall increase the Current Principal Amount of the Notes to the lower of (a) the maximum principal amount that would not trigger the occurrence of a Supervisory Event and (b) the Original Principal Amount if, at any time from (and including) the date of the occurrence of any End of Supervisory Period, and whether or not a Return to Financial Health has occurred, any of the following events has occurred:

- (a) any declaration or payment by the Issuer of a dividend (whether in cash, shares or any other form, but not including a dividend consisting solely of newly issued Issuer Shares), or more generally any payment of any nature, by the Issuer on Issuer Shares; or
- (b) any payment of any nature by the Issuer (whether in cash, shares or any other form, but not including a dividend consisting solely of newly issued Issuer Shares) on any Tier 1 Subordinated Notes, any Support Agreement or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes, *provided that*, in each case, such payment was not itself compulsorily required to be paid solely as a result of a dividend or other payment having been made on any Parity Securities, any Issuer Shares, the Notes, any Tier 1 Subordinated Notes, any Support Agreement or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes; or
- (c) any optional redemption by the Issuer of the Notes.

No such Reinstatement shall be made as a result of a redemption or repurchase by the Issuer or any subsidiary of the Issuer of any Parity Securities, other Tier 1 Subordinated Notes or any other securities issued by the Issuer or any loans granted to the Issuer which rank *pari passu* with the Notes or in the event of a redemption, repurchase or other acquisition by the Issuer of Issuer Shares.

The amount of any Reinstatement will not exceed the amount of the latest Consolidated Net Income of the Issuer.

For the avoidance of doubt, any Reinstatement shall be made up to such maximum amount, to the extent any such Reinstatement does not trigger the occurrence of a Supervisory Event.

In the event that other Tier 1 Subordinated Notes are outstanding and may also benefit from a reinstatement or an increase of their then current principal amount in accordance with their terms, any Reinstatement will be applied on a pro-rata basis with other reinstatements made on such other Tier 1 Subordinated Notes.

Such Reinstatement shall be made on one or more occasions in the conditions described above until the Current Principal Amount of the Notes has been reinstated to the Original Principal Amount (save in the event of occurrence of another Supervisory Event).

Notice of any Return to Financial Health shall be given to the Noteholders in accordance with Condition 11 (Notices). Such notice shall be given as soon as practicable, following the occurrence of a Return to Financial Health.

Notice of any Reinstatement shall be given to the Noteholders in accordance with Condition 11 (Notices). Such notice shall be given at least seven Business Days prior to the relevant Reinstatement.

6. REDEMPTION AND PURCHASE

The Notes may not be redeemed otherwise than in accordance with this Condition 6 (Redemption and Purchase).

6.1 No Final Redemption

The Notes are undated perpetual obligations in respect of which there is no fixed redemption date.

6.2 Issuer's Call Options

(a) General Call Option

On the First Call Date and on any Interest Payment Date thereafter, the Issuer, subject to having given not less than 30, and not more than 45, calendar days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 11 (a **General Call Notice**), and subject to prior approval of the SGCB, may, at its option, redeem all, but not some only, of the Notes at their Original Principal Amount, together with any amounts outstanding thereon, including Accrued Interest.

(b) Redemption for Taxation Reasons or Regulatory Reasons

(i) If by reason of any change in French law, any change in Applicable Banking Regulations, or any change in the official application or interpretation of such laws or regulations, becoming effective on or after the Issue Date, the proceeds of the Notes cease to be eligible as Tier 1 Capital for the Issuer, the Issuer may, at its option, on any Interest Payment Date falling prior to the First Call Date, subject to having given not more than 45 nor less than 30 calendar days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest date on which the proceeds of the Notes could qualify as Tier 1 Capital (an **Early Redemption Date**).

(ii) If by reason of any change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations, or any other change in the tax treatment of the Notes, becoming effective on or after the Issue Date, interest payment under the Notes was but is no longer tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes, the Issuer may, at its option, on any Interest Payment Date falling prior to the First Call Date, subject to having given not more than 45 nor less than 30 calendar days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Early Redemption Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could

make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes (an **Early Redemption Date**).

- (iii) If by reason of a change in the laws or regulations of the Republic of France, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (Taxation), the Issuer may, on any Interest Payment Date falling prior to the First Call Date, subject to having given not more than 45 nor less than 30 calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes at their Original Principal Amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter (an **Early Redemption Date**).
- (iv) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable (including any additional amounts which would be payable pursuant to Condition 8 (Taxation) but for the operation of such French law), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than ten Business Days' prior notice to the Noteholders in accordance with Condition 11 (Notices), and subject to the prior approval of the SGCB, redeem all, but not some only, of the Notes then outstanding at their Original Principal Amount provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or, if such date has passed, as soon as practicable thereafter (an **Early Redemption Date**).

6.3 Purchases

The Issuer may at any time purchase Notes in the open market or otherwise at any price provided that the prior approval of the SGCB shall have to be obtained:

- (a) if the total aggregate Current Principal Amount of Notes so purchased shall exceed 10 per cent of the original aggregate Current Principal Amount of the Notes, and
- (b) in the case of an *offre publique d'achat* (a public cash-tender offer) or an *offre publique d'échange* (a public exchange tender offer) in relation to the Notes.

6.4 Cancellation

All Notes which are purchased or redeemed by the Issuer pursuant to paragraphs 6.2 or 6.3 of this Condition 6 (Redemption and Purchase) will be surrendered to the Fiscal Agent and cancelled and accordingly may not be reissued or sold.

7. PAYMENTS AND CALCULATIONS

7.1 Payments in Respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of

interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

7.2 Method of Payment

Payments will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by Euro cheque.

7.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons) Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

7.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 (Taxation).

7.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4 (Interest and Interest Suspension), be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 12 (Prescription)):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET Settlement Day.

In this Condition **Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and **Target Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system is open.

7.6 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 12 (Prescription). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

7.7 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having its specified office in a European city which so long as the Notes are listed on the Luxembourg Stock Exchange shall be Luxembourg; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a member state of the European Union (a **Member State**) that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (any such Directive or law, an **EU Savings Directive Tax Law**) to the extent that any Member State does not maintain any obligation to so withhold or deduct pursuant to any EU Savings Directive Tax Law.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 11 (Notices).

In this Prospectus, the initial Agents and their initial specified offices are set out on the inside back cover.

7.8 Certificates to be Final

All certificates, communications, opinion, determinations, calculation, quotations and decisions given, expressed, made or obtained for the purpose of the provisions of these Conditions whether by the Calculation Agent or the relevant banks in the euro-zone interbank market (or any of them) shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents, the Fiscal Agent, the relevant banks in the euro-zone interbank market, and all the Noteholders and Couponholders. No Noteholder or Couponholder shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent or such banks in connection with the exercise or non-exercise by them of their powers, duties and discretions.

8. TAXATION

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer shall, to the fullest extent permitted by law, pay such additional amount as may be necessary, in order that each Noteholder, after deduction or withholding of such Taxes, will receive the full amount then due and payable provided that no such additional amount shall be payable:

- (a) in relation to any payment in respect of any Note or Coupon to, or to a third party on behalf of, a holder, or a beneficial owner (*ayant droit*), of a Note or Coupon who is liable to such Taxes in respect of such Note or Coupon by reason of such holder, or beneficial owner, of a Note or Coupon having some connection (whether present or former) with France other than the mere holding of such Note or Coupon or the receipt of the relevant payment in respect thereof; or

- (b) in relation to any payment in respect of any Note or Coupon presented for payment by or on behalf of a holder, or beneficial owner, who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority, provided that the Issuer has timely notified such holder or beneficial owner of the requirements for, and the procedure necessary to make, such declaration or similar claim; or
- (c) in relation to any payment in respect of any Note or Coupon which is presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Business Day; or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to an EU Savings Directive Tax Law (whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) in relation to any payment in respect of any Note or Coupon which is presented for payment by or on behalf of a holder or beneficial owner of a Note or Coupon who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent; or
- (f) for or on account of any Taxes payable otherwise than by deduction or withholding from payments under or with respect to any Note; or
- (g) for or on account of any sales, excise, transfer, registration or similar Taxes; or
- (h) in relation to any payment to any holder that is a fiduciary or partnership or any person other than the sole beneficial owner of such Note or Coupon, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Note or Coupon (as the case may be) would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note or Coupon; or
- (i) any combination of sub-paragraphs (a) to (h) above (inclusive).
- (j) For this purpose, the **Relevant Date** in relation to any Note or Coupon means whichever is the later of (i) the date on which the payment in respect of such Note or Coupon first becomes due and payable, and (ii) if the full amount of the moneys payable on such date in respect of such Note or Coupon has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given in accordance with Condition 11 (Notices) to Noteholders that such moneys have been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8 (Taxation).

9. ENFORCEMENT EVENT

If any judgement is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, then the Notes shall become immediately due and payable as described below.

The rights of the Noteholders and the Couponholders in the event of a liquidation of the Issuer will be calculated on the basis of the Original Principal Amount of the Notes together with Accrued

Interest and any other outstanding payments under the Notes. No payments will be made to the Noteholders or Couponholders before all amounts due, but unpaid, to all other creditors of the Issuer (including Unsubordinated Creditors of the Issuer, Ordinarily Subordinated Creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer) have been paid by the Issuer, as ascertained by the judicial liquidator.

No payments will be made to holders of Issuer Shares before all amounts due, but unpaid, to all Noteholders and Couponholders under the Notes have been paid by the Issuer, as ascertained by the judicial liquidator.

10. MEETINGS OF NOTEHOLDERS AND MODIFICATION

10.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in Original Principal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification or abrogation of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the Original Principal Amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, provided the Issuer has obtained the prior written approval of the SGCB in respect of the relevant proposed modification.

In addition, a resolution in writing signed by or on behalf of Noteholders of at least 90 per cent. in aggregate of the Original Principal Amount of the Notes for the time being outstanding who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution, provided the Issuer has obtained the prior written approval of the SGCB in respect of the relevant proposed modification. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

10.2 Modification

Provided the Issuer has obtained the prior written approval of the SGCB in respect of the relevant proposed modification, the Fiscal Agent may agree, without the consent of the Noteholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which is not materially prejudicial to the interests of the Noteholders. Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11 (Notices).

11. NOTICES

(a) Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in one daily newspaper published in Luxembourg or published on the website of the Luxembourg Stock Exchange www.bourse.lu. It is expected that publication by means of a newspaper will normally be made in the *Financial Times* and the *Luxemburger Wort*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication, in all required newspapers. Couponholders shall be deemed for all purposes to have notice of the content of any notice so given to the holders of the Notes.

(b) Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with the standard rules and procedures.

12. PRESCRIPTION

Notes and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 7 (Payments and Calculations). There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition or Condition 7 (Payments and Calculations).

13. FURTHER ISSUES

The Issuer may from time to time, subject to the prior written approval of the SGCB but without the consent of the Noteholders or Couponholders and subject to there being no Supervisory Event in existence, issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

14. REPLACEMENT OF CERTIFICATES

If an Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

15. GOVERNING LAW AND JURISDICTION

15.1 Governing Law

The Agency Agreement, the Notes and the Coupons are governed by, and will be construed in accordance with, English law, except for Condition 3 of the Notes (Status of the Notes and Subordination), which is governed by, and will be construed in accordance with, French law.

15.2 Jurisdiction of English Courts

The Issuer has irrevocably agreed for the benefit of the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and accordingly has submitted to the jurisdiction of the English courts. The Issuer has waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

The Noteholders and the Couponholders may take any suit, action or proceeding arising out of or in connection with the Notes or the Coupons respectively (together referred to as **Proceedings**) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

15.3 Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Société Générale, London Branch, currently of SG House, 41 Tower Hill, London EC3N 4SG as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

15.4 Other Documents

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

16. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the **Global Notes**) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.*

1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if:

- (a) an enforcement event (as set out in Condition 9) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 30 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 2 July 2008, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the

schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

(a) Notices to the Noteholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 11 (Notices), provided that, so long as the Notes are listed on the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg if and to the extent that the rules of the Luxembourg Stock Exchange so require. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

(b) Notices from the Noteholders

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Fiscal Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

4. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notices to the Issuer pursuant to Condition 11 (Notices)) other than with respect to the payment of principal and interest on the principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8 (Taxation)).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

7. Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes.

DESCRIPTION OF SOCIETE GENERALE AND SOCIETE GENERALE GROUP

See Documents Incorporated by Reference on page 20.

CAPITAL ADEQUACY OF THE SOCIÉTÉ GÉNÉRALE GROUP

Overview

French bank regulatory authorities, like authorities in most countries, impose minimum levels of capital that must be maintained by banks within their jurisdiction. Required levels of capital are determined by reference to the relative risk associated with specified categories of assets owned by the institutions, with market risks, and operational risks since 2008. These requirements are generally referred to as risk-based capital requirements, and are regarded by bank regulatory authorities as an important supervisory tool in measuring the safety and soundness of banking institutions.

Capital Adequacy under the BIS Standards

In 1988, the Basel Committee on Banking Supervision (the **Basel Committee**), a committee consisting of representatives of the central banks and supervisory authorities from the "Group of Ten" countries (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States) and Luxembourg (Spain was invited to join the Basel Committee on 1 February 2001) that meet at the Bank for International Settlements (**BIS**), adopted standards for risk-weighting and minimum levels of regulatory capital for banks. The BIS standards have been widely adopted by bank regulatory authorities throughout the world, including regulatory authorities in France and the rest of the European Union. In 1996, the Basel Committee adopted a significant amendment to the BIS standards to provide a specific capital cushion for market risks in addition to a bank's credit risks. Such amendment defines market risks as: (a) the risks pertaining to interest rate-related instruments and equities in a bank's trading book and (b) foreign exchange risks and commodities risks held generally on the bank's books. On 26 June 2004, the Basel Committee issued a Revised Framework for risk-based capital standards for internationally active banks and bank holding companies (commonly referred to as the **Basel II Accord**), intended to replace the existing BIS standards effective at the beginning of 2008. Earlier versions of the proposed Basel II Accord were issued for comment by the Basel Committee in April 2003, January 2001 and June 1999. The Basel Committee has also released numerous discussion papers on various issues under the Basel II Accord and has conducted several quantitative impact studies to refine certain aspects of the Basel II Accord, the fifth (and last) quantitative impact study having been launched in September 2005. An updated version of the Revised Framework was issued by the Basel Committee on 15 November 2005. The Basel II capital framework consists of three "pillars": minimum capital requirements, supervisory reviews, and required disclosures to enhance market discipline. Under the first pillar, minimum capital requirements consist of capital charges for credit risk, market risk and operational risk. With respect to credit risk capital charges, the existing risk weighting categories of the old BIS accord are replaced with three alternative approaches, designed to be more risk sensitive: a "standardised" approach, and two "internal ratings based" (**IRB**) approaches ("foundation" and "advanced"). The standardised approach is an updated and expanded version of the existing risk weight categories, with risk weights based on credit ratings from external sources (such as credit rating agencies), with a greater range of risk weights available (some of the new risk weights would exceed 100% for low quality exposures), and with greater recognition of credit risk mitigation techniques such as the use of collateral, guarantees and credit derivatives. Under either of the two internal ratings based approaches, banks would input their own internal calculations of certain risk parameters ("probability of default", "loss given default" and "exposure at default") into risk weight formulas developed by the Basel Committee for each of several different types of assets or credit exposures. In order for a bank to be eligible to use the IRB approaches and internal data, its risk management, data collection and modelling systems must be reviewed and approved by its regulator. Capital requirements for market risk are calculated under essentially the same general approach as in the 1996 Market Risk Amendment to the existing BIS accord, with a number of technical modifications proposed in April 2005. An updated version of the 1996 Market Risk Amendment was issued by the Basel Committee in November 2005. The Basel II Accord also imposes a new capital charge for operational risk (defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events). The operational risk charge would be determined by one of three alternative approaches. The two simpler approaches apply

multipliers to gross revenues by institution or business line. The more sophisticated third approach, known as the "Advanced Measurement Approach" (AMA), would allow a bank to determine an appropriate capital charge for operational risk using the institution's own internal data and methodologies, subject to prior supervisory review and approval. The operational risk capital charge for any given institution may vary greatly depending on its operating environment, systems and other factors. The second pillar of the Basel II capital framework emphasises the importance of supervisory review to ensure that a bank's capital position is consistent with its overall risk profile and strategy. Banking institutions are expected to maintain capital at some level in excess of the Basel II mandatory minimums, taking into account their own particular circumstances and consideration of certain risks not explicitly addressed in pillar one (such as interest rate risk, liquidity and credit concentrations). Supervisors will review each bank's own assessment of the required amount of capital and may adjust an individual bank's capital requirements on a case-by-case basis. The second pillar also encourages early supervisory intervention when a bank's capital position deteriorates. The third pillar of Basel II emphasises public disclosures to enhance market discipline. The new framework calls for disclosure of many details of each bank's capital adequacy calculations, accounting policies, risk exposures and risk management strategies. Banking institutions using the advanced methods under the new framework are required to develop systems, compile data, and obtain supervisory approval. On 4 July 2006, the Basel Committee issued a comprehensive version of the Basel II Revised Framework. As a matter of convenience, this comprehensive document is a compilation of the June 2004 Basel II Revised Framework, the elements of the old BIS accord that were not revised during the Basel II process, the 1996 Amendment to the Capital Accord to Incorporate Market Risks, and the 2005 paper on the Application of Basel II to Trading Activities and the Treatment of Double Default Effects. The Basel Committee has asked participating countries to adopt implementing measures, with a bifurcated implementation date: 1 January 2007 for banks opting for the standardised or the simplest IRB approaches, and 1 January 2008 for those opting for the advanced IRB approach.

Under the BIS standards, a credit institution's capital is divided into three principal categories, or "tiers." Tier 1 capital consists of "core" capital items such as common and qualifying perpetual preferred equity; Tier 2 capital includes "quasi-capital" items such as certain perpetual and long-term preferred equity and subordinated debt; and Tier 3 capital (counted in regulatory capital only for the market risk component of the BIS standards) consists of qualifying short-term subordinated debt. Under the BIS standards, credit institutions are required to maintain a total risk-based ratio (combined Tier 1 and Tier 2 capital to risk weighted assets added with market risk and operational risks requirements) of at least 8%, and the Tier 1 capital ratio (Tier 1 capital to risk-weighted assets) must be at least 4%. Transitional arrangements (until 2009): for banks using the IRB approach for Credit Risk or the Advanced Measurement Approach for operational risk, there is a capital floor following implementation of the Basel II ratio. This floor is based on 8% of the capital requirement calculated according to the previous 1988 Accord, adjusted by a factor of 90% from year end 2007 and 80% from year-end 2008.

Capital Adequacy under French Regulation

In 1989, the Council of the European Union adopted two Directives that set the framework of capital adequacy within the European Union with respect to credit risks and, in 1993, adopted a capital adequacy Directive for credit institutions and investment firms under which member states are required to adopt regulations to supplement the solvency rules so as to take into account risks associated with a bank's trading activities in addition to credit risk. In France, these Directives have been implemented through a series of regulations adopted by the Banking and Finance Regulatory Committee (*Comité de la réglementation bancaire et financière*) in particular the Regulation no. 90-02 dated 23 February 1990 relating to bank's capital (or "own funds"), the Regulation no. 91-05 dated 15 February 1991 relating to the solvency ratio and the Regulation no. 95-02 dated 21 July 1995 relating to the prudential supervision of market risks (as amended and collectively, the **CAD Regulation**). Effective as of 1 January 1996 pursuant to the CAD Regulation, French credit institutions became subject to capital adequacy requirements with respect to their trading activities that are supplemental to those in force in respect of banking activities. In addition to credit risk, the CAD Regulation specified different standards for a credit institution's trading activities designed to

reflect market risk and settlement risk. The CAD Regulation also required credit institutions to maintain additional capital measured by reference to the foreign exchange and commodities risks of all their activities, including banking and trading.

In June 2006, a new Capital Requirements Directive for credit institutions and investment firms, comprising the Directive 2006/48/EC relating to the taking up and pursuit of business of credit institutions, and the Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions, has been adopted to introduce an updated supervisory framework in the European Union which reflects the Basel II Revised Framework. This new Capital Requirements Directive for credit institutions and investment firms has been implemented in France by two ministerial orders (*Arrêtés*) dated 20 February 2007.

The Basel II Ratio under French Regulation

Credit institutions are required to maintain a solvency ratio of at least 8% at all times. This solvency ratio shall be equal to the ratio of total own funds to the sum of:

- risk-weighted exposures, for credit risk and dilution risk; and
- capital requirements imposed under the prudential supervision of market risk and operational risk, multiplied by 12.5.

Determination of the own funds

Tier 1 capital (referred to as "core capital" (*fonds propres de base*)) includes share capital, reserves (other than revaluation reserves, as described below), share premiums, retained earnings, unallocated profit from the most recent fiscal year (less the amount of any related dividend proposed for approval to the shareholders) or interim period and other items that the *Commission bancaire* has ascertained fulfil the conditions for inclusion in Tier 1 capital. Share capital and the related share premium (the equivalent of additional paid-in capital) include common equity and qualifying non-cumulative perpetual preferred stock. Because unallocated profit for the most recent year (less the amount of any proposed dividend for that year) or interim period is included in Tier 1 capital, fluctuations in net income may have a significant impact on the CAD Ratio of a credit institution. For an institution that prepares financial statements on a consolidated basis, such as Société Générale, Tier 1 capital is adjusted to reflect the result of the consolidation, most notably by the addition of minority interests in the equity accounts of consolidated companies. Goodwill and certain other non-qualifying intangible and other assets (such as those resulting from transactions entered into with a manager or principal shareholder of the relevant credit institution) are deducted in calculating Tier 1 capital.

Tier 2 capital (referred to as "supplementary capital" (*fonds propres complémentaires*)) includes, among other items, revaluation and certain other reserves, certain types of perpetual preferred equity not qualifying for Tier 1 capital treatment, certain types of perpetual subordinated debt and certain types of subordinated debt with an original maturity of at least five years. Revaluation reserves included in Tier 2 capital are reserves arising from the revaluation of assets in accordance with French GAAP until 31 December 2004.

Under IFRS, 45% of net unrealised capital gains for own equity instruments, 45% of revaluation differences on tangible fixed assets and 45% of the positive impacts of revaluation made on first application of IFRS to tangible fixed assets or investment properties are also included in Tier 2 capital. Perpetual subordinated debt (including subordinated debt that can be redeemed only at the option of the issuer and with the prior approval of the *Commission bancaire*) as to which the issuer has the right to defer interest payments and to use unpaid principal and interest to offset losses, is classified as Tier 2 capital. Subordinated debt that (a) has an original maturity of at least five years, (b) is not subject to early redemption (other than in a liquidation of the issuer) and (c) in a liquidation of the issuer is subordinated as regards repayment of principal to all other debts of the issuer, is classified as Tier 2 capital (and is referred to as "lower Tier 2 capital" (*fonds propres complémentaires de deuxième niveau*)). In the last five years prior to maturity, the amount of any item of

subordinated debt that may be taken into account as Tier 2 capital must be reduced in accordance with a schedule approved by the *Commission bancaire*.

Deductions from capital base (50% from Tier 1, 50% from Tier 2, unless specified):

- Equity holdings and subordinated claims towards banks or financial institutions shall be deducted if the shares held are representing an interest of more than 10% of the outstanding capital of this bank or financial institution.
- Equity interests of more than 20% held in entities belonging to the insurance sector and any item constituting its own funds shall be deducted from the sum of the own funds until 31 December 2012 (and 50% from Tier 1 and 50% from Tier 2 after).
- Securitisation exposures weighted at 1250% must be deducted where such exposures are not included in the calculation of the amounts of the weighted exposures.
- The expected loss for equity exposure, and the potential deficit between portfolio provisions and anticipated losses on healthy outstandings in the IRB scope must be deducted.

Tier 3 capital (referred to as "ancillary capital" (*fonds propres surcomplémentaires*)) consists of subordinated debt that must, if circumstances demand, be capable of becoming part of a bank's permanent capital and thus be available to absorb losses in the event of insolvency. It must therefore, at a minimum: (a) be unsecured, subordinated and fully paid-up; (b) have an original maturity of at least two years; (c) not be repayable before the agreed repayment date without the prior approval of the *Commission bancaire*; and (d) be subject to a "lock-in" clause that stipulates that neither interest nor principal may be paid (even upon maturity) if such payment means that the bank falls below or remains below its minimum capital requirements. Tier 3 capital is earmarked exclusively to support market risks. Tier 3 capital is limited to 250% of a bank's residual Tier 1 capital (i.e. Tier 1 capital above that required to cover credit risks and operational risks).

Compliance by the Société Générale Group with the solvency Ratios

BASEL I (Cooke) ratio (until 31 December 2007)

In millions of euros except percentages	31 December 2006	31 December 2007
Tier 1 capital	22 327	21 616
Total risk-based capital	31 712	28 944
Risk-weighted assets	285 525	326 468
Tier 1 ratio (%)	7.8	6.6
Total ratio (%)	11.1	8.9

CAD Ratio (until 31 December 2007)

In millions of euros except percentages	31 December 2006	31 December 2007
Tier 1 capital	21 811	21 073
Total risk-based capital	32 007	30 734
Capital requirement	22 561	26 022
CAD ratio (%)	141.9	118.1

Basel II ratio (from March 2008)

In millions of euros except percentages	31 March 2008
Tier 1 capital	26 301
Total risk-based capital	35 069
Risk-weighted assets	329 152
Tier 1 ratio (%)	8.0
Total ratio (%)	10.7

Financial Conglomerates

As the Société Générale Group has been classified as a financial conglomerate by the *Commission bancaire*, the own funds of the Société Générale Group must at any time be greater than or equal to the sum of the

capital requirements applicable to its banking activities and insurance activities. At 31 December 2007, Société Générale complied with this requirement.

RECENT DEVELOPMENTS

Shortly after the issue of the Notes and in any event prior to the Annual General Meeting of the shareholders of Société Générale on 27 May 2008, a report of a Special Committee of the Board of Directors of Société Générale will be made publicly available. Such report will relate to the mechanisms used in the commission of the fraudulent acts committed by a trader of Société Générale in 2007 and early 2008 and the measures to be implemented to strengthen the efficiency of Société Générale's control systems in light of such acts.

Management of Prudential Ratios

In the context of managing solvency ratios, Société Générale has issued 4 dated subordinated bonds by way of private placements in the aggregate amount of EUR 1,686 million, namely:

- two fixed rate subordinated bonds of EUR 550 million and EUR 590 million respectively with maturities of 10 years and 15 years respectively; and
- two floating rate subordinated bonds linked to the CMS Index of EUR 225 million and EUR 321 million respectively with maturities of 10 years and 15 years respectively.

TAXATION

The statements herein regarding taxation are based on the laws in force in the French Republic and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective holder or beneficial owner of Notes should consult its own tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the Notes.

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). This Directive has been implemented in French law under Article 242 *ter* of the French *Code général des impôts*.

French Taxation

The Notes being *obligations* and accordingly deemed to be issued outside the French Republic (administrative statement of practice 5 I-11-98 dated 30 September 1998, as supplemented by a ruling 2007/59 dated 8 January 2008), interest and other revenues paid by the Issuer in respect of the Notes to non-French tax residents who are not concurrently shareholders of the Issuer will, upon issue, benefit from an exemption from withholding tax pursuant to Article 131 *quater* of the *Code général des impôts*. Accordingly, such payments do not give rise to any tax credit from any French source.

Luxembourg Taxation

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Noteholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the Directive on the taxation of savings income and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest

payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain EU dependent territories.

The withholding tax rate is initially fifteen (15) per cent., increasing steadily to twenty (20) per cent. and to thirty five (35) per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

A ten (10) per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

All prospective Noteholders should seek independent advice as to their tax positions.

SUBSCRIPTION AND SALE

Société Générale Bank & Trust (the **Lead Manager**) and Banca IMI S.p.A., Barclays Bank Plc, J.P.Morgan Securities Ltd. and Merrill Lynch International (the **Co-Lead Managers** and together with the Lead Manager, the **Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 20 May 2008 agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Notes at the issue price of 100% of the total principal amount of the Notes, for a combined management and underwriting commission of 0.70% of the total principal amount of the Notes. There will be no selling concession. The Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

General

No action has been taken or will be taken by the Issuer or the Managers that would, or is intended to, permit a public offering of the Notes or the possession or distribution of this Prospectus or any other offering material in relation to the issue of the Notes in any country or jurisdiction where action for that purpose is required.

Each Manager must, to the best of its knowledge, comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes the Prospectus (as supplemented and amended) or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any Manager shall have any responsibility therefore. The Managers will not offer, sell or deliver, directly or indirectly, any Notes or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States of America or to or for the account or benefit of any person in the United States of America, within the meaning of Regulation S, or to any person acting on a non-discretionary basis for any person in the United States of America.

The Notes will be offered and sold exclusively outside the United States of America in offshore transactions, within the meaning of and in accordance with Regulation S.

Each Manager has agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of the commencement of the offering and the closing date of the offering (the **Restricted Period**) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the Restricted Period a confirmation of or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

United Kingdom

Each Manager has represented and agreed that it has complied and will comply with all applicable provision of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each Manager and the Issuer has acknowledged that the Notes are being deemed issued outside the French Republic, accordingly, each Manager and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in the French Republic, and it has not distributed and will not distribute or cause to be distributed in the French Republic the Prospectus or any other offering material relating to the Notes, except to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals all as defined and in accordance with Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Prospective investors are informed that (a) the Prospectus has not been approved by the *Autorité des marchés financiers*, (b) such prospective investors may only take part in the transaction solely for their own account, as provided in articles D.411-1, D.411-2, D.734-1, D.744-1, D. 754-1 and D.764-1 of the French *Code monétaire et financier* and (c) that the Notes may not be further distributed directly or indirectly to the public in the French Republic otherwise than in accordance with Articles L.411-1, L. 411-2, L.412-1 and L. 621-8 to L.621-8-3 of the French *Code monétaire et financier*.

Italy

The offering of the Notes has not been registered with CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998 as amended (the **Financial Services Act**) and the relevant implementing CONSOB regulations, as amended from time to time, and in Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (Regulation No. 11971).

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 as amended (the Banking Act);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

GENERAL INFORMATION

- (1) Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.
- (2) The estimate of the total expenses related to the admission of the Notes to trading is Euro 14,500.
- (3) The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear, Brussels with the Common Code number 36530332. The International Securities Identification Number (ISIN) for the Notes is XS0365303329. The address of Euroclear France is 155 rue de Réaumur, 75081 Paris Cedex 02, France.
- (4) Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer and the Group since 31 December 2007.
- (5) There has been no material adverse change in the prospects of the Issuer since 31 December 2007 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2007.
- (6) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Issuer is aware) during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.
- (7) The issue of the Notes was decided on or about 19 May 2008 by Frédéric Oudea, acting pursuant to a resolution of the board of directors (*conseil d'administration*) of the Issuer dated 13 May 2008.
- (8) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), there are, at the date of this Prospectus, no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.
- (9) At the date of this Prospectus, the Issuer is not aware of any conflicts of interest with respect to any party involved in the issuance of the Notes, which are material to the issue or offer of the Notes.
- (10) Copies of the latest annual report of the Issuer, including its consolidated accounts may be obtained without charge from the specified offices for the time being of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (11) For as long as the Notes are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Paying Agents:
 - (i) this Prospectus;
 - (ii) the *statuts* of the Issuer;
 - (iii) the audited consolidated annual accounts of the Issuer for the two latest fiscal years (which at the Issue Date comprise the Issuer's audited consolidated annual accounts for the fiscal years ended 31 December 2006 and 31 December 2007).

The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- (12) The auditors of Société Générale are Ernst & Young Audit (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr Philippe Peuch-Lestrade, Faubourg de l'Arche, 92037 Paris-La Défense Cedex, France and Deloitte & Associés (formerly named Deloitte Touche Tohmatsu) (member of the French *Compagnie nationale des commissaires aux comptes*) represented by Mr José Luis Garcia, 185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine Cedex, France, who have audited Société Générale's accounts, without qualification, in accordance with generally accepted auditing standards in France, for each of the two financial years ended on 31 December 2006 and 31 December 2007. The consolidated financial statements of Société Générale as of and for the year ended 31 December 2007 were prepared in accordance with International Financial Reporting Standards as endorsed by the European Union as of 31 December 2006. The auditors of Société Générale have no material interest in Société Générale.
- (13) The yield of the Notes, calculated at the Issue Date on the basis of the Issue Price, is 7.756 per cent. It is not an indication of future yield.
- (14) The Notes and Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."
- (15) Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

REGISTERED OFFICE OF THE ISSUER

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29, boulevard Haussmann
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FISCAL AGENT, LISTING AGENT AND PAYING AGENT

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