

## PROSPECTUS DATED 6 OCTOBER 2009



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

#### USD 1,000,000,000 UNDATED DEEPLY SUBORDINATED FIXED RATE NOTES

Issue Price: 100%

The USD 1,000,000,000 undated deeply subordinated fixed rate notes (the **Notes**) of Société Générale (the **Issuer**) will be issued outside the French Republic on 7 October 2009 (the **Issue Date**) in the denomination of USD 2,000 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 from (and including) the Issue Date, at a fixed rate of 8.75 per cent. per annum payable semi-annually in arrear on 7 April and 7 October in each year and commencing on 7 April 2010, as further described in "Terms and Conditions of the Notes – Interest and Interest Suspension".

On 7 April 2015 and on any Interest Payment Date (as defined in Condition 1 of the Notes) 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) and subject to prior approval of the *Secrétariat général de la Commission bancaire* (the **SGCB**) in France, may, at its option, redeem all, but not some only, of the Notes at their Redemption Amount (as defined in Condition 1 of the Notes).

**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. 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 Notes will be offered to (i) institutional investors by means of private placements in various jurisdictions in accordance with applicable regulations and (ii) the public in Austria, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom for a limited period, as described herein (See the section entitled "*Details of the Offers*"). In accordance with the European passporting mechanism set out in the Prospectus Directive (as defined below), application has been made for a certificate of approval attesting the Prospectus to be drawn up in accordance with the Prospectus Directive and to be provided by the CSSF (as defined below) to the relevant competent authorities in Austria, Germany, Ireland, the Netherlands, Portugal, Spain and the United Kingdom. The Issuer may request the CSSF to provide such certificate of approval to the relevant competent authorities in other member states of the European Economic Area.

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 or tax events, all (but not some only) of the Notes may, and in certain circumstances shall, be redeemed at their Redemption Amount, subject to the prior approval of the SGCB. See the section entitled "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 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 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 depository 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 17 November 2009 (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 the section entitled "*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 (the **Securities Act**), as amended. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons and are subject to U.S. tax law requirements.

The Notes are expected to be assigned, on issue, a rating of "A1 (the outlook on this rating is negative)" by Moody's Investors Service, Inc. (Moody's) and a rating of "BBB+" 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.

*Bookrunners and Joint Lead Managers*

**HSBC**

**J.P. Morgan**

**Société Générale Bank & Trust**

**UBS Investment Bank**

*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.*

*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.*

*The Joint Lead Managers (as defined in the section entitled **Summary**) 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 Joint Lead 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 Joint Lead 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.*

*In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Joint Lead 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 Joint Lead 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 Joint Lead 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 Joint Lead 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 Joint Lead 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 Joint Lead 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 Joint Lead 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 other than as described in the section entitled "Subscription and Sale". 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, EEA, France, Italy, Ireland, Hong Kong, Portugal and Singapore. See the section entitled "Subscription and Sale".*

*In this Prospectus, unless otherwise specified or the context requires, references to USD and \$ refer to the currency of the United States of America and references to "Euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union.*

*In connection with the issue of the Notes, J.P. Morgan Securities Ltd. (the **Stabilising Manager**) (or persons acting on behalf of the Stabilising Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the relevant Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.*

***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 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 is one of the leading financial services groups in Europe, operating in 82 countries and employing 163,082 staff from 122 different nationalities. The Group is organised around five core businesses: French Networks, International Retail Banking, Financial Services, Global Investment Management & Services and Corporate & Investment Banking.

As at 30 June 2009, Société Générale had total consolidated assets of €1,059 billion, €37.9 billion in shareholders' equity (excluding minority interests).

For the six month period ended 30 June 2009, Société Générale had a net banking income of €10,629 million and a Group net income of €31 million.

**Risk factors relating to the Issuer:** There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Prior to making an investment decision, prospective investors should read this Prospectus and consider carefully the matters discussed under "Risk Factors" below. In particular, prospective investors should consider the following risk factors related to the Issuer:

- General banking risks, namely: credit risk (including country risk), market risk, operational risk, equity risk, structural interest and exchange rate risk, liquidity risk, strategic risk, business risk and reputational risk;
- Insurance risk through the Issuer's insurance subsidiaries (mainly Sogecap);
- The Issuer's management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses; and
- The Issuer is subject to the development of the global economic crisis.

<b>Description:</b>	USD 1,000,000,000 Undated Deeply Subordinated Fixed Rate Notes (the <b>Notes</b> ).
<b>Bookrunners and Joint Lead Managers:</b>	HSBC Bank plc, J.P. Morgan Securities Ltd., Société Générale Bank & Trust and UBS Limited
<b>Fiscal Agent and Paying Agent:</b>	Société Générale Bank & Trust.
<b>Calculation Agent:</b>	Société Générale Bank & Trust.
<b>Denomination:</b>	USD 2,000 per Note.
<b>Original Principal Amount:</b>	USD 2,000 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).
<b>Current Principal Amount:</b>	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.
<b>Maturity:</b>	The Notes will be undated securities of the Issuer with no fixed redemption or maturity date.
<b>Form of the Notes:</b>	The Notes will be in bearer form in the denomination of USD 2,000. The Notes will initially be represented by the Temporary Global Note, without interest coupons or talons, which will be deposited with a common depository 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 " <i>Summary of Provisions relating to the Notes while represented by the Global Notes</i> " below.
<b>Status of the Notes:</b>	<p>The Notes are undated deeply subordinated notes of the Issuer issued pursuant to the provisions of article L.228-97 of the French <i>Code de commerce</i>.</p> <p>The obligations of the Issuer in respect of principal and interest on the Notes (which constitute <i>obligations</i>) are direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank <i>pari passu</i> 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 <i>prêts participatifs</i> granted to the Issuer and present and future <i>titres participatifs</i>, Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer.</p> <p>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</p>



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 and no limitations on issuing or guaranteeing further debt either by the Issuer or any other member of the Group.

**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 8.75 per cent. per annum from (and including) 7 October 2009 (the **Issue Date**), payable semi-annually in arrear on 7 April and 7 October in each year (each, an **Interest Payment Date**). The first Interest Payment Date shall be 7 April 2010.

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 (x) a dividend consisting solely of newly issued Issuer Shares or (y) any redemption by any means) 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 7 April 2015 (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 *Secrétariat général de la Commission bancaire* (the **SGCB**), may, at its option, redeem all, but not some only, of the Notes at their Redemption Amount.

**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 application or official 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 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 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 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 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 Redemption 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 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 (**Taxes**). In that event, the Issuer shall, except in certain cases, 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.

**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. Any amendment to the Terms and Conditions of the Notes will be subject to the prior approval of the SGCB.

**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 (the outlook on this rating is negative)" by Moody's Investors Service, Inc, (Moody's) and a rating of "BBB+" 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 relating to the Notes**

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, including the following (each of which is described in the section entitled "Risk Factors" below):

- The Notes are deeply subordinated obligations and will be subordinated to all the Issuer's existing and future indebtedness (except other deeply subordinated obligations);
- The Notes are undated securities;
- The Issuer may reduce the principal amount of the Notes to absorb losses;
- There are certain restrictions on payments under the Notes;
- The Notes may be redeemed under certain circumstances (including for taxation, regulatory or other reasons); and
- There is no prior market in the Notes.

**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 the section entitled "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 XS0454569863 and the Common Code is 45456986.

**Public Offers:**

The Notes will be offered by certain banks, financial intermediaries and other authorised entities with the approval of the Issuer to the public in certain jurisdictions in the European Economic Area, including Austria, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom, as well as in Switzerland, during a period starting at 9:00 a.m. Central European Time (CET) on 8 October 2009 and ending at 5:00 p.m. CET on 9 October 2009. Any such offer shall not commence until all requirements necessary for any such offer to be made in accordance with all applicable laws, rules and regulations in such jurisdiction have been complied with. (See the section entitled "Details of the Offers").



## **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**

#### ***The Issuer is subject to different categories of risk inherent in banking activities***

There are nine main categories of risks inherent in the Issuer's activities, which are summarised below. The risk factors that follow elaborate on, or give specific examples of, these different types of risks and describe certain additional risks faced by the Issuer.

The risks associated with Société Générale's banking activities are the following:

- Credit risk (including country risk): risk of losses arising from the inability of the bank's customers, sovereign issuers or other counterparties to meet their financial commitments. Credit risk also includes the replacement risk linked to market transactions, as well as that stemming from the bank's securitisation activities. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability;
- Market risk: risk of loss resulting from changes in market prices (e.g. equity, credit, commodity, currency, etc.) and interest rates, from the correlations between these elements and from their volatility and market liquidity;
- Operational risk (including legal, compliance, accounting and environmental risks): risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations;
- Equity risk: risk of negative fluctuation in the value of equity participations in the bank's investment portfolio;
- Structural interest and exchange rate risk: risk of loss or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and on corporate centre transactions (operations on equities, investments and bond issues);

- Liquidity risk: risk of the Issuer not being able to meet its obligations as they come due;
- Strategic risk: risks entailed by a chosen business strategy or resulting from the bank's inability to execute its strategy;
- Business risk: risk of the earnings break-even point not being reached because of costs exceeding revenues;
- Reputational risk: risk of losses due to damage to the bank's reputation in the eyes of its customers, shareholders and regulators.

***The Issuer is subject to risks associated with the insurance market***

Through its insurance subsidiaries (mainly Sogecap), the Group is exposed to a variety of risks linked to the insurance business (e.g. premiums, reserves, disasters, mortality, longevity, morbidity, structural for non-life or life activities).

***The Issuer's management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.***

The Issuer has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that the Issuer fails to identify or anticipate.

Some of the Issuer's qualitative tools and metrics for managing risk are based upon its use of observed historical market behaviour. The Issuer applies statistical and other tools to these observations to assess its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Issuer did not anticipate or correctly evaluate in its statistical models. This would limit the Issuer's ability to manage its risks and affect its results.

***The Issuer is subject to the development of the global economic crisis***

The Issuer continues to be subject to the usual risks and the risks inherent to its business. The main uncertainties for the next 6 months are linked to the development of the global economic crisis and its impact on emerging countries. The Issuer remains sensitive to a continued deterioration notably in:

- the situation of households in the United States, which is likely to affect exposures linked to residential real estate and consumer finance;
- commercial real estate, which, inter alia, may effect the commercial mortgage-backed security market;
- the financial situation of counterparties under leveraged buy-outs;
- the financial situation of monolines and credit derivatives product companies;
- the financial situation of its Russian customers (businesses and households).

For more detailed information regarding the risk factors relating to the Issuer see Section "Risk Factors" in the Cross-Reference List on page 26 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) and, in any event, subject always to the prior approval of the SGCB).

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 30 June 2009, the Issuer had indebtedness of €1,017 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 30 June 2009, the Issuer had €7.9 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 or come under external pressure 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).

It is possible that in certain circumstances, external authorities may require the Issuer to suspend payments of interest in circumstances which are not covered by the Conditions.

***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 SGCB.

***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 application or official interpretation thereof, the proceeds of the Notes cease to be eligible as Tier 1 Capital for the Issuer. Any redemption of the Notes will be subject to Condition 6.2 of the Notes (Redemption and Purchase) subject to the prior approval of the SGCB.

***Redemption for tax reasons***

The Issuer may, and in certain circumstances shall be required to, redeem the Notes in whole (but not in part) if (i) 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 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) the Issuer becomes obliged 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 (iii) the Issuer is 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). Any redemption of the Notes will be subject to Condition 6.2 of the Notes (Redemption and Purchase), subject to the prior approval of the SGCB.

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 Joint Lead 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.

Moody's (one of the credit rating agencies expected to assign a rating to the Notes) released a consultation paper entitled "Moody's Proposed Changes to Bank Subordinated Capital Ratings" dated 16 June 2009, in which the rating agency requested market feedback on potential changes to its bank hybrid rating methodology. Should Moody's implement this revised methodology as proposed, the rating of the Notes could potentially be negatively affected.

***Interest payments in respect of the Notes may be subject to the EU Directive on the Taxation of Savings Income.***

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States, including Belgium from 1 January 2010, 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.

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Savings Directive, which included the European Commission's advice on the need for changes to the Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Savings Directive, they may amend or broaden the scope of the requirements described above.

***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 advisors 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.

***French Insolvency Law***

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the Assembly) in order to defend their common interests if a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a euro medium term notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- modify the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or writing-off receivables in the form of debt securities;
- establish an unequal treatment between holders of different classes of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to call a meeting of the Assembly. For the avoidance of doubt, the provisions relating to the Meetings of

Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

***Change of law***

The Terms and Conditions of the Notes (including any non-contractual obligations arising therefrom or connected therewith) are based on English law, other than the subordination provisions contained in Condition 3 which are based on French law, in each case in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in English law or, as the case may be, French law or the official application or interpretation of English law or, as the case may be, French law after the date of this Prospectus.

## 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 second update to the 2009 Registration Document of Société Générale submitted to the *Autorité des Marchés Financiers* on 6 August 2009 under No. D.09-0095-A02, except for page 1 containing the *Autorité des Marchés Financiers* visa, the statement of the person responsible for the update to the Registration Document at page 224 and pages 226-227 containing the Cross Reference Table (the **Second Update to the 2009 Registration Document**). The Second Update to the 2009 Registration Document contains, among other things, the interim and other financial information of Société Générale up to 30 June 2009. To the extent that the Second Update to the 2009 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein;
- (b) the English version of the first update to the 2009 Registration Document of Société Générale submitted to the *Autorité des Marchés Financiers* on 12 May 2009 under No.D.09-0095-A01, except for the inside cover page containing the *Autorité des Marchés Financiers* visa, the statement of the person responsible for the update to the Registration Document at page 54 and Chapter 6 containing the Cross Reference Table on pages 56 to 57 (the **First Update to the 2009 Registration Document**). To the extent that the first update to the 2009 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein;
- (c) the English version of the amendment to the 2009 Registration Document (the **Amendment to 2009 Registration Document**) filed with the *Autorité des Marchés Financiers* on 8 April 2009. The 2009 Amendment Document contains, among other things, amended information relating to corporate governance, risk management, financial information and legal information. To the extent that the 2009 Amendment Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein;
- (d) the English version of the 2009 *document de référence* of Société Générale submitted to the *Autorité des Marchés Financiers* on 4 March 2009 under No. D 09-0095 except for the inside cover page containing the *Autorité des Marchés Financiers* visa and related textbox, the statement made by M. Oudéa of Société Générale at page 408 of the 2009 registration document and Chapter 13, pages 411 to 412, containing the Cross Reference Table (the **2009 Registration Document**). The 2009 Registration Document contains among other things, the audited annual consolidated financial statements of Société Générale for the financial year ended 31 December 2008 and the related notes (at pages 202-309) and the audit report (at pages 310-311). To the extent that the 2009 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein;
- (e) 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 the inside cover page 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**). 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 the audit report (at pages 266-267). To the extent that the 2008 Registration Document itself incorporates documents by reference, such documents shall not be deemed incorporated by reference herein.

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 as well as from Société Générale, Zurich Branch, Talacker 50, CH-8001 Zurich, Switzerland. This Prospectus and the documents incorporated by reference are available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) and on the Issuer's website at [www.societegenerale.com](http://www.societegenerale.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 2009 Registration Document, the Amendment to 2009 Registration Document, the First Update to the 2009 Registration Document, the Second Update to the 2009 Registration Document and the 2008 Registration Document**

<b>RISK FACTORS</b>	
Risk factors that may affect the issuer's ability to fulfil its obligations under the securities	2009 Registration Document, pages 152 to 193  First Update to the 2009 Registration Document pages 17 to 24  Second Update to the 2009 Registration Document pages 53 to 121
<b>INFORMATION ABOUT THE ISSUER</b>	
<b>HISTORY AND DEVELOPMENT OF THE ISSUER:</b>	
The legal and commercial name of the Issuer	2009 Registration Document, pages 2 and 413
The place of registration of the Issuer and its registration number	2009 Registration Document, page 392 and 413
The date of incorporation and the length of life of the Issuer	2009 Registration Document, page 392 and 413
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	2009 Registration Document, page 392 and 413
Dividend History	2009 Registration Document, page 19  Second Update to the 2009 Registration Document, page 9
Recent Events	2009 Registration Document, page 55  Second Update to the 2009 Registration Document, pages 4 to 8
<b>BUSINESS OVERVIEW</b>	
<b>PRINCIPAL ACTIVITIES</b>	
A description of the Issuer's principal activities stating the main categories of products sold and/or services performed	2009 Registration Document, pages 6 to 13 and 51 to 52  First Update to the 2009 Registration Document, pages 3 to 13

	Second Update to the 2009 Registration Document, pages 4, 7 to 8, 11 to 12 and 34 to 35
<b>ORGANISATIONAL STRUCTURE</b>	
If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	Second Update to the 2009 Registration Document, page 11 to 12
<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
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:	2009 Registration Document, pages 64 to 78 First Update to the 2009 Registration Document, pages 14 to 16 Second Update to the 2009 Registration Document, pages 47 to 52
<b>CONFLICTS OF INTEREST</b>	
Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 10.1 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.	2009 Registration Document, pages 69-74
<b>MAJOR SHAREHOLDERS</b>	
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.	2009 Registration Document, page 23 and page 385 Second Update to the 2009 Registration Document, page 10
<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	

<b>FINANCIAL STATEMENTS</b>	
If the Issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	<p>2009 Registration Document, pages 196 to 309 (consolidated) and 313 to 380 (parent)</p> <p>2008 Registration Document, pages 162 to 264 (consolidated) and 269 to 329 (parent)</p> <p>Second Update to the 2009 Registration Document, pages 122 to 197</p>
<b>AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION</b>	
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.	<p>2009 Registration Document, pages 310 to 311 and 382 to 383</p> <p>Second Update to the 2009 Registration Document, page 225</p> <p>2008 Registration Document, pages 266 to 267 and 330 to 331</p>
<b>MATERIAL CONTRACTS</b>	
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.	2009 Registration Document, pages 55 and 62
<b>BALANCE SHEET</b>	<p>2009 Registration Document, pages 196 to 197</p> <p>2008 Registration Document, pages 162 to 163</p> <p>Second Update to the 2009 Registration Document, pages 123 to 124</p> <p>Amendment to 2009 Registration Document, pages 4 to 5</p>
<b>INCOME STATEMENT</b>	<p>2009 Registration Document, page 198</p> <p>2008 Registration Document, pages 164</p> <p>Second Update to the 2009 Registration Document, pages 125 to 129</p>

<p><b>CASH FLOW STATEMENT</b></p>	<p>2009 Registration Document, page 201</p> <p>2008 Registration Document page 167</p> <p>Second Update to the 2009 Registration Document, page 129.</p>
<p><b>NOTES AND AUDITORS' REPORT</b></p>	<p>2009 Registration Document, pages 202 to 311</p> <p>2008 Registration Document, pages 168 to 267</p> <p>Second Update to the 2009 Registration Document, pages 130 to 170.</p> <p>Amendment to 2009 Registration Document, page 7</p>
<p><b>SELECTED FINANCIAL INFORMATION</b></p>	<p>2009 Registration Document, pages 16-17</p> <p>2008 Registration Document, pages 14-15</p> <p>Second Update to the 2009 Registration Document, pages 13-15 and 123 - 129</p>

## DETAILS OF THE OFFERS

The Notes may be offered by certain banks, financial intermediaries and other authorised entities, with the approval of the Issuer to the public in the following jurisdictions in the European Economic Area: Austria, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom, as well as in Switzerland (the **Offers**), in accordance with the following terms and conditions:

**Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:** USD 1,000,000,000

**The time period, including any possible amendments, during which the offer will be open and description of the application process:**

**Start of the offer period:**

In respect of any jurisdiction, not earlier than the date on which all requirements necessary to enable any such offer in any such jurisdiction to be made in accordance with all applicable laws, rules and regulations in such jurisdiction, which, at the date hereof, is expected to be on or about 8 October 2009, at 9.00 a.m. Central European Time (**CET**), with respect to Austria, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom.

**End of the offer period:**

On 9 October 2009, at 5.00 p.m. CET (the **Offer Period Termination Date**).

Investors will be notified by the relevant Joint Lead Manager or any placers of their allocations of Notes and the settlement arrangements in respect thereof as soon as practicable after the end of the offer period.

**A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:** Not applicable.

**Details of the minimum and/or maximum amount of application, (whether in number of Notes or aggregate amount to invest):** Not applicable.

**Method and time limits for paying up the securities and for delivery of the Notes:** The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Joint Lead Manager or any placers of their allocations of Notes and the settlement arrangements in respect thereof.

**A full description of the manner and date in which results of the offer are to be made public:** Not applicable.

**The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised:**

Not applicable.

**The various categories of potential investors to which the Notes are offered:**

Upon approval of this Prospectus for use in connection with public offers, such offers may be made to any person in Austria, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom. Until such time in such countries (other than Switzerland), and at all times in other EEA countries, offers will only be made by the Joint Lead Managers pursuant to an exemption under the Prospectus Directive as implemented in such countries. A public offer may be made in Switzerland to any person commencing on or about 8 October 2009 at 9.00a.m. CET.

**Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:**

Investors will be notified by the relevant Joint Lead Manager or placer of their allocations of Notes.

**An indication of the expected price at which the Notes will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser:**

The Notes will be issued at an issue price of 100 per cent. of their nominal amount. Any investor intending to acquire any Notes from a bank, financial intermediary or other entity (other than a Joint Lead Manager in its capacity as such) will do so in accordance with any terms and other arrangements in place between the seller and such investor, including as to price, allocations and settlement arrangements. The Issuer will not be a party to such arrangements with investors, and, accordingly, investors must obtain such information from the relevant seller.

**Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or to the offeror, of the placers in the various countries where the offer takes place:**

The offer will be made by licensed banks, financial intermediaries and other entities duly authorised in the relevant jurisdictions.

**Name and address of any paying agents in each country:**

The names and addresses of the paying agents with respect to the Notes are set out at the end of this Prospectus.

Payments in respect of principal and interest on the Notes will be made by or on behalf of the Issuer to the relevant account intermediaries in Euroclear and Clearstream, Luxembourg for the benefit of the Noteholders.

**Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Indication of the material features of the agreements, including the quotas.**

The Joint Lead Managers, pursuant to a Subscription Agreement, have agreed to procure subscription, failing which, to subscribe and pay for the Notes at a price equal to 100 per cent. of their nominal amount.

The Subscription Agreement provides that the Issuer will pay the Joint Lead Managers a combined management and underwriting commission of 1.5 per cent. and a selling

<b>Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission:</b>	commission of 0.5 per cent., in each case of the nominal amount of the Notes. See the section entitled "Subscription and Sale" below.  The addresses of the Joint Lead Managers are set out at the end of this Prospectus.
<b>When the underwriting agreement has been or will be reached:</b>	The Subscription Agreement is dated 6 October 2009. See the section entitled "Subscription and Sale".

For the avoidance of doubt, this Prospectus may not be used in any country for the purposes of any public offer of the Notes other than as described above and, in such cases, only until the Offer Period Termination Date, unless otherwise authorised by the Issuer.



## 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 section entitled "Summary of Provisions Relating to the Notes While Represented by 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 USD 1,000,000,000 Undated Deeply Subordinated Fixed 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 2 October 2009 by M. Séverin Cabannes, acting pursuant to a resolution of the board of directors (*conseil d'administration*) of the Issuer dated 6 May 2009. The Notes are issued subject to and with the benefit of a fiscal agency agreement (the **Agency Agreement**) dated on or about 6 October 2009 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 Bank & Trust will also 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:

**Accrued Interest** means any interest accrued and due.

**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).

**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 London, New York City and Luxembourg.

**Calculation Agent** means Société Générale Bank & Trust.

**Calculation Date** means the third Business Day prior to the Early Redemption Date.

**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 (x) a dividend consisting solely of newly issued Issuer Shares or (y) any redemption by any means) 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 Date** has the meaning set forth in Condition 6.2(b).

**EEA** means the European Economic Area.

**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 7 April 2015.

**Fiscal Agent** means Société Générale Bank & Trust.

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

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

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

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

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

**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 (including but not limited to *actions de préférence* (preference shares)).

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

**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. USD 2,000) 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.

**Redemption Amount** means the Original Principal Amount plus Accrued Interest.

**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.

**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 USD 2,000 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 net 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* (included in **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 8.75 per cent. per annum (the **Interest Rate**) from (and including) 7 October 2009 (the **Issue Date**), payable semi-annually in arrear on 7 April and 7 October in each year (each, an **Interest Payment Date**). The first Interest Payment Date shall be on 7 April 2010.

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 Interest Amount

The amount of interest (the **Interest Amount**) payable on each Note on each Interest Payment Date will be the product of the Current Principal Amount of such Note and the Interest Rate, multiplied by the 30/360 day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

If interest is required to be calculated in respect of an 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 Interest Rate to the then Current Principal Amount of such Note and multiplying such product by the 30/360 day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards). For the purposes of this Condition:

**30/360** means, in respect of any period, the number of days in any portion of a Regular Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months); and

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

##### 4.3 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.

#### **4.4 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 Interest Amount). 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 (x) a dividend consisting solely of newly issued Issuer Shares or (y) any redemption by any means) 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 accordance with 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 Redemption Amount.

#### **(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 application or official 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 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, any 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 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 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 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 Redemption 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.

### **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 an account in U.S. Dollars maintained by the payee with or, at the option of the payee, by a cheque in U.S. Dollars drawn on a bank in New York City.

### **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 an account in U.S. Dollars as referred to above, is a Business Day in New York City.

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.

### **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 a Calculation Agent;
- (c) there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having its specified office in Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange; and
- (d) 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 (the **Savings Directive**) or any law implementing or complying with, or introduced in order to conform to, the Savings Directive (any such Savings 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 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 (**Taxes**). 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 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
- (c) 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, the Savings Directive; or
- (d) 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
- (e) for or on account of any Taxes payable otherwise than by deduction or withholding from payments under or with respect to any Note; or
- (f) for or on account of any sales, excise, transfer, registration or similar Taxes; or
- (g) 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
- (h) any combination of sub-paragraphs (a) to (g) above (inclusive).

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. (or in the case of one Noteholder 100 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 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, provided that such modification 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](http://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*. However, if the Notes are listed on the regulated market of an EEA member state other than Luxembourg, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of that regulated stock exchange or other relevant authority on which the Notes might be 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. *(If the Notes are held in a clearing system, notices 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 a 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 and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes and the Coupons and every such agreement for the issue and purchase of Notes shall be governed by, and 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 (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes or the Coupons) and accordingly has submitted to the exclusive 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 (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Notes or 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 Notes will initially be represented by the Temporary Global Note, without interest coupons or talons, which will be deposited with a common depository for Euroclear and Clearstream, Luxembourg on or about the Issue Date. On and after 17 November 2009, interests in such Temporary Global Note will be exchangeable for interests in the Permanent Global Note, without interest coupons or talons, to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent.

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 17 November 2009, 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 SOCIÉTÉ GÉNÉRALE AND SOCIÉTÉ GÉNÉRALE GROUP

See also Documents Incorporated by Reference on page 24.

### **By-laws of Société Générale**

The current version of the by-laws of Société Générale is dated 10 July 2009.

### **Purpose of *Société Générale* (Article 3 of the by-laws)**

The purpose of Société Générale, under the conditions determined by the laws and regulations applicable to credit institutions, is to carry out, in France or abroad, with individuals or corporate entities:

- banking transactions;
- transactions related to banking operations, including, in particular, investment related services or allied services as provided by Articles L. 321-1 and L. 321-2 of the Monetary and Financial Code; and
- acquisitions of interests in other companies.

Société Générale may also engage on a regular basis in transactions other than those listed above, including, in particular, insurance brokerage, under the conditions set by the *Comité de la Réglementation Bancaire et Financière* (French Banking and Financial Regulations Committee).

Generally, Société Générale may carry out, on its own behalf, on behalf of third parties or jointly, all financial, commercial, industrial or agricultural personalty or realty transactions, directly or indirectly related to the above-mentioned activities or likely to facilitate the accomplishment of such activities.

### **Registration**

Société Générale is registered in the "*Registre du Commerce et des Sociétés*" of Paris under the number RCS Paris 552 120 222. It was first registered on 4 May 1864.

### **Publications**

Société Générale makes available its general communication on the issuer and its services on the [www.societegenerale.com](http://www.societegenerale.com) website.

Notices to Noteholders are made in accordance with the relevant Terms and Conditions of the Notes.

## 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 2008 and 80% from year-end 2009.

#### *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 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 solvency 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") 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"). 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 (if acquired before 1 January 2007) and any item constituting its own funds shall be deducted from the sum of the own funds until 31 December 2012. From 1 January 2013 and for entities acquired after 1 January 2007 the positive contribution to consolidated earnings and reserves generated by entities in the insurance sector, including positive equity-method adjustments shall be deducted from the bank's Tier 1.

- 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") 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**

2008 was a year of transition between the Cooke regulation (Basel I) and the new Basel II regulation as transposed in the Order of 20 February 2007 relating to capital requirements for credit institutions and investment firms.

#### **Basel II ratio**

In billions of euros (except percentages)	30 June 2009
Tier 1 capital	32.024
Risk-weighted assets	335.702
Tier 1 ratio (%)	9.5
Total ratio (%)	12.3

### **Financial Conglomerates**

The Société Générale Group has been classified as a financial conglomerate. As such it must comply with additional supervision by the *Commission Bancaire*.

## RECENT DEVELOPMENTS

1) Société Générale has recently issued the following undated deeply subordinated notes:

EUR 1,000,000,000 Undated Deeply Subordinated Fixed to Floating Rate Notes issued on 4 September 2009.

2) On 6 October 2009 the Issuer issued a press release relating to, inter alia, the launch of an increase in share capital of Société Générale.

The press release referred to below is included in this Prospectus for information purposes only. It does not constitute an offer to sell, or a solicitation to purchase, subscribe or otherwise acquire, any securities or rights in any country, including, without limitation, the United States, Canada, Japan, Switzerland or Australia.

Extracts of the English version of the text of such press release are as follows:

Paris, 6 October 2009

### **Société Générale announces a EUR 4.8 billion capital increase with preferential subscription rights**

#### **NOT TO BE DISTRIBUTED IN THE UNITED STATES, CANADA, JAPAN, SWITZERLAND AND AUSTRALIA**

Société Générale announces today a EUR 4.8 billion capital increase with shareholders' preferential subscription rights.

This transaction will allow Société Générale to repay the Preference Shares (B shares) and Undated Deeply-Subordinated Securities ("TSSDI") subscribed by the French State (Société de Prise de Participation de l'Etat, "SPPE"), and to increase the level and reinforce the quality of its solvency ratios. Moreover, it will enable Société Générale to seize potential external growth opportunities.

The bank further reaffirms all of the commitments made vis-à-vis public authorities with respect to the credit grants for financing the economy and the application of the G20 guidelines, notably with regards to compensation policy.

The objectives of the capital increase are the following:

- Repay or repurchase immediately after the delivery and settlement of this capital increase, all of the instruments issued to the SPPE for a cumulative subscription price of EUR 3.4 billion; these instruments consist of:
  - all of the B shares issued by the company to the SPPE on 28 May 2009 for a subscription price of EUR 1.7 billion<sup>1</sup>
  - all of the TSSDI issued by the company to the SPPE on 12 December 2008 for a total subscription price of EUR 1.7 billion<sup>1</sup>
- Reinforce Core Tier One capital in the Group's solvency ratios and fund targeted acquisitions; in this regard, the Group has commenced a process to acquire the remaining 20% minority interest in Crédit du Nord currently held by Dexia.

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<sup>1</sup> 45,045,045 B shares with a nominal value of EUR 1.25 per share. The amount of the repayment or the repurchase might differ from the subscription price given the terms and conditions of repayment or repurchase of each instrument.

Taking into account this capital increase, the repayment of instruments held by the SPPE and the acquisition of an additional 20% stake in Crédit du Nord, the Group's Core Tier One ratio on a pro forma basis as of 30 June 2009 would be c. 8.0% and the Tier One ratio would be 9.7%.

These transactions should have a neutral impact on earnings per share in 2010.

### **Recent Events and Outlook**

Société Générale benefits from a balanced and diversified business portfolio supported by leading positions in France and abroad in markets with high growth potential and by its Corporate and Investment Banking business. The new management team is determined to implement the Group's long-term development strategy and to improve profitability in a sustainable manner through targeted acquisitions in International Retail Banking and Private Banking.

- Retail Banking in France has benefited from a growth dynamic demonstrated by consistent gains of market shares. Moreover, it should experience a stabilization of the cost of risk in the upcoming financial quarters.
- Due to the strong growth potential in emerging markets and the Group's strong positions in these regions, the prospects for the Company's international networks remain favorable. Despite the increase in the cost of risk, the profitability of this business remains satisfactory. The Group has taken the necessary measures in Russia to limit the effects of the economic downturn and its medium-term growth objectives remain unchanged.
- The development of specialized Financial Services continues by optimizing synergies with the Group's international networks.
- The Group entered into a strategic alliance with the Crédit Agricole group this year with respect to the Asset Management business. As a result of Private Banking's resilience, Société Générale is ready to take advantage of opportunities relating to targeted acquisitions to reinforce this business's growth potential. SG Securities Services is currently working on the improvement of its operational efficiency.
- Corporate and Investment Banking posted record operating results for the first six months of 2009 through reinforced customer coverage and significant market gains in all of its activities. Optimizing the division's profits and improving its risk profile is one of the Group's largest undertakings.

Moreover, Société Générale continues to optimize its operating model. The expected positive impact on the gross operating income (revenues and costs gains) directly related to the measures identified so far amounts to an estimated EUR 430 million in 2009 and approximately EUR 1 billion in 2010 (all things being equal). The transformation of the Group's operating model will be continued through the streamlining of procedures and the development of synergies.

The Group anticipates a future pay-out ratio of 35% to 40% of its net income.

### **Outlook for the third quarter of 2009**

On the basis of the information available to the Company on the date of this press release, the business and operating income for the third quarter of 2009, for each of the group's core businesses, do not significantly differ from that of the first six months while reflecting usual seasonal phenomena. The retail network in France, however, is benefitting from a business dynamic that should lead to growth in net banking income for 2009 of close to 2% (excluding effects of the PEL/CEL provision and the capital gain from the sale of the shareholding in VISA).

As a result of the tightening of credit spreads observed during the third quarter, the Company should record for the period negative accounting impacts (evolution of the valuation of the Mark to Market of credit default swaps covering the corporate credit portfolio and the re-evaluation of the Company's financial liabilities) nonetheless reduced by more than one half in relation to those recorded during the previous quarter.

Furthermore, in relation to the risk exposure associated with Corporate and Investment Banking, the Company expects to record negative elements moderately higher than those recorded during the second quarter, of which over half from cost of risk on the reclassified assets.

### **Terms of the Offering**

This share capital increase will be carried out through distribution of preferential subscription rights (*droit préférentiel de souscription – DPS*) to existing shareholders to allow them to participate in the offering and more generally protect their interests.

The subscription price will be EUR 36.00 per share (i.e. EUR 1.25 par value and a EUR 34.75 issue premium) on the basis of 2 new shares for 9 existing shares, resulting in the issuance of 134 510 230 shares in total.

The issue price represents a 26.9% discount to the theoretical ex-right price based on the Société Générale closing share price on 5 October 2009

Each Société Générale shareholder will receive one preferential subscription right per share held at the close of trading on 7 October 2009. The subscription period for the new shares will begin on 8 October 2009 and will close on 20 October 2009 inclusive. During this period, the preferential subscription rights will be listed and traded on Euronext Paris (ISIN code FR0010811950). Subscriptions on a reducible basis will be allowed.

The offering will be open to the public in France and in eight European countries<sup>2</sup>.

The new shares issued are Class A ordinary shares and will confer to their holders, upon issuance, all of the rights attached to existing Class A ordinary shares.

Settlement and delivery of the new shares is scheduled to take place on 2 November 2009, day upon which the new shares will start trading on Euronext Paris (Compartment A). They will be immediately fungible with the existing ordinary shares already listed on Euronext Paris and will trade on the same line as the Company's existing Class A Shares (ISIN code FR0000130809).

The offering is lead managed by Société Générale Corporate & Investment Banking, as Global Coordinator, Lead Manager and Joint-Bookrunner and J.P. Morgan Securities Ltd, Merrill Lynch International and Morgan Stanley & Co. International plc as Joint-Lead Managers and Joint Bookrunners.

An underwriting agreement for the rights issue was signed between Société Générale and the bank syndicate on 5 October 2009. This underwriting does not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L.225-145 of the French Commercial Code.

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<sup>2</sup> This Offering is made to the public in the following countries of the European Union where the Prospectus will be passported and published in accordance with the Prospectus Directive: Germany, Belgium, Spain, Italy, Luxembourg, the Czech Republic, Romania and the United Kingdom.

## TAXATION

The statements herein regarding taxation are based on the laws in force in the following jurisdictions in the European Economic Area, Austria, France, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom, as well as the laws in force in Switzerland, 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 any 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 (the **Savings Directive**), Member States, including Belgium from 1 January 2010, 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).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the European Commission's advice on the need for changes to the Savings Directive. The European Parliament approved an amended version of this proposal on 24 April 2009. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Savings Directive, they may amend or broaden the scope of the requirements described above.

### **Austria**

*This section on taxation contains a brief summary with regard to certain important principles which are of significance in Austria in connection with bonds. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for individual potential investors. It is based on the currently valid Austrian tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may also be effected with retroactive effect and may negatively impact on the tax consequences described above. It is recommended that potential purchasers of bonds consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale. Tax risks resulting from the bonds shall be borne by the purchaser.*

#### *Income Tax*

Individuals subject to unlimited income tax liability holding bonds as a non-business asset are subject to income tax on all resulting interest payments pursuant to section 27(1)(4) and 27(2)(2) of the Austrian Income Tax Act. Such interest payments are subject to a withholding tax of 25.0 per cent. in case they are paid out by an Austrian paying agent. This withholding tax has the effect of final taxation in the case of a public placement of the bonds (i.e. no additional income tax is levied over and above the amount of tax withheld). Even if interest payments are not effected through an Austrian paying agent, a flat income tax rate of 25.0 per cent. applies in the case of a public placement of the bonds. Since in this case no withholding tax is levied, interest payments must be included in the income tax return.

Individuals subject to unlimited income tax liability holding bonds as a business asset are subject to income tax on all resulting interest payments. Such interest payments are subject to a withholding tax of 25.0 per cent. in case they are paid out by an Austrian paying agent, this withholding tax having the effect of final taxation in the case of a public placement of the bonds (i.e. no additional income tax is levied over and above the amount of tax withheld). Even if interest payments are not effected through an Austrian paying agent, a flat income tax rate of 25.0 per cent. applies in the case of a public placement of the bonds. Again, such income has to be included in the income tax return.

Corporations subject to unlimited corporate income tax liability are subject to corporate income tax on all interest payments resulting from bonds at a rate of currently 25.0 per cent. Under the conditions set forth in section 94(5) of the Austrian Income Tax Act, no withholding tax is levied.

Private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in section 13(1) of the Austrian Corporate Income Tax Act and holding bonds as a non-business asset are subject to corporate income tax on all interest payments received pursuant to section 13(3)(1) of the Austrian Corporate Income Tax Act at a rate of 12.5 per cent. in the case of a public placement of the bonds. Under the conditions set forth in section 94(11) of the Austrian Income Tax Act, no withholding tax is levied.

#### *EU withholding tax*

Section 1 of the Austrian EU Withholding Tax Act, which transforms into national law the provisions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, provides that interest payments paid or credited by an Austrian paying agent to a beneficial owner who is an individual resident in another Member State is subject to a withholding tax if no exception from such withholding applies. Currently, the withholding tax amounts to 20 per cent. As of 1 July 2011 it will be increased to 35 per cent.

#### **France**

The Notes being *obligations* under French law and accordingly being deemed to be issued outside the French Republic, interest and other revenues paid by the Issuer in respect of the Notes to non-French tax residents who are not concurrently shareholders or affiliates of the Issuer will, upon issue, benefit from an exemption from withholding tax pursuant to Article 131 *quater* of the *Code général des impôts* as construed by the administrative statement of practice 5 I-11-98 dated 30 September 1998, as supplemented by rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009. Accordingly, such payments do not give rise to any tax credit from any French source.

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts* which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

#### **Germany**

At present, there is no legal obligation for the Issuer (as issuer of the Notes) to deduct or withhold any German withholding tax (*Quellensteuer*) from payments of interest, other ongoing payments, principal and gains from the disposition, redemption or settlement of the Notes or Coupons to the holder of any Note or Coupon.

However, a German branch of a German or non-German bank (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*), a German securities trading company (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (each a Disbursing Agent, *auszahlende Stelle*) which term may include the Issuer if acting as Disbursing Agent may be obliged to withhold German

withholding taxes on payments of interest, on other ongoing payments, on repayments of capital and on gains from the disposition, redemption or settlement of the Notes or Coupons.

Further, income and capital gains derived from the Notes or Coupons are generally subject to German personal or corporate income tax (*Einkommensteuer, Körperschaftsteuer*) for German tax-resident holders of the Notes or Coupons and may - under certain circumstances (e.g. in case of a German permanent establishment of the holder) - be subject to German tax for non-German tax resident holders of the Notes or Coupons. In addition, if the Notes or Coupons form part of a German trade or business, income and capital gains are generally also subject to German trade tax (*Gewerbesteuer*).

All tax implications can be subject to alteration due to future law changes, possibly with retroactive or retrospective effect.

Prospective investors are recommended to consult their own advisors as to the tax consequences of an investment in the Notes, also taking into account the taxation in the holder's country of residence or deemed residence.

## **Ireland**

*The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of Notes. This summary deals only with Notes held beneficially as capital assets and does not address special classes of Noteholders such as dealers in securities. This summary is not exhaustive and Noteholders are advised to consult their own tax advisors with respect of the taxation consequences of their purchase, ownership or disposition of the Notes. The comments are made on the assumption that the Issuer is not resident in Ireland for Irish tax purposes. The summary is based on current Irish taxation legislation and practice of the Irish Revenue Commissioners.*

### *Irish Withholding Tax*

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payments of interest on the Notes except where the interest has an Irish source. The interest could be considered to have an Irish source, where, for example, interest is paid out of funds maintained in Ireland or where the Notes are secured on Irish situate assets. The mere offering of the Notes to Irish investors will not cause the interest to have an Irish source.

If the interest on the Notes is entrusted to an Irish paying agent or is collected by an Irish collecting agent then Irish encashment tax may be required to be withheld at the standard rate (currently 20 per cent.) from the payments made by the relevant agent.

### *Taxation of interest*

Unless exempted, an Irish resident or ordinarily resident Noteholder will be liable to Irish tax on the amount of the interest or other income, including potentially any premium on redemption, received from the Issuer. Individuals would suffer income tax at rates of up to 41 per cent. plus potentially, PRSI and other levies. Irish corporate investors are likely to be liable to corporation tax at the rate of 25 per cent. Credit against Irish tax on the interest received may be available in respect of any foreign withholding tax deducted by the Issuer.

### *Taxation of capital gains*

Irish resident or ordinarily resident Noteholders may be liable to Irish tax on capital gains on any gains arising on a disposal of Notes at a 25 per cent. rate. Reliefs and allowances may be available in computing the Noteholder's liability.

### *Stamp Duty*



Transfers of Notes should not be subject to Irish stamp duty, provided the transfers do not relate to Irish land or buildings or securities of an Irish registered company.

### *Capital Acquisitions Tax*

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situated in Ireland. This tax is charged at a rate of 25 per cent. on gifts and inheritances above a certain threshold determined both by the relationship between the disponent and the donee/successor and previous gifts or inheritances received.

### Provision of Information

#### *Generally*

Noteholders should be aware that where any interest or other payment on Notes is paid to them by or through an Irish paying agent or collection agent then the relevant person may be required to supply the Irish Revenue Commissioners with details of the payment and certain details relating to the Noteholder. Where the Noteholder is not Irish resident, the details provided to the Irish Revenue Commissioners may, in certain cases, be passed by them to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

### **Luxembourg**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

#### *Withholding Tax*

##### (i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20% and will be levied at a rate of 35% as of 1 July 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20%.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10%.

### **The Netherlands**

This taxation paragraph solely addresses the Dutch withholding tax consequences of the payments under the Notes. It does not consider other aspects of taxation that may be relevant to a particular holder of Notes. Where in this paragraph English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

This paragraph is based on the tax law of the Netherlands (unpublished case law not included) as it stands on the date of this Prospectus. The law upon which this paragraph is based is subject to change, possibly with retroactive effect. Any such change may invalidate the contents of this paragraph, which will not be updated to reflect such change. This paragraph assumes that the place of effective management of the Issuer is not situated in the Netherlands.

#### *Withholding tax*

All payments made by the Issuer under the Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### **Portugal**

*The following summary of certain general Portuguese taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law (and the interpretation and application thereof) and practice occurring after such date, which may have a retroactive effect.*

*This summary is not a complete analysis or listing of all possible tax consequences relating to an investment in the Notes and it does not address all tax considerations that may be relevant to all categories of potential investors or potential tax regimes, some of whom may be subject to special rules, namely those applicable to investment funds.*

*Prospective investors in the Notes are urged to consult their tax lawyers or advisers regarding the applicable tax consequences of the investment in the Notes, including the impact of tax law and practice of any other jurisdictions, based on their particular circumstances.*

#### *Portuguese resident individuals*

Personal Income Tax ("*Imposto sobre o Rendimento das Pessoas Singulares*") ("**IRS**")

As a rule, income arising to Portuguese resident individuals from the holding or redemption of the Notes, as well as interest accrued but not yet due at the date of a transfer of the Notes, qualifies as investment income and is subject to IRS at a final withholding tax rate of 20 per cent. rate.

In case investment income in connection with the Notes is paid by a Portuguese paying agent, IRS at a 20 per cent. withholding tax rate of rate will be withheld. In this case, a Portuguese resident individual, unless deriving such income in the capacity of an entrepreneur with organised accounts, may choose to declare such income in his or her tax return, together with the remaining items of income derived. If such election is made, the said income will be subject to IRS according to the relevant tax brackets, up to 42 per cent, and the domestic withholding tax will constitute a payment on account of such final IRS liability. Conversely, any foreign withholding tax suffered will be considered as a tax credit against the final IRS liability.

In case investment income in connection with the Notes is not paid by a Portuguese paying agent, no Portuguese withholding tax will apply. A Portuguese resident individual must declare the relevant income in his or her tax return and either subject it to the final withholding tax rate of 20 per cent. rate or aggregate it with the remaining elements of income and subject the global amount to IRS according to the relevant tax brackets, up to 42 per cent. Only in this latter alternative may any foreign withholding tax suffered be considered as a tax credit against the final IRS liability.

Since the Notes should qualify as bonds or debt securities under Portuguese law, capital gains arising from their transfer or exchange (computed as the gain, deducted of interest accrued but not yet due at the date of a transfer) are not subject to IRS. Should the Portuguese tax authorities challenge such qualification, IRS will apply at a final withholding tax rate of 10 per cent. rate. In such case, Portuguese resident individuals might opt for aggregating the capital gains with the remaining income, in which case said income would be subject to IRS according to the relevant tax brackets, up to 42 per cent. No Portuguese withholding tax is levied on capital gains.

#### Stamp Duty ("*Imposto do Selo*")

Portuguese resident individuals who acquire ownership or other rights over any Notes by inheritance, gift or legacy may be subject to Stamp Duty at a maximum rate of 10 per cent, although some exemptions apply, such as to spouses, descendants and ancestors.

#### *Portuguese resident corporations*

#### Corporate Income Tax ("*Imposto sobre o Rendimento das Pessoas Colectivas*") ("**IRC**")

Any income obtained by Portuguese corporations in relation with the Notes will be included in their IRC taxable income and subject to progressive corporate tax rate according to which a 12.5 per cent. Tax rate will be applicable on the first €12,500 of taxable income and a 25 per cent. Rate will be applicable on taxable income exceeding €12,500, which may be subject to a municipal surcharge (*derrama*) of up to 1.5 per cent., over the Noteholders taxable profits.

To the extent that the Issuer of the Notes is a non-Portuguese resident entity, no Portuguese withholding tax on account of the final IRC liability of Portuguese corporate investors will apply.

#### Stamp Duty ("*Imposto do Selo*")

Portuguese corporations are not subject to Stamp Duty on free acquisitions. However, net variations in worth arising to Portuguese corporations as a result of receiving Notes through a restructuring, gift or legacy will be taxed under IRC, for the market value of the Notes.

#### *EU Savings Directive*

Portugal has implemented the above Directive on taxation of savings income into the Portuguese Law through Decree-Law 62/2005, of 11 March 2005, as amended by Law no. 39-A/2005, of 29 July.

## **Spain**

*Prospective investors are recommended to seek independent advice as to the tax consequences of an investment in the Notes.*

### *Spanish withholding tax*

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depository of the Notes or intervenes as manager in the collection of any income under the Notes, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes. The current withholding tax rate in Spain is 18 per cent. Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish tax resident individuals, or against final Spanish Corporate Income Tax liability, in the case of Spanish corporate, or against final Non-Residents' Income Tax liability, in the case of Spanish permanent establishment of a non-resident holder of the Notes. However, holders of the Notes who are Corporate Income Taxpayers or Non-Residents' Income Taxpayers can benefit from a withholding tax exemption when the Notes are listed in an OECD official stock exchange. This will be the case as the Notes are expected to trade on the Luxembourg Stock Exchange's regulated market.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish Personal Income Tax (Royal Decree 439/2007, of 30 March) and Corporate Income Tax (Royal Decree 1777/2004 of 30 July) when intervening in the transfer or reimbursement of the Notes.

## **Switzerland**

### *Swiss Withholding Tax*

At present, the Notes are not subject to Swiss withholding tax.

### *Savings Tax*

The EU has negotiated with certain states, namely Switzerland, Liechtenstein, Monaco, Andorra and San Marino, the introduction of "equivalent measures", as within the EU, regarding the taxation of savings income in the form of interest payments. In particular, in October 2004, the EU and Switzerland signed an agreement on the taxation of savings income by way of a withholding tax system or a voluntary declaration in the case of transactions between individuals resident in EU Member States and paying agents in Switzerland. This agreement was ratified by the Swiss Federal Council in May 2005 and entered into force on 1 July 2005. Based on this agreement, Switzerland introduced a withholding tax on interest payments or other similar income paid by a paying agent within Switzerland to EU resident individuals. The withholding tax is currently applied at a rate of 20 per cent (1 July 2008 to 30 June 2011) and will be applied at a rate of 35 per cent (from 1 July 2011 onwards). The beneficial owner of the interest payments will be entitled to a refund of the tax, if certain conditions are met. Instead of the withholding tax system, the affected EU individuals have the option to opt for voluntary disclosure. In this case, information related to their savings income in the form of interest payments is communicated to the tax authorities of their country of residence.

Prospective purchasers of these Notes should consult their advisors concerning the impact of the EU Savings Tax Directive. Notwithstanding the above, for the avoidance of doubt, should the Issuer, the Swiss Principal Paying Agent or any institution where the Notes are deposited be required to withhold any amount as a consequence of the EU Savings Tax Directive, then, there is no requirement for the Issuer to pay any additional amount pursuant to Condition 8 of the Terms and Conditions of the Notes relating to such withholding.

## **United Kingdom**

The comments below are of a general nature based on current United Kingdom law and HM Revenue & Customs practice and are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They assume that the Issuer is not resident in the United Kingdom and does not act through a permanent establishment in relation to the Notes. They relate only to the position of persons who are the absolute beneficial owners of their Notes and may not apply to certain classes of persons such as dealers or certain professional investors. Any Noteholders who are in doubt as to their own tax position, or who may also be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

### *Withholding and disclosure*

The Issuer will not be required to withhold amounts for or on account of UK income tax when making payments of interest on the Notes as the interest will not have a UK source.

Persons in the United Kingdom paying interest to or receiving interest on behalf of another person may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

### *Taxation of Noteholders*

#### *Corporate Noteholders*

Noteholders within the charge to United Kingdom corporation tax (including non-resident Noteholders whose Notes are used, held or acquired for the purposes of a trade or vocation carried on in the United Kingdom through a permanent establishment) will be subject to tax on income on all profits and gains from the Notes broadly in accordance with their statutory accounting treatment. Such Noteholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the Noteholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the Notes will be brought into account as income.

#### *Other Noteholders*

##### (a) Interest

Noteholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom income tax on the amount of any interest received in respect of the Notes.

##### (b) Disposal

A disposal of a Note by a Noteholder resident or ordinarily resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Note is attributable may give rise to a chargeable gain or allowable loss for the purposes of taxation of capital gains. In calculating any gain or loss on the disposal of a Note, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for the Note. Any accrued interest at the date of disposal will be taxed under the provisions Chapter 2 of Part 12 of the Income Tax Act 2007 and will be excluded from the calculation of any capital gain or allowable loss arising on a disposal of the Note.

## SUBSCRIPTION AND SALE

HSBC Bank plc, Société Générale Bank & Trust, J.P. Morgan Securities Ltd. and UBS Limited (the **Bookrunners** and **Joint Lead Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 6 October 2009, 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 1.5% and a selling concession of 0.5%, in each case of the total principal amount of the Notes. The Issuer has agreed to indemnify the Joint Lead 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

Each Joint Lead Manager has agreed, to the best of its knowledge and belief in all material respects, to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required other than as specified herein. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

For the avoidance of doubt, this Prospectus may not be used in any country for the purposes of any public offer of the Notes other than as described above and, in such cases, only until the Offer Period Termination Date (See the section entitled "Details of the Offers", above), unless otherwise authorised by the Issuer.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Joint Lead Manager has represented and agreed that it has not made, and will not make, an offer of Notes that are the subject of the offering contemplated by this Prospectus, to the public in that Relevant Member State other than the offers contemplated in the Prospectus in Austria, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom following the date on which the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authorities in accordance with the Prospectus Directive, as implemented in Austria, Germany, Ireland, the Netherlands, Portugal, Spain and the United Kingdom, except that it may make an offer of such Notes to the public in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances falling within Article 3(2)(a) and (c) of the Prospectus Directive, provided that no such offer of Notes shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication, in any form and by any means, of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **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 or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (Regulation S).

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.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, 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 distribution compliance period a confirmation 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. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **France**

Each of the Joint Lead Managers and the Issuer has acknowledged that the Notes are being deemed issued outside the French Republic, accordingly, each of the Joint Lead Managers 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*.

## **Ireland**

Each Joint Lead Manager has represented, warranted and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (i) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued by the Irish Financial Services Regulatory Authority (the **Financial Regulator**) under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the **2005 Act**);
- (ii) the Irish Companies Acts 1963 to 2009;
- (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Financial Regulator; and
- (iv) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Financial Regulator under Section 34 of 2005 Act.

## **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.

## **Portugal**

Each Joint Lead Manager has represented and agreed with the Issuer that, regarding any offer or sale of Notes by it in Portugal or to individuals resident in Portugal or having a permanent establishment located in the Portuguese territory, it will comply with all laws and regulations in force in Portugal, including (without limitation) the Portuguese Securities Code (*Código dos Valores Mobiliários*), any regulations issued by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) and Commission Regulation (EC) No. 809/2004, any other laws or regulations implementing the Prospectus Directive, and other than in compliance with all such laws and regulations: (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, market, invite to subscribe, gather investment intentions, sell, re-sell, re offer or deliver any Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code and other applicable securities legislation and regulations, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portugal, as the case may be; (ii) all offers, sales and distributions by it of the Notes have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code, qualify as a private placement of Notes only (*oferta particular*); (iii) it has not distributed, made available or caused to be distributed and will not distribute, make available or cause to be distributed the Prospectus or any other offering material relating to the Notes to the public in Portugal. Furthermore, (a) if the Notes are subject to a private placement addressed exclusively to qualified investors as defined, from time to time, in Article 30 of the Portuguese Securities Code (*investidores qualificados*), such private placement will be considered as a private placement of securities pursuant to the Portuguese Securities Code; (b) private placements addressed by companies open to public investment (*sociedades abertas*) or by companies issuing securities listed on a regulated market shall be notified to the CMVM for statistics purposes.

## **Hong Kong**

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance."

## Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the Securities and Futures Act). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Notes, namely a person who is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
- (ii) where no consideration is given for the transfer; or
- (iii) by operation of law.

## 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 €14,500.
- (3) The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear, Brussels with the Common Code number 45456986. The International Securities Identification Number (ISIN) for the Notes is XS0454569863. The address of Euroclear France is 155 rue de Réaumur, 75081 Paris Cedex 02, France and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
- (4) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), there has been no significant change in the financial or trading position of the Issuer and the Group since 30 June 2009.
- (5) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), there has been no material adverse change in the prospects of the Issuer since 31 December 2008 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2008.
- (6) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference, at pages 188 to 190 of the 2009 Registration Document), 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 2 October 2009 by M. Séverin Cabannes, acting pursuant to a resolution of the board of directors (*conseil d'administration*) of the Issuer dated 6 May 2009.
- (8) Except as disclosed in this Prospectus (including the Documents Incorporated by Reference, at pages 55 and 62 of the 2009 Registration Document), 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 as well as Société Générale, Zurich Branch, Talacker 50, CH-8001 Zurich, Switzerland 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 as well as Société Générale, Zurich Branch, Talacker 50, CH-8001 Zurich, Switzerland:
  - (i) this Prospectus;

- (ii) the *statuts* of the Issuer;
- (iii) the agency agreement between the Issuer and the Fiscal Agent dated on or about 6 October 2009; and
- (iv) 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 2007 and 31 December 2008) and the consolidated semi-annual accounts of the Issuer for the financial period ending 30 June 2009.

The Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://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 Damien Leurent and Jean-Marc Mickeler, 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 2007 and 31 December 2008. The consolidated financial statements of Société Générale as of and for the year ended 31 December 2008 were prepared in accordance with International Financial Reporting Standards as endorsed by the European Union. The auditors of Société Générale have no material interest in Société Générale.
- (13) There is no explicit yield to maturity. The Notes do not carry a fixed date for redemption and the Issuer is not obliged, and under certain circumstances is not permitted, to make payments on the Notes at the full stated rate.
- (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 Joint Lead 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**

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**CALCULATION AGENT, FISCAL AGENT, LISTING AGENT  
AND PAYING AGENT**

**Société Générale Bank & Trust**  
11, avenue Emile Reuter  
2420 Luxembourg  
Luxembourg

**STRUCTURING ADVISER**

**Société Générale Corporate & Investment Banking**  
17 Cours Valmy  
92987 Paris la Défense  
France

**JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS**

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**J.P. Morgan Securities Ltd.**

125 London Wall  
London EC2Y 5AJ  
United Kingdom

**Société Générale Bank & Trust**

11, avenue Emile Reuter  
2420 Luxembourg  
Luxembourg

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**AUDITORS OF THE ISSUER**

**Ernst & Young Audit**  
Faubourg de l'Arche  
92037 Paris-La Défense Cedex  
France

**Deloitte & Associés**  
185, avenue Charles de Gaulle  
92200 Neuilly-sur-Seine Cedex  
France

**LEGAL ADVISER TO THE ISSUER**

**Allen & Overy LLP**

26, boulevard des Capucines  
75009 Paris  
France

**LEGAL ADVISER TO THE JOINT LEAD  
MANAGERS**

**Linklaters LLP**

25, rue de Marignan  
75008 Paris  
France

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