

## Press release

Paris, 11 December, 2008

### **Issuance of EUR 1.7bn of deeply subordinated notes subscribed by the French government as part of its plan to ensure financing of the economy**

As part of the French plan aimed at encouraging increased lending to corporates and individuals, Société Générale today issued EUR 1.7bn of undated deeply subordinated notes, fully subscribed by the SPPE, the French state-owned investment company. These securities are considered as Tier One capital for the Group (see appendix) and have a seniority ranking identical to that of other hybrid Tier One instruments issued by the Société Générale Group.

This operation falls within the French governmental plan to ensure financing of the economy and comes in addition to the SFEF operations ("Société de Financement de l'Economie Française"), providing French banks access to medium/long-term financing sources. This plan will enable Société Générale to continue issuing loans to the French economy at a growth rate of around 4% in 2009 (vs. 2008), as the Group has engaged to do, whilst market conditions remain difficult. In this respect, Société Générale reiterates that it has carried out its entire financing programme for 2008 and has begun its 2009 programme with a 5-year EUR 1 billion issuance on 10 December 2008.

The issuance of these deeply subordinated notes will not impact Société Générale's dividend pay out policy. However, like other French banks, the Group has undertaken not to proceed to any share buybacks during the period these titles are held by the government, except for buybacks carried out for employee share ownership programmes and ongoing management operations.

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A French corporation with share capital of EUR 725,909,055  
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**Société Générale**

Société Générale is one of the largest financial services groups in the euro-zone. The Group employs 151,000 people worldwide in three key businesses:

- Retail Banking & Financial Services: Société Générale serves more than 30 million individual customers in France and worldwide.
- Global Investment Management & Services: Société Générale is one of the leading banks in the euro-zone with EUR 2,744 billion of assets under custody and EUR 371 billion under management at end-September 2008.
- Corporate & Investment Banking: Société Générale Corporate and Investment Banking ranks among the leading European and global banks in euro capital markets, derivatives and structured finance.

Société Générale is included in 3 international socially-responsible investment indexes: FTSE, ASPI and Ethibel.

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**Appendix - Technical Details:**

- The securities issued are undated deeply subordinated notes, with a structure similar to that already used by Société Générale;
- These so-called hybrid securities are classified as Tier One capital and categorised by the prudential regulatory authorities as non-innovative securities;
- The securities bear a fixed rate of interest for the first five years;
- This fixed rate was calculated using the French government's risk-free rate of return plus 300 basis points plus five times the average 5-year senior CDS between 1/1/2007 and 30/8/2008. The rate is 8.18% for Société Générale;
- In the event of buy-back, redemption or sale, the price payable by the issuer increases regularly over time, from 101% of the nominal amount in the second year, to 111% of the nominal amount as of the sixth year;
- The issuance of these securities imposes no constraints on the Société Générale Group as regards its dividend payout policy.