REGISTRATION 2010 DOCUMENT

SOCIETE GENERALE

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This document is a full translation of the original French text.

AMF

The original document was filed with the AMF (French Securities Regulator) on March 4, 2010, in accordance with article 212-13 of the General Regulation of the AMF. As such, it may be used to support a financial transaction if accompanied by a prospectus duly approved by the AMF. Only the French version is legally binding.

This Registration Document is available online at **www.societegenerale.com**

Rankings: the sources for all references to rankings are given explicitly.
Where they are not, rankings are based on internal sources.

1 HISTORY AND PROFILE OF SOCIETE GENERALE

HISTORY

Societe Generale was founded in 1864 by public subscription, with the aim of financing industrial investments and infrastructure projects.

During the Third Republic, the company progressively built up a nationwide network, and by 1940 had opened a total of 1,500 branches compared with just 32 in 1870.

Following the Franco-Prussian war in 1870, the Alsace-Moselle branches were transferred to a German law subsidiary, Societe Generale Alsacienne de Banque (Sogénal).

After opening its first foreign office in London in 1871, Societe Generale rapidly developed an international network by extending Sogénal's activities into Central Europe (Germany, Austria, Switzerland, Luxembourg), and by establishing branches in North Africa in 1909-1911 and later in the United States (1940).

Societe Generale was nationalised in 1945, and played an active role in financing post-war construction. It helped to spread new financing techniques (such as medium-term discountable credit, off-balance sheet operations and lease finance).

Following the liberalisation of the French banking system in 1966, Societe Generale diversified its activities and expanded its individual customer base.

It once more became a private banking group following its privatisation in July 1987.

Societe Generale has considerably grown since 1997, thanks to the development of its franchises and also through acquisitions in its businesses in Europe and worldwide. With the takeover of Crédit du Nord (by acquiring a majority stake in 1997 then buying out its minority shareholders in 2009), the Group expanded its Retail Banking activity on its domestic market, with a network of regional banks. In 2001, Societe Generale absorbed Sogénal.

PROFILE OF SOCIETE GENERALE

Societe Generale, a public limited company *(société anonyme)*, is the parent Company of the Societe Generale Group.

Societe Generale is one of the leading financial services groups in Europe, operating in 83 countries and employing 156,681 staff from 128 different nationalities. Its largest overseas entities in terms of their payroll are in Russia, the Czech Republic, Romania, Egypt, Morocco and the United States.

The Group is organised around five core businesses: French Networks / International Retail Banking / Specialised Financing and Assurances / Private Banking, Global Investment Management and Services / Corporate and Investment Banking.

On March 3, 2010, Societe Generale's long-term rating was Aa2 at Moody's, A+ at Fitch and A+ at Standard & Poor's.

2 GROUP STRATEGY AND BUSINESSES

A PROFITABLE AND BALANCED GROWTH STRATEGY, BASED ON A ROBUST UNIVERSAL BANKING MODEL

Although 2009 continued to be difficult, the Societe General Group was able to capitalise on its robust universal banking model to achieve solid results that have enabled it to absorb the negative impacts of the crisis.

2009 saw the appearance of the first encouraging signs of economic recovery. The global environment has remained particularly fragile and uncertain, however: the financial markets are still volatile and some have not yet normalised, while the cost of bank liquidity and credit spreads are still far from their pre-crisis levels. Given this environment, the public authorities have massively intervened, taking unprecedented measures to stimulate the economy (fiscal stimulus programmes and accommodating monetary policies), guaranteeing the liquidity and solvency of certain market players while laying the foundations for a new regulatory framework. For instance, the guidelines defined during the G20 summit in Pittsburgh notably provide for an increase in the capital requirements for market activities, the standardisation of accounting and prudential rules and the introduction of a minimum liquidity standard. The works directed by the Financial Stability Board and the Basel Committee should lead to the definition of the new regulations' outlines and implementation conditions.

In these challenging conditions, the Group has demonstrated the resilience of its universal banking model, based on a portfolio of diversified businesses, and produced Group net income of EUR 0.68 billion in 2009. This model has also undergone adjustments to take the new environment into account, as shown, for example, by the creation of Amundi, which combines the asset management activities of the Group and Crédit Agricole SA. Finally, the Group has strengthened its financial structure (Core Tier 1 ratio of 8.4% and Tier 1 ratio of 10.7%), particularly thanks to the EUR 4.8 billion capital increase completed in October.

The Societe Generale Group therefore appears to be well positioned to fully benefit from the end of the crisis, by pursuing its profitable and balanced growth strategy and continuing to adapt its model to the new environment through its "Ambition SG 2015" project.

The **French Networks** form the first pillar of the Group's universal banking strategy. They experienced sustained growth in 2009, testifying to the strength of the franchise. The acquisition of the 20% of Crédit du Nord held by Dexia will enable the Group to increase its exposure to these resilient activities and create synergies. More generally speaking, in 2010 the Group will reassert its multi-brand strategy, based on three competing and complementary brand companies:

- the multi-channel relationship bank Societe Generale (8.4 million individual customers and 2,282 branches);
- the Network of Crédit du Nord and its regional banks, characterised by a strong culture of local customer relations;
- the leading French on-line bank Boursorama, which relies on an innovative model and attractive price positioning.

The Group intends to continue this growth trend on these bases, through more effective leveraging of its franchise, by reinforcing remote channels, developing the business customer segment and assisting companies with their financing needs. In addition, after a phase of high investment in recent years, the Group will continue to generate productivity gains by reshaping its processes and through pooling between the various networks.

International Retail Banking's performance in a turbulent environment reflects the strong resilience of the franchises, which have maintained high recurring profitability with a relatively limited cost of risk except for Russia. The Group remains confident about the medium-term prospects of its activities in this country. More generally, Societe Generale will be very well positioned to benefit from the economic recovery, particularly thanks to very solid positions in certain high potential markets:

- in Russia, with three brand companies (Rosbank, DeltaCredit and BSGV);
- in Central and Eastern Europe excluding Russia, where the Group has nearly 6.8 million customers and leading franchises (No. 2 bank in Romania and No. 3 bank in the Czech Republic in terms of balance sheet size);
- in the Mediterranean Basin and Sub-Saharan Africa, particularly through its positions in Morocco (No. 3 private bank) and in Egypt (No. 2 private bank).

Specialised Financing saw its activity slow down in 2009, with a fall in origination affecting most of the businesses and an increase in the cost of risk in an unfavourable environment. In 2010, these activities will still be subject to liquidity constraints, with ongoing vigilance in terms of risk management. Efforts to control operating expenses will be continued, as will the optimisation of operations. To achieve this, the Group intends to pursue its geographic streamlining in synergy with International

Retail Banking, particularly for consumer finance, and to consolidate its leadership in Europe in business financing and services. With regard to **Insurance** activities, the Group will continue with its policy of catering for Group network customers in France and abroad and its strategy of developing personal protection insurance in France.

For the **Private Banking, Global Investment Management and Services** businesses, the combination of the asset management operations of Crédit Agricole SA and Societe Generale was completed on December 31, 2009, creating Amundi, Europe's 3rd largest asset manager. This new entity, in which Societe Generale holds a 25% stake, will benefit from the resources of the two groups' distribution networks and major synergies from the pooling of production facilities. 2010 will also see the operational implementation of the merger between TCW and Metwest, whose expertise in the US fixed income investment management market is particularly complementary.

Given its good financial results and the recognised quality of its franchise (Best Global Private Bank for its range of structured products according to *Euromoney*, and one of the top 3 private banks in Europe according to *Private Banker International*), Private Banking will continue its development in 2010, particularly capitalising on partnerships with the Societe Generale Network and targeted development projects, especially in the Middle East.

As for Securities Services and Newedge, in 2010 the Group intends to maintain the business growth reported over the year (growth of assets under custody and under administration managed by SGSS, confirmation of the leading positions held by Newedge in derivative brokerage) while continuing with the productivity measures already begun.

Corporate and Investment Banking, which recorded an excellent operational performance in 2009, has solid commercial franchises for 2010. Equity derivative activities confirmed their leadership, while fixed income, currencies and commodities activities increased their market share. The Financing and Advisory businesses were also widely recognised by the market (Best Export Finance Arranger for the 8th year running according to *Trade Finance*, ranked 4th for Euro bond issues and No. 4 for announced M&A deals in France) and Lyxor confirmed its position as a major player in alternative investment management.

In addition, Corporate and Investment Banking's risk profile was reduced (significant fall in the VaR and disposal of EUR 8 billion of illiquid assets in 2009) and legacy assets, which produced EUR 4.3 billion of losses over the year, were unified at the end of 2009 within a dedicated structure with a specific governance system.

In 2010, SG Corporate & Investment Banking will continue to strengthen its client-driven activities, particularly by optimising the strategic coverage of its largest clients. The Group will also continue with its targeted development, particularly in the advisory, fixed income and commodities businesses. At the same time, SG CIB will move ahead with its operational efficiency optimisation programme through the "Resolution" project, and will maintain strict risk control.

On a more general, cross-business level, with "Ambition SG 2015" the Group has initiated a vast company-wide project, which will enable it to capitalise on the post-crisis banking environment, along three main lines:

- strengthening its comparative relationship banking advantages, as a bank with strong customer relations. This particularly depends on optimising the product and service range and its adaptation to the needs of the Group's various customer segments, which is vital for sustainable and profitable growth;
- thoroughly transforming its operational model and increasing process industrialisation, to become even more efficient and leverage to our relationship strategy;
- inspiring the long-term commitment of employees to this ambitious company-wide project. To this end, the Group will implement a series of measures to more effectively develop and reward talent and strengthen its positioning as an exemplary employer.

Overall, thanks to the Group's intrinsic strengths, its growth drivers and its development projects, Societe Generale is well positioned to gain full benefit from the end of the crisis and anticipates a rebound in its financial results as from 2010. Furthermore, Societe Generale intends to pursue its mission of financing the French economy and to continue supporting its customers' development, while maintaining a high solvency ratio.

THE GROUP'S CORE BUSINESSES

The Societe Generale Group's activities are organised into 5 divisions: French Networks / International Retail Banking / Specialised Financing and Insurance / Private Banking, Global Investment Management and Services / Corporate and Investment Banking.

French Networks

The French Networks are organised around the two structures and brands Societe Generale and Crédit du Nord with its six regional banks. They offer a large range of products and services covering the needs of a diversified customer base, composed of more than 9.8 million individual customers and more than 500,000 businesses and professionals.

Thanks to its professional and dynamic teams and its multi-channel structure, with a network of more than 3,000 branches, including 16 net openings in 2009, the French Networks led the non-mutual players with a market share of 9.1% for deposits and 8.6% for loans for resident and non-resident customers.

In 2009, the deposit component of the business saw significant growth in average outstandings (+5.3% vs. 2008), mainly driven by business customers (+15.2% vs. 2008). A +1.8% rise was reported for individual customer outstandings compared to 2008.

In terms of financing the economy, average loan outstandings amounted to EUR 153.1 billion, representing +2.8% growth year-on-year (for the Group as a whole in France, loan outstandings increased by +3.1% in 2009).

Loan demand, particularly for housing loans, was initially held back by the wait-and-see attitude of households, but picked up in the 2nd half of 2009, stimulating renewed growth in outstandings.

On the business market, average loan outstandings reported a +2.8% rise compared to 2008. The fiscal measures taken by the Government to help relieve cash flow tensions resulted in a contraction of operating loans, while investment loans increased by 7.5% in a depressed environment. However, the French Networks remained true to their policy of supporting the economy by financing major projects in many sectors (SAFT, MANUTAN, ORPEA, AUSY, INGENICO, etc.) and for local authorities.

The financial performance of the French Networks is satisfactory, with net banking income of EUR 7,253 million in 2009, up +2.0% compared to 2008 (excluding the PEL/CEL effect and the Visa capital gain of EUR 72 million in 2008), in line with the target set.

2009 also saw the acquisition of the additional 20% of Crédit du Nord's capital by Societe Generale, bringing its stake to 100%. This transaction is aimed at strengthening the Group's positioning in French Retail Banking and optimising the effectiveness of its domestic coverage, particularly by pooling resources, while pursuing a multi-brand strategy.

Since January 1, 2010, Retail Banking activity in France has been organised around three structures: the Societe Generale Network, the Crédit du Nord Network and Boursorama (which was previously part of the Private Banking Global Investment Management and Services division).

Societe Generale Network

Despite a morose economic environment and ongoing strong competition, the Societe Generale Network is continuing to distinguish itself through its strong commercial performances.

The Group has continued to develop its franchise thanks to its network of 2,282 permanent branches (+9 net openings vs. end-2008), mainly located in urban regions where a large share of the national wealth can be found, and high performance remote channels. With its extensive and innovative product and service range and its effective organisation, based on the deployment of customer advisors, the Group has been able to create a true partnership with its customers. The implementation of synergies between individual and business customers and business lines has also helped to create business opportunities and consolidate customer relations.

With 5.3 million sight accounts, individual customers are a major component of the portfolio. The proactive sales initiatives and attractive ranges led to the opening of 67,000 new accounts in 2009, notably by young customers. Regulated Savings Accounts found renewed favour with the marketing of the Livret A in early 2009 (1.4 million Livret A pass book accounts with outstandings of EUR 3.8 billion in Q4 09), but also thanks to the success of the Housing Savings Plan (PEL) promotional campaign. The success of certain products, such as personalised cards (charity cards and affinity cards, life insurance for young people, etc.), testifies to the Group's continuous innovation, in line with customer expectations.

Societe Generale has also enhanced its sales operations dedicated to asset management clients, through a joint venture concluded with Societe Generale Private Banking, with the opening of a new regional centre in Lille, after the centres in Bordeaux, Lyons and Marseille in 2008.

The average loan oustandings driven by individual customers totalled EUR 65.2 billion, 88% of which are composed of housing loans. Deposits came out at EUR 59.4 billion.

The business customer structure and organisation have been reshaped in recent years. The soundness of this process is reflected in the growth of the franchise: with the acquisition of more than 6,000 new SMEs in the last three years, the portfolio included 123,000 businesses at the end of 2009. The professionalism and proactive attitude of the 600 dedicated customer advisors have helped to create a close relationship with customers. To promote the personalisation of relations, which is one of the key expectations of customers, the Societe Generale Network has assisted them with their development projects and given them advice and solutions suited to their needs.

There has been proven success for the joint ventures with Corporate and Investment Banking covering interest rate and foreign exchange hedging transactions, advisory services to SMEs and financing for local authorities. These partnerships have strengthened the Network's expertise and therefore helped to improve the net banking income.

At the end of 2009, the average outstandings driven by business customers amounted to EUR 20.7 billion in terms of deposits and EUR 60.0 billion in terms of loans.

Crédit du Nord Network

Crédit du Nord and its six regional banks: Courtois, Kolb, Laydernier, Nuger, Rhône-Alpes and Tarneaud are able to develop a relationship with customers based on a local approach, professionalism and innovation. The Group offers its customers the benefits of a regional bank on a human scale combined with the advantages of a country-wide group. This is particularly thanks to its innovative range, but also to its organisation, which promotes local, personalised customer relations. The Group's entities are run like real SMEs and enjoy considerable decision-making autonomy, meaning that they can respond quickly to their customers' requests.

Crédit du Nord's operating structure, composed of 785 branches (7 net openings in 2009) and 8,600 employees, serves 1.4 million individual customers, 150,000 professionals and associations and more than 33,000 businesses and institutional clients.

Professional customers are a priority for the Group, which has therefore introduced a structure catering for their needs. This is organised around dedicated advisors, responsible both for the business and private aspect of customer relations, a range of specifically developed services and counter services within the branches.

For the 5th year running, the Crédit du Nord Group led the main French banks in terms of customer satisfaction on the individual and professional customer markets in 2009. It was ranked second on the business market. These rankings are a testament to the Group's model that positions it as a group of regional banks focused on service quality and customer relations.

International Retail Banking

Over the last ten years, the Group has worked to extend and diversify the regions where it operates, with the aim particularly of expanding its audience and increasing its business opportunities. The implementation of a universal banking strategy, which largely draws on the French model but is adapted to local circumstances and needs, has enabled it to confirm its leading positions in Central and Eastern Europe, the Mediterranean Basin, Sub-Saharan Africa and the French territories. At the same time, the Group, through a well-chosen product and service range and the partnerships that it has created with its customers, has contributed to the economic development of the various markets where it operates.

The soundness of the strategic decisions and the investments accompanying them is shown by the indicators. At the end of 2009, International Retail Banking's loan outstandings equalled EUR 60.4 billion, in other words x8 compared to 1999, and its deposits EUR 64.0 billion, x7 compared to 1999. The network, composed of 652 points of sale through 21 entities in 1999, now has 3,767 branches in 37 countries and 41 entities. International Retail Banking's employees (nearly 61,300), representing numerous nationalities, offer a wealth of experience for the benefit of customers. With revenues of EUR 4,724 million in 2009, the division accounted for 22% of the Group's revenues.

In Central and Eastern Europe, the acquisition of BRD in Romania in 1999, then Komerčni Banka in 2001, were key steps in the Group's international expansion. Its interest in the Russian market has been demonstrated since 1993 with the obtaining of a banking licence in Russia for BSGV and the development of a universal banking entity as from 2003. This interest was then confirmed with the acquisition of DeltaCredit in 2005 and above all the acquisition in 2006 of a 20% stake in Rosbank, the leading private network, which the Group now controls, owning

65.3% of its capital. The Group is currently transforming its operations in Russia, drawing on the expertise of specialised entities (consumer finance, real estate loans, leasing and Corporate and Investment Banking). All of the activities in this country will now be supervised by a legal entity, created for this purpose, 81.5%-owned by Societe Generale and 18.5%-owned by Interros & others.

The other transactions completed in Central and Eastern Europe in the last three years reflect the Group's determination to ensure good geographic coverage of the region, with acquisitions in Croatia and Georgia in 2006, then in Moldavia, Albania and Macedonia in 2007.

Overall, the Group's operations in the region consist of 2,781 points of sale belonging to 17 entities. Its deposit outstandings totalled EUR 44.5 billion and its loan outstandings EUR 42.4 billion. In the Czech Republic, Komerčni Banka has the 3rd largest balance sheet with deposit market shares of 18.4% and loan market shares of 18.0%. BRD in Romania, which operates the leading private network with 930 points of sale, holds loan market shares of 15.6% and deposit market shares of 16.4%.

In the Mediterranean Basin, the long-standing entities in Morocco (1962) then Lebanon (1969), were joined by those in Algeria (1999) and Tunisia in 2002. In Egypt, the merger of National Societe Generale Bank, acquired in 1978, and of MIBank (2005), created a major local banking player. The Group now operates in 6 countries through 678 points of sale. Its EUR 12.4 billion of deposit outstandings and EUR 11.0 billion of loan outstandings have been largely driven by its subsidiaries in Morocco and Egypt, where the Group has leading positions: in Morocco, Societe Generale Maroc is the No. 3 private bank and in Egypt NSGB is the No. 2 private bank.

In Sub-Saharan Africa and the French territories, the Group's structure first of all organised itself around the entities in Senegal and Côte d'Ivoire (1962), then New Caledonia and Polynesia (1971-1973). In 1998, it was extended to Burkina Faso, Equatorial Guinea and Madagascar, then Chad (1999), Benin (2002) and Ghana (2003), followed by Mauritania in 2007 after the acquisition of a majority stake in the Banque Internationale d'Investissement. Deposit outstandings amounted to EUR 6.7 billion and loan outstandings to EUR 6.2 billion, driven by a portfolio of 1.2 million customers, dominated by individual customers, but also including the country's largest companies. In line with its policy of investing in regions with high potential, since 2008 the Group has turned its attention to Asia. After acquiring 15% of the capital of the Vietnamese bank Seabank in August 2008, which was increased to 20% in December 2008, it obtained the status of a local player on the Chinese market. More recently, the International Retail Banking Networks extended their operations in India, following the upturn in Corporate and Investment Banking activities.

Specialised Financing and Insurance

This division covers:

- Specialised Financing: consumer finance, equipment finance, operational vehicle leasing and fleet management and IT leasing and management
- life and non-life insurance

The Specialised Financing and Insurance division manages and develops a portfolio of financing activities in France and abroad for individual customers and businesses. It operates in 46 countries with more than 30,000 employees. Europe is its main base of activity (93% of loan outstandings in 2009) where it holds strong positions. These specialised businesses complement universal banking, with which they implement numerous synergies while diversifying their distribution networks, particularly through partnerships and business introducers.

After a period of very sustained internal and external growth from 2001 to mid-2008, 2009 was a year of consolidation in a morose economic environment.

Specialised Financing and Insurance revenues equalled EUR 3,225m in 2009, up +1.8% (when adjusted for changes in Group structure and at constant exchange rates) compared to 2008, indicating good resilience to a more difficult environment.

Consumer finance (SGCF)

The Societe Generale Consumer Finance business line manages the Group's international consumer finance activities. Its activity consists of offering multi-product financing solutions to its individual customers and partners:

- vendor, equipment and vehicle finance for distributors and manufacturers;
- direct financial solutions for individual customers;
- management services for partner banking networks.

Societe Generale Consumer Finance now operates in 25 countries with total outstandings of EUR 23.1 billion. It is ranked No. 3 in France thanks to its long-standing subsidiaries CGI and Franfinance, No. 4 in Germany and the No. 2 vehicle financing specialist in Russia with Rusfinance Bank. The business line has prioritised a strategy of creating specific entities appropriate to each of their markets and in 2009 it continued the transformation of its operations while taking the economic environment into account. 2009 also saw the operational launch of the consumer finance joint venture with La Banque Postale.

Vendor and equipment finance (SGEF)

SG Equipment Finance, which is the European leader in vendor and equipment finance for businesses, specialises in three sectors of activity: hi-tech products, industrial equipment and transport. SG Equipment Finance offers businesses tailor-made financing solutions (leasing, conventional loans, etc.), through its business introducer (equipment manufacturers and distributors) and banking partnerships, and directly to Group customers. At the end of 2009, SG Equipment Finance had operations in 25 countries and its outstandings totalled EUR 18.9 billion, excluding factoring.

Operational vehicle leasing and fleet management

The ALD Automotive business line provides operational vehicle leasing and fleet management. It enables its business customers, whether they are SMEs, Large Corporates or Multinationals, to concentrate on their core activities without worrying about the management and maintenance of their vehicle fleet. This management method, which is expanding, meets companies' wishes to outsource service management.

ALD Automotive operates in 39 countries on four continents. For several years, ALD Automotive has been the European No. 2 and the global No. 3. At the end of 2009, it managed a fleet of 793,800 vehicles, including 600,500 under lease.

In 2009, ALD Automotive expanded its network in the US through a global partnership with Wheels Inc., a specialist and leader in vehicle fleet management for large corporates in North America, and China through a joint venture with Baosteel, the Chinese industry leader.

Thanks to these partnerships, ALD Automotive has increased its capacity to meet the strategic needs of multinational companies.

IT asset leasing and management (ECS)

ECS is the European leader in IT asset leasing and management and is committed to providing companies with greater availability, adaptability and control of their information systems. ECS operates in 16 countries.

Insurance

Societe Generale's Insurance business line combines the Sogecap Group's personal insurance business and the general insurance activities of the company Sogessur.

The Sogecap Group (under the international brand name "Societe Generale Insurance") operates in four areas: life insurance, pension policies, borrower's insurance and individual and collective protection. It now has branches in 15 countries.

In France, Sogecap, which is the No. 7 life insurer and the No. 4 bankassurer, relies mainly on the Societe Generale Network to market its range, while its subsidiary Oradea Vie distributes its products through external partners (independent brokers and asset management advisors). The quality of its services and the performance of its policies receive regular praise from the financial press, particularly the Erable Evolution range.

Internationally, Sogecap's subsidiaries and branches are developing their activities mainly by relying on Societe Generale's Retail Banking Networks and the Group's Specialised Financing and Insurance subsidiaries.

In 2009, the Sogecap Group produced a turnover of EUR 8.8 billion, increasing its insurance outstandings (mathematical reserves) to EUR 68.6 billion.

Sogessur is the main partner of the Societe Generale Network in France for equipment and personal protection insurance. The subsidiary designs, develops and manages a complete range of auto, home, accident and legal protection insurance for individual clients. At the end of 2009, Sogessur managed nearly 1,200,000 policies.

Private Banking, Global Investment Management and Services

The Private Banking, Global Investment Management and Services division consists of Asset Management, with Societe Generale Asset Management and Amundi, the partnership with Crédit Agricole Asset Management in operation since January 1, 2010; Private Banking with Societe Generale Private Banking; the Securities business with Societe Generale Securities Services; derivative brokerage with Newedge and online banking with Boursorama.

At end-2009, the division's assets under management amounted to EUR 344 billion. This figure does not include the assets managed by Lyxor Asset Management, (a consolidated subsidiary of the Global Markets business line of Corporate and Investment Banking), nor does it include the assets of clients managed directly by the French Networks. Assets under custody continued to grow, reaching EUR 3,073 billion, shoring up the Group's position as the No. 2 European custodian. The division reported revenues of EUR 2,833 million for 2009.

Private Banking

Societe Generale Private Banking's 2,800 employees, working in 26 countries, offer a comprehensive range of financial services suited to the specific needs of business people and individual clients with a financial net worth of over EUR 1 million. The partnership created in 2008 with Rockefeller & Co has also enabled Societe Generale Private Banking to extend its expertise to cater for high net worth individuals and family offices.

The private bankers rely on an integrated business model favouring the design of international solutions to define tailor-made financial and asset management solutions (tax advice, trust advice, and so on) for each client. The strategies regularly established by the international product centres of expertise also offer a wide choice of investment solutions from an extensive range of markets and asset classes. This includes investment funds, hedge funds, structured products, private equity and real estate. This client range is regularly enhanced to keep pace with changes in the expectations of Societe Generale Private Banking's clients. For instance, a new international centre of expertise dedicated to real estate products and services was created at the start of 2009. This capitalises on the real estate expertise of the entire Societe Generale Group allowing more diverse real estate investment opportunities to be offered.

The wealth management structure has also been reinforced. In France, a new regional centre was opened in Lille, after the centres opened in Bordeaux, Marseille and Lyons in 2008. Societe Generale Private Banking already has a strong presence in Europe and Asia and has continued the deployment of its activities in the Middle East. After setting up operations in Abu Dhabi and Dubai under the brand name Societe Generale Private Banking, the Group has created a new subsidiary in Bahrain under the brand name Societe Generale Wealth Management.

The teams' knowhow and expertise make Societe Generale Private Banking a major, globally recognised wealth manager, as shown by the titles "Best Private Bank Worldwide for its offer in structured products" awarded to Societe Generale Private Banking for the 4th year running in 2009 by *Euromoney* magazine, and "Outstanding Wealth Manager for Family Office services" awarded in 2009 by the magazine *Private Banker International* to the global alliance Societe Generale Private Banking / Rockefeller & Co.

At December 31, 2009, the Private Banking business line managed EUR 75 billion of assets and reported revenues of EUR 826 million for 2009.

Asset Management

Societe Generale Asset Management (SGAM) operates in the world's principal investment pools:

- In the US, through its subsidiary TCW. As a recognised player on the US fixed income market, TCW has continued its development and increased its capacity to meet clients' needs with the concluding, in December 2009, of a final agreement to acquire 100% of MetWest, a well-regarded Californian asset manager managing nearly EUR 21 billion of assets. At the end of December 2009, prior to the integration of MetWest's assets, TCW managed more than 25% of the assets entrusted to the Group.
- In Europe and Asia, particularly through Amundi's extensive operations.

Through cross-selling and a continuous quality and innovation approach, SGAM offers a broad client base (institutionals, distributors, businesses, family offices and individuals) prime access to an international range of investment products and solutions covering all the fundamental asset classes and alternative management. SGAM is rated M2 by Fitch Ratings and, since 2000, has kept the best rating given to an asset management company for its organisation as a whole.

At December 31, 2009, the business line managed EUR 269 billion of assets and reported revenues of EUR 765 million for 2009.

The measures to realign the business line's range and organisation, initiated at the end of 2008 and continued in 2009, will be operational from 2010.

SGAM Alternative Investments' structured, index-fund and alternative management activities will be incorporated with their equivalents at Lyxor Asset Management, and therefore attached to Corporate and Investment Banking's businesses, in the first quarter of 2010. Lyxor Asset Management will become a broader and more powerful specialised and unique Societe Generale Group player, managing a total of EUR 86 billion of assets and combining the capital market and Asset Management cultures of these global areas of expertise.

Amundi, the shared asset management division 25%-owned by Societe Generale and 75%-owned by Crédit Agricole, has existed as from December 31, 2009. This entity solely comprises the CAAM Group's activities, to which Societe Generale is contributing its fundamental investment management activities, 20% of TCW and its joint venture in India. At January 1, 2010 it had EUR 670 billion of assets under management, ranking it 3rd in Europe and in the top 8 globally.

Amundi enjoys the support of two powerful banking groups, which it will use to develop its strategy along two lines:

- providing savings solutions for the Retail Banking Networks of the Societe Generale and Crédit Agricole groups. With 50 million individual customers worldwide, Amundi will be a market leader in Europe and may consider other partnerships;
- acting as a multi-expertise asset manager offering a high performance management range suited to the needs of institutional clients and relying on an extensive international network on five continents.

Securities Services and Online Savings

SECURITIES BUSINESS

Societe Generale Securities Services (SGSS) operates in 25 countries and relies on major pan-European platforms to offer a comprehensive, integrated and adaptable range of services, which includes:

- the **clearing services** activity, combining the sophisticated and flexible management of securities back-office sub-contracting solutions with a clearing service range that leads the market and is adapted to the latest changes in the sector;
- the **custody** and **depositary bank** activity, which provides financial intermediaries and institutional investors with local and international custody services, covering all asset classes;
- **fund administration** services on behalf of mutual funds, asset management and investment companies, banks and institutional investors, consisting of valuation and middle office operations for their complex derivative products (OTC and structured) and the calculation of their portfolios' performance and risk;
- **issuer services**, notably including the management of stock option plans, employee share ownership plans and free share plans;
- **liquidity management** (cash and securities) services providing flow optimisation solutions ranging from securities lending/borrowing to the hedging of forex risk;
- **transfer agent** activities.

With EUR 3,073 billion of assets under custody at the end of December 2009, SGSS is the 6th global custodian and is ranked 2nd in Europe. It also offers its depositary services to 3,062 mutual funds and provides the valuation of 4,663 mutual funds, accounting for EUR 450 billion of assets under administration.

In recognition of the expertise of its teams and its ability to develop innovative technical solutions, SGSS was named "Regional Sub-custodian of the Year: South Europe" by the magazine ICFA (*International Custody & Fund Administration*). This prestigious title has also been confirmed by the many awards given by the magazine *Global Custodian* for the quality of its range, particularly in Greece, Spain and South Africa.

DERIVATIVE BROKERAGE

Newedge, which was created in 2008 from the merger of the brokerage activities of Fimat and Calyon Financial (subsidiary of Crédit Agricole), offers its clients a very extensive and innovative range of clearing and execution services for listed derivative contracts (on financial instruments and commodities) and OTC contracts (OTC interest rate, foreign exchange, equity, index and commodity derivatives).

Through its operations in around 15 countries on 3 continents, Newedge also offers its clients a single point of entry for access to more than 85 financial markets worldwide. This large international presence allows Newedge to handle very large volumes. For instance, in 2009, 1.5 billion deals were executed and 1.6 billion contracts were cleared.

With a market share of 12.5%[1] at the end of November 2009, Newedge is one of the largest players on the global derivative clearing and execution market. It is also the leading Futures Commission Merchant in the US.

ONLINE BANKING

Boursorama has operations in four European countries in three different areas:

- Boursorama is the leading **online bank** in France. Through its website www.boursorama-banque.com the company offers a comprehensive, innovative and high performance solution combining conventional banking products with savings products such as mutual funds and life insurance policies. These services are also available in Germany, under the brand name Onvista Bank, and in Spain, since 2009, under the brand name SelfBank. In 2009, Boursorama confirmed its status as a leading online bank in France and received a number of awards from the banking profession. Boursorama Banque received the "Top Prize for the Best Online Bank 2009" ("*Le Revenu*" magazine, September 2009) and the title "Customer Service Provider of the Year" (*BVA-Video Conseil survey,* July 2009) and also remains the "Least Expensive Bank" ("*Mieux Vivre Votre Argent*" magazine, May 2009) for the 2nd year running. With more than 34,000 accounts opened over the year, Boursorama had more than 107,000 sight accounts at the end of 2009.

(1) *Global Listed Derivatives Exchanges*

- Boursorama is a major European **brokerage** and **online savings** player, offering private investors the chance to manage their savings independently online through a comprehensive range of savings products and services and access to the main international financial markets. These services can be accessed in France on the website www.boursorama.com, as well as in Germany on www.onvista-bank.de, in Spain on www.selftrade.es, and in the UK on www.selftrade.co.uk. In 2009, Boursorama executed 6.3 million stock market orders. Its savings outstandings (mutual funds and life insurance) in France totalled EUR 2.9 billion at the end of 2009.
- Boursorama is also the leading provider of **online financial information** in France and Germany, through the sites www.boursorama.com and www.onvista.de.

Boursorama was transferred to the French Networks division on January 1, 2010.

Corporate and Investment Banking

SG CIB is Societe Generale's Corporate and Investment Banking arm. With nearly 11,000 employees in 33 countries, SG CIB is present on the main financial markets in the regions where the Group operates, with extensive European coverage and operations in the Central and Eastern Europe, Middle East and Africa, Americas and Asia-Pacific zones. It offers its clients bespoke financial solutions combining innovation, advice and high execution quality in three areas of expertise: **investment banking, financing and market activities**.

- SG CIB offers its **issuer** clients (businesses, financial institutions and the public sector) a strategic advisory approach, as well as debt or equity fund-raising solutions, optimised financing and answers to their hedging needs;
- SG CIB offers **investors**, which include asset managers, pension funds, family offices, hedge funds, sovereign funds, banks, insurance companies, distributors and individual customers, global access to the equity, fixed income, credit, forex and commodity markets and a unique range of cross-asset tailor-made solutions and advice, based on top market expertise.

Given the changes in the economic and financial environment and in order to come out of the crisis as one of the leading corporate and investment banks, SG CIB has changed the organisation of its activities, taking into account three priorities: developing its client-driven approach, increasing operational efficiency and transaction security and improving its risk profile.

To strengthen its positions, facilitate cross-selling and therefore better serve its clients, SG CIB has therefore reorganised the former "Equities", "Fixed Income, Currencies and Commodities" and "Financing and Advisory" divisions around two divisions:

- **Global Markets** now unites the "Equities" and "Fixed Income, Currencies and Commodities" market activities within a single Markets platform, to offer a multi-product vision and optimised cross-asset solutions;
- **Financing and Advisory** which, aside from the coverage and corporate banking activities that it already incorporated, now includes some activities that previously belonged to the "Equities" and "Fixed Income, Currencies and Commodities" divisions.

SG CIB has also launched a project to optimise the Resource management structure, notably based on process industrialisation and increased coordination between the front and back offices. This project will be gradually introduced from the first quarter of 2010 to improve operational efficiency (reduced operational risks, supporting of the activity's development and enhanced customer service).

Global Markets

To assist its clients in an environment where the financial markets are increasingly interconnected, SG CIB has united its experts within an integrated platform, providing global access to the equity, fixed income, credit, forex, commodities and alternative management markets. SG CIB's financial engineers, salespeople, traders and specialist advisors use all of these underlyings to offer bespoke solutions suited to the specific needs and risks of each client. These solutions take the form of simple transactions, or structured deals for more complex arrangements.

EQUITIES

SG CIB's historic presence on all the world's major primary and secondary equity markets and its long-standing tradition of innovation give it a leading position in a comprehensive range of varied solutions, covering every cash, derivative and equity research activity.

- **Equity derivatives** are one of SG CIB's areas of excellence, for which it has received regular awards from the banking profession, which once again this year gave it the title "Equity Derivatives House of the Year" (*Risk Magazine*, January 2010) and "Global Provider in Equity Derivatives" (*Risk Magazine,* September 2009). SG CIB's leadership in this field is also illustrated by its top ranking in flow activities: with a market share that is continuing to grow, amounting to 13.9% at the end of 2009, the bank is global No. 1 for warrants. It has also maintained its No. 2 ranking on the European ETF (Exchange Traded Funds) market, with a market share of 20.8%.

- Thanks to its large range of innovative and effective investment solutions, **Lyxor Asset Management**, a 100% subsidiary of Societe Generale that offers structured, index-fund and alternative management solutions, was awarded the titles "Institutional Manager of the Year" (*Alternative Investment News, Institutional Investor,* July 2009) and "Best Fund-linked House and Best Fund-linked Structured Product: Asia" (*Finance Asia*, for the 2nd year running) in 2009. As part of the reorganisation of Private Banking, Global Investment Management and Services' asset management activities, SGAM Alternative Investments' structured, index-fund and alternative management activities will be transferred to Lyxor in early 2010. At December 31, 2009, the assets managed by Lyxor amounted to EUR 73 billion.

FIXED INCOME, CREDIT, CURRENCIES AND COMMODITIES

Fixed income activities cover an exhaustive range of products and services ensuring the liquidity, pricing and hedging of risks relating to the fixed income, credit, forex and commodity activities of SG CIB's clients.

- **Fixed income, credit and currencies:** the fixed income, credit and currencies teams, based in London, Paris, Madrid and Milan, as well as the US and the Asia-Pacific region, offer a large range of flow and derivative products. They provide Societe Generale's clients with personalised solutions to meet asset and liability management, risk management and revenue optimisation needs. SG CIB's expertise has also been regularly recognised in this field. For instance, in 2009, SG CIB was ranked No. 1 for European credit research (*Euromoney Survey, European Fixed Income Research,* May 2009).
- **Commodities:** for nearly 20 years, SG CIB has been a major player on the commodities market, both for energy (oil, natural gas, coal, Liquefied Natural Gas, etc.) and metals (base and precious metals). The alliances created with industrial partners – Gaselys with GDF Suez and Orbeo with Rhodia – have also enabled SG CIB to become a major player on the European natural gas, electricity and CO_2 emissions market. Finally, as a 1st category member of the London Metal Exchange, SG CIB provides clearing and execution services for futures and options contracts. In 2009, SG CIB was named "Commodity Derivatives House of the Year" by *Energy Risk* magazine.

Aside from providing market access for all of these underlyings, SG CIB's **Cross Asset research** team, made up of analysts all over the world, produces many themed and multi-product analyses covering all asset classes. These analyses, which help to interpret market trends and translate them into strategies, are an excellent decision-making tool for investors, and as such receive regular awards. In 2009, for example, the division's macro-economic research and strategic research teams were ranked No. 1 by the *Extel* survey. SG CIB's research was also ranked No. 1 for French equities (*Thomson Extel Europe* survey) in 11 out of the 14 categories defined by *Euromoney,* for Fixed Income, and for oil (*Risk Commodity Rankings*).

Financing and Advisory

The "Financing and Advisory" division unites the "Coverage & Investment Banking" and "Global Finance" activities.

COVERAGE & INVESTMENT BANKING

The **"Coverage & Investment Banking"** teams offer their clients, which include businesses, financial institutions and the public sector, an integrated, global, tailor-made approach based on:

- extensive strategy advisory services, covering mergers and acquisitions and IPO structuring, as well as debt and capital restructuring and ALM; and
- access to optimised fund-raising solutions, notably through the creation of joint ventures with Global Finance and Market Activities.

In 2009, SG CIB was ranked the 4th "Financial Advisor in France based on M&A deals announced" (*Thomson Reuters*, December 2009) and was bookrunner for the Arcelor Mittal convertible bond issue, which received the award "EMEA Structured Equity Issue of the Year" (IFR magazine).

GLOBAL FINANCE

The **"Global Finance"** teams rely on global expertise and broad sector knowledge to provide issuer clients with an exhaustive range and integrated solutions in three key areas: fund-raising, structured financing and hedging of interest rate, foreign exchange and inflation risks.

The debt and equity fund-raising solutions provided by SG CIB are made possible by its capacity to offer issuers access to all of the global markets and to create innovative strategic financing and acquisition or LBO financing solutions. The reorganisation of SG CIB also included uniting part of the capital market financial engineering activities (balance sheet and debt optimisation and securitisation), which previously belonged to the "Fixed Income, Currencies and Commodities" divisions, within Global Finance, so as to enhance the coverage of issuer clients within a single division.

SG CIB's capital market expertise has given it a leading position on the Euro-denominated debt capital markets (No. 4 at the end of 2009 according to IFR magazine and No. 3 for Euro corporate issues).

SG CIB offers its clients the benefit of its structured financing expertise, which is globally recognised in many sectors: export, real estate and the hotel industry, infrastructures and assets, and natural and energy resources.

In 2009, SG CIB was voted "Best Global Export Finance Arranger" for the 8th year running by *Trade Finance* magazine. Its achievements on the commodity markets also won it the title "Best Commodity Finance Bank", awarded by *Trade Finance* magazine. Furthermore, it was named "Best Arranger of Project Finance Loans" for the 2nd year running by *Euroweek* magazine.

Legacy assets

Some assets made illiquid as a result of the credit crisis, because of their nature (CDOs of RMBS', RMBS', CMBS' and other European, US or Australian ABS') or their structure (assets hedged by monolines, exotic credit derivatives, etc.) are no longer in line with the bank's strategic objectives and risk profile. They were identified in 2008 and have been gradually grouped together and entrusted to a dedicated team, responsible for managing them until they are extinguished. This team implements diversified strategies (selling, portfolio restructuring, setting up of hedges, etc.) to optimise exit conditions, in accordance with the risk reduction target and the objective of reallocating resources to Corporate and Investment Banking's strategic activities. It is subject to a specific governance approach optimising interactions between the Market, Risk and Finance Divisions. The centralisation of these assets was completed in 2009. To facilitate the reading and understanding of Corporate and Investment Banking's performances, the revenues produced by these legacy assets are now disclosed separately from the revenues of core activities.

In 2009, **SG CIB** generated revenues of EUR 6,867 million, including EUR 9,693 million produced by core activities (EUR 7,200 million from market activities and EUR 2,493 million from Financing and Advisory activities), while legacy assets generated negative revenues of EUR -2,826 million.

3 THE COMPANY, THE SHAREHOLDERS

2009 KEY FIGURES

	2009	2008 (1)	2007	2006	2005
Results *(in millions of euros)*					
Net Banking Income	21,730	21,866	21,923	22,417	19,166
Operating income excluding net loss on unauthorised and concealed trading activities	116	3,683	6,713	8,035	6,562
Operating income including net loss on unauthorised and concealed trading activities			1,802		
Net income before minority interests	1,108	2,773	1,604	5,785	4,916
Net income	678	2,010	947	5,221	4,402
French Networks	*971*	*1,251*	*1,375*	*1,344*	*1,059*
International Retail Banking	*445*	*618*	*686*	*471*	*386*
Specialised Financing and Insurance	*17*	*459*	*600*	*521*	*453*
Private Banking, Global Investment Management and Services	*227*	*110*	*652*	*577*	*460*
Corporate and Investment Banking	*623*	*(1,870)*	*(2,221)*	*2,340*	*1,841*
Corporate Centre and other	*(1,605)*	*1,442*	*(145)*	*(32)*	*203*
Activity *(in billions of euros)*					
Total assets and liabilities	1,023.7	1,130.0	1,071.8	956.8	835.1
Customer loans	344.5	354.6	305.2	263.5	227.2
Customer deposits	300.1	282.5	270.7	267.4	222.5
Assets under management	344	336	435	422	386
Equity *(in billions of euros)*					
Group shareholders' equity	42.2	36.1	27.2	29.1	23.0
Total consolidated equity	46.8	40.9	31.3	33.4	27.2
Average headcount (2)	160,144	160,430	130,100	115,134	100,186

2005-2007: Basel I
2008-2009: Basel II
(1) Changes in 2008
– The Corporate Centre includes the accounting effects related to the revaluation of debts linked specifically to own credit risk and credit derivative instruments used to hedge the loans and receivables portfolios previously included in Corporate and Investment Banking's results;
– All of the real estate subsidiaries (GENEFIM, SOGEPROM and GENEFIMMO and their respective subsidiaries), which were previously affiliated with Corporate and Investment Banking, except for ODIPROM, have been affiliated with the French Networks.
(2) Including temporary staff.

EUR 21.7 billion
Net banking income

EUR 0.68 billion
Net income

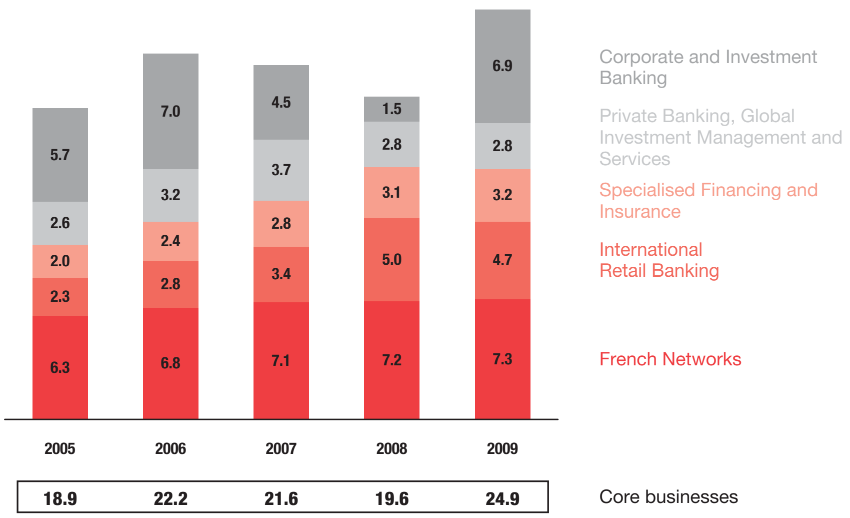
Globally satisfactory commercial performance
in France and abroad

Reduction of the risk profile

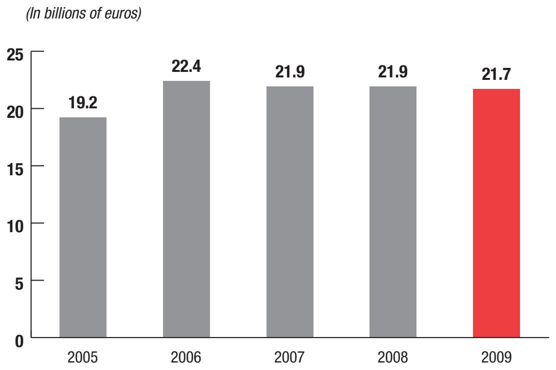
Realignment with the new environment

CONTRIBUTION OF THE CORE BUSINESSES TO THE GROUP'S NET BANKING INCOME

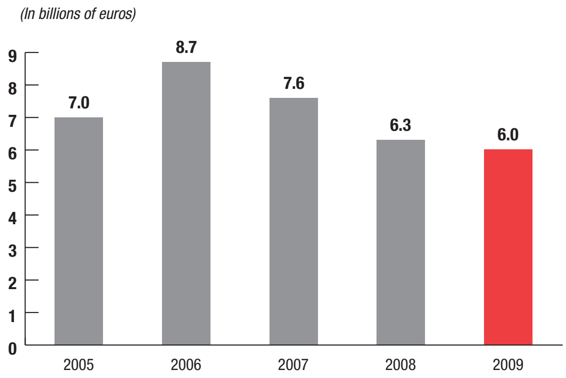
(In billions of euros)



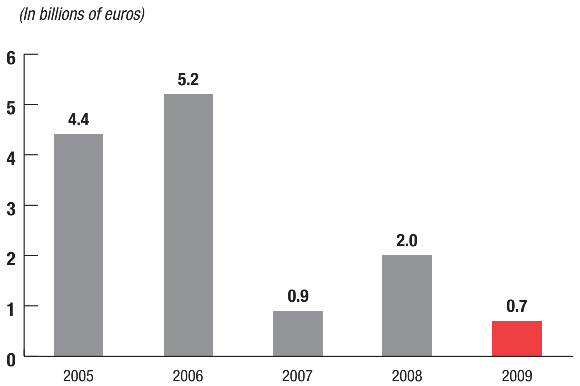
NET BANKING INCOME



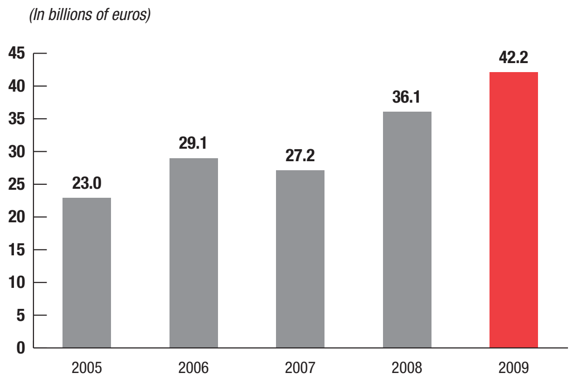
GROSS OPERATING INCOME



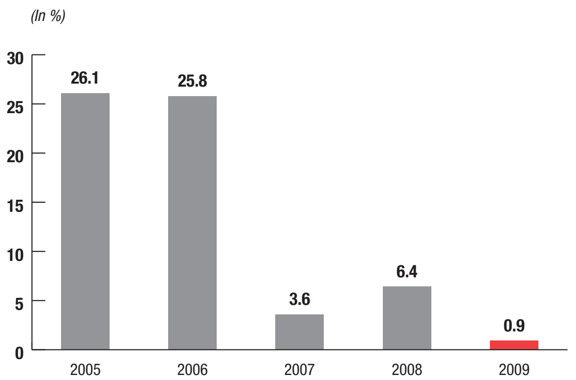
NET INCOME



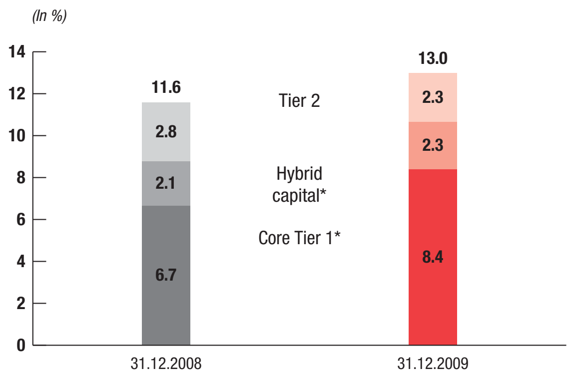
SHAREHOLDERS' EQUITY



ROE AFTER TAX (1)



B.I.S. RATIO (2)



*Tier 1 = Hybrid capital + Core tier 1

2005-2007: Basel I

2008-2009: Basel II

(1) Group ROE calculated on the basis of average Group shareholders' equity under IFRS (including IAS 32 & 39 and IFRS 4), excluding unrealised capital losses and gains except for translation reserves, deeply subordinated notes, undated subordinated notes and after deduction of interest to be paid to holders of these notes.

(2) Does not reflect additional minimum capital requirements (in 2008, the Basel II requirement cannot be lower than 90% of CAD requirements).

THE SOCIETE GENERALE SHARE

Stock market performance

Societe Generale's share price increased by 43.5% in 2009, closing at EUR 48.95 on December 31. In comparison, the CAC 40 index gained 22.3% and the DJ EURO STOXX BANK index 48.9%.

At December 31, 2009, the Societe Generale Group's market capitalisation stood at EUR 36.2 billion, ranking it 11th among CAC 40 stocks (7th largest stock in terms of free float) and 6th among euro zone banks (6th at December 31, 2008).

The market for the Group's shares remained highly liquid in 2009, with an average daily trading volume on the CAC 40 of EUR 151.43 million, representing a daily capital rotation ratio of 0.61% (versus 1.18% in 2008). In value terms, Societe Generale's shares were the 6th most actively traded on the CAC 40 index.

Stock exchange listing

Societe Generale's shares are listed on the Paris Stock Exchange (deferred settlement market, continuous trading group A, ISIN code FR0000130809) and are also traded in the United States under an American Depository Receipt (ADR) programme.

Stock market indices

The Societe Generale share is a component stock of the CAC 40, STOXX 50, EURO STOXX 50, Euronext 100, MSCI EURO, FTSE4 Good and ASPI Eurozone indices.

Total return* for shareholders

The following table shows the cumulative and annualised average total return on investment for Societe Generale shareholders over different time periods ending December 31, 2009.

Duration of shareholding	Date	Cumulative total return*	Annualised average total return*
Since privatisation	Jul. 8, 1987	747.6%	10.0%
15 years	Dec. 31, 1994	360.1%	10.7%
10 years	Dec. 31, 1999	42.9%	3.6%
5 years	Dec. 31, 2004	-12.7%	-2.7%
4 years	Dec. 31, 2005	-39.9%	-12.0%
3 years	Dec. 31, 2006	-53.6%	-22.6%
2 years	Dec. 31, 2007	-41.8%	-23.7%
1 year	Dec. 31, 2008	47.7%	47.7%

Source: Datastream.

** Total return = capital gain + net dividend reinvested in shares.*

Dividend history

	2009	2008	2007	2006	2005
Net dividend (in EUR) *	0.25 (1)	1.20 (2)	0.90	5.20	4.50
Payout ratio (%) (3)	55.6	35.5	45.8	42.2	41.8
Net yield (%) (4)	0.5	3.3	0.9	4.0	4.3

* *In accordance with standard IAS 33, per share data relating to periods preceding the capital increases that occurred in Q4 2006, Q1 2008 and Q4 2009 have been adjusted for the ratios published by Euronext. The adjusted dividends amounted to EUR 1.14 in 2008, EUR 0.80 in 2007, EUR 4.61 in 2006 and EUR 3.97 in 2005.*

(1) *Amount and option of payment in new shares will be submitted to the General Meeting.*

(2) *Dividend with option of payment in new shares*

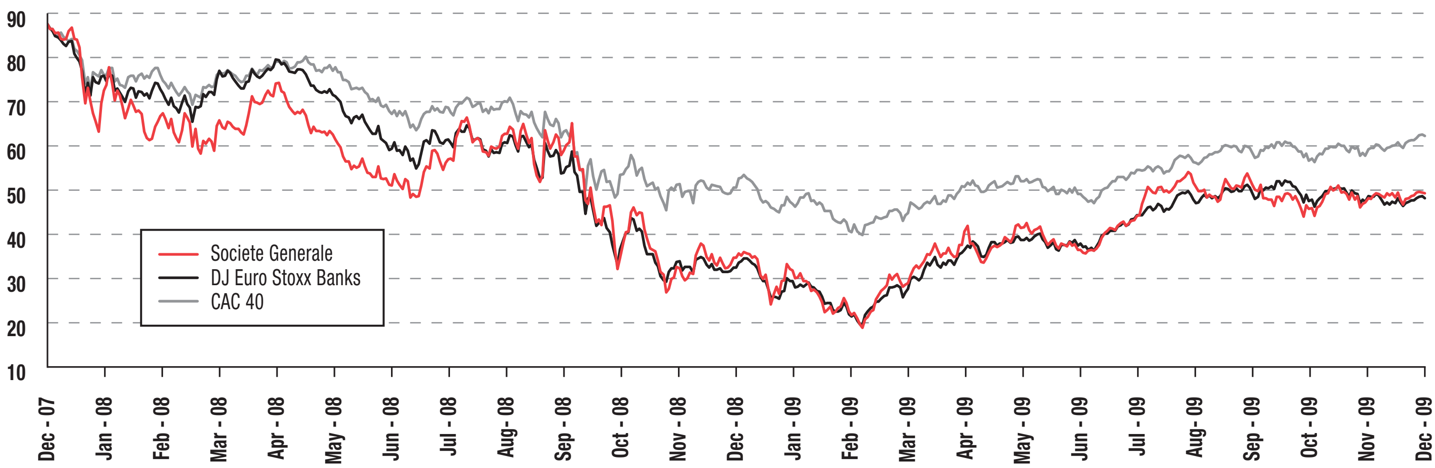
(3) *Net dividend/earnings per share.*

(4) *Net dividend/closing price at end-December.*

Stock market data		Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2005
Share capital (number of outstanding shares)		739,806,265	580,727,244	466,582,593	461,424,562	434,288,181
Market capitalisation (in EUR billion)		36.2	20.9	46.2	59.3	45.1
Earnings per share (in euros) *		0.45	3.20	1.75	10.94	9.50
Book value per share at year-end (in euros) *		48.9	49.6	50.0	56.5	47.1
Share price (in euros) *	high	53.8	87.8	140.6	119.9	93.3
	low	18.0	26.1	83.3	89.5	65.6
	closing	49.0	34.1	87.8	114.1	91.6

* *In accordance with standard IAS 33, per share data relating to periods preceding the capital increases that occurred in Q4 2006, Q1 2008 and Q4 2009 have been adjusted for the ratios published by Euronext.*

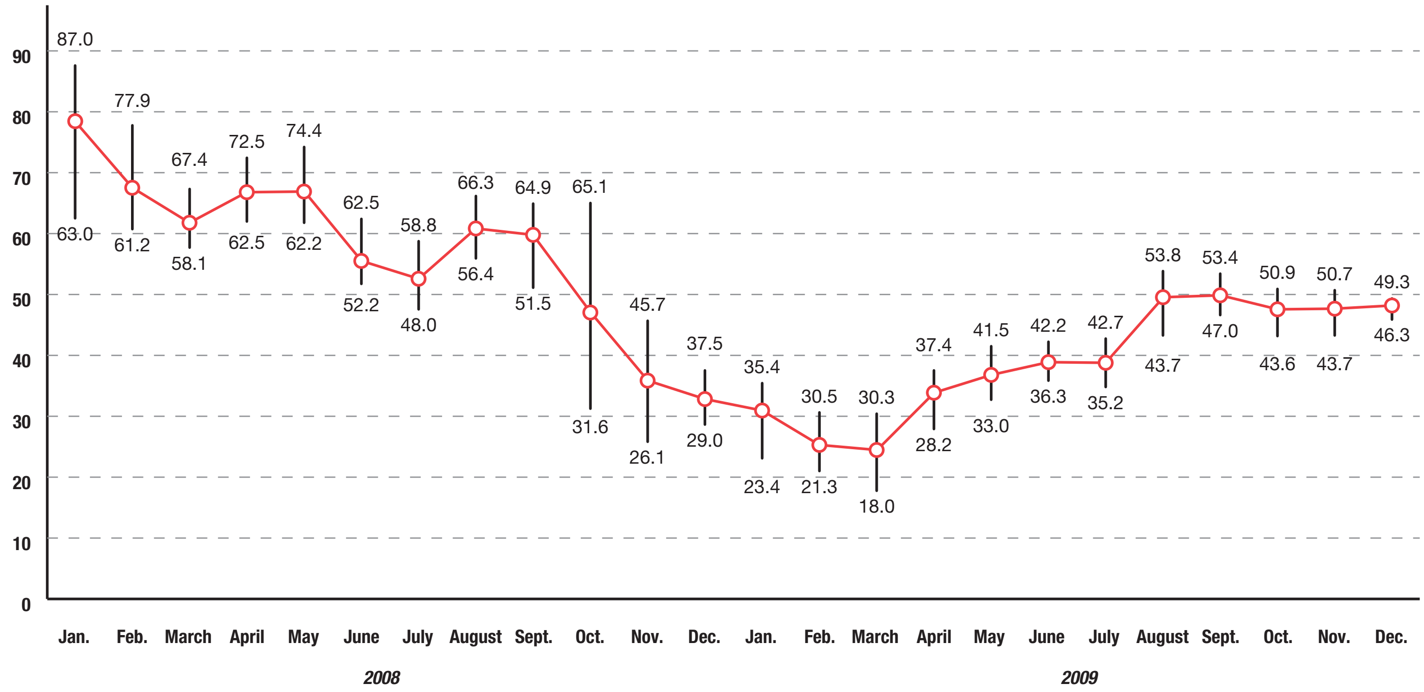
SHARE PERFORMANCE *



Source : Datastream

* *Historical series adjusted for the impact of the capital increases carried out in Q1 2008 and Q4 2009.*

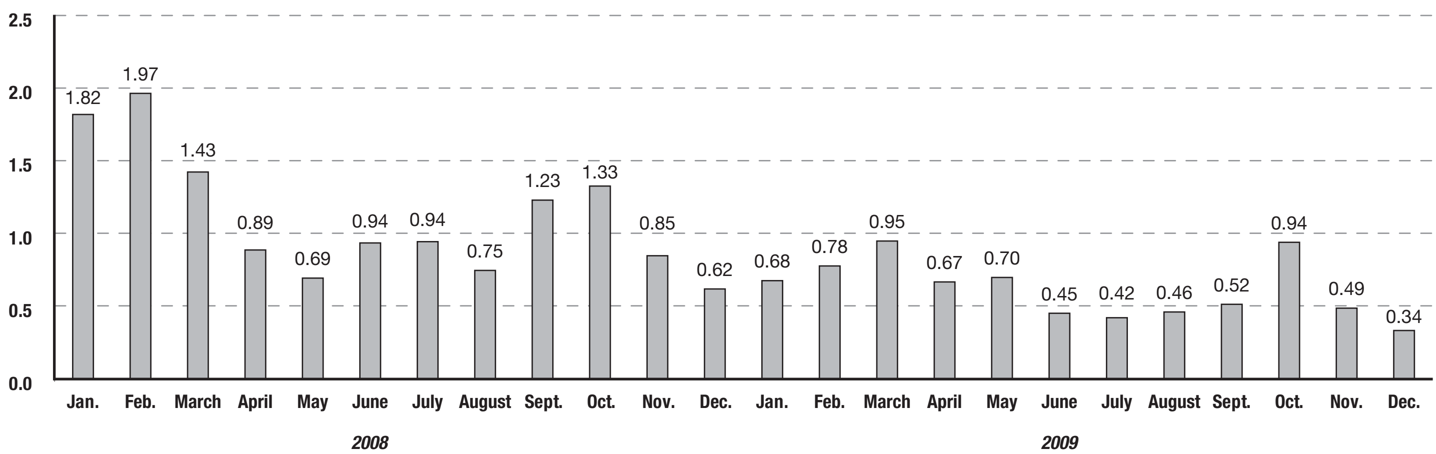
MONTHLY CHANGE IN SHARE PRICE *



Source: Datastream

** Historical series adjusted for the impact of the capital increases carried out in Q1 2008 and Q4 2009.*

TRADING VOLUMES (AVERAGE DAILY TRADED VOLUME AS % OF CAPITAL**)



Source: Datastream

*** Share capital excluding preference shares*

INFORMATION ON SHARE CAPITAL

Changes in share capital

Operations	Date of record or completion	Change	Total number of shares after operations	Share capital (in euros)	Change in share capital resulting from operation (%)
Exercise of stock options from October 27 to December 31, 2006	Dec. 31, 2006 recorded on Jan. 11, 2007	395,846	461,424,562	576,780,702.50	0.08
Exercise of stock options (1st half 2007) and increase through 2007 Company Savings Plan	Jul. 11, 2007	261,414 4,578,835	466,264,811	582,831,013.75	1.05
Exercise of stock options (2nd half 2007)	Dec. 31, 2007 recorded on Jan. 11, 2008	317,782	466,582,593	583,228,241.25	0.07
Exercise of stock options from January 1 to 11, 2008	recorded on Feb. 5, 2007	34,080	466,616,673	583,270,841.25	0.01
Capital increase with pre-emptive subscription rights decided on February 8, 2008	recorded on Mar. 14, 2008	116,654,168	583,270,841	729,088,551.25	25.00
Increase through 2008 Company Savings Plan	recorded on Jun. 24, 2008	7,456,403	590,727,244	738,409,055.00	1.28
Cancellation of shares	Nov. 2, 2008	10,000,000	580,727,244	725,909,055.00	(1.69)
Issue of preference shares (B shares)	recorded on May 28, 2009	45,045,045 B shares	622,772,289 divided into 582,727,244 A shares and 45,045,045 B shares	782,215,361.25	7.76
Increase through the exercise of the option for the payment of dividends in shares	recorded on Jun. 17, 2009	13,810,504 A shares	639,582,793 divided into 594,537,748 A shares and 45,045,045 B shares	799,478,491.25	2.21
Increase through 2009 Company Savings Plan	recorded on Jul. 10, 2009	10,757,876 A shares	650,340,669 divided into 605,295,624 A shares and 45,045,045 B shares	812,925,836.25	1.68
Exercise of stock options in 2009	recorded on Oct. 15, 2009	411 A shares	650,341,080 divided into 605,296,035 A shares and 45,045,045 B shares	812,926,350.00	
Capital increase with pre-emptive subscription rights decided on October 5, 2009	recorded on Nov. 2, 2009	134,510,230 A shares	784,851,310 divided into 739,806,265 A shares and 45,045,045 B shares	981,064,137.50	20.68
Cancellation of preference shares decided on November 3, 2009	recorded on Dec. 23, 2009	45,045,045 B shares	739,806,265 A shares	924,757,831.25	(5.74)

Share capital

At December 31, 2009, Societe Generale's paid up share capital amounted to EUR 924,757,831.25 and comprised 739,806,265 shares with a nominal value of EUR 1.25 per share, all eligible for dividends paid out of income earned from January 1, 2009.

As part of the Group's capital market activities, transactions may be carried out involving indices or underlying assets with a Societe General share component. These transactions do not have an impact on the Group's future capital.

The increase by 159,079,021 shares in 2009 includes:

- the issue of 134,510,230 shares through the capital increase with pre-emptive subscription rights performed in October 2009;
- the issue of 13,810,504 shares following the distribution of dividends in shares in June 2009;
- the issue of 10,757,876 million shares subscribed by the Group's employees in July under the Global Employee Share Ownership Plan;
- the exercising of share subscription options, issued by the Company, on 411 shares.

In accordance with article 19 of its By-laws, on May 28, 2009, Societe Generale issued 45,045,045 preference shares to the *Société de Prise de Participations de l'Etat* (SPPE). These shares were bought back by Societe Generale on November 4, 2009 before being cancelled on December 23, 2009.

Share buybacks

The Joint General Meeting of May 19, 2009 authorised the Company to buy or sell its own shares with a view to cancelling bought-back shares, granting, honouring or covering stock options, otherwise allocating shares or making any other form of allocation to employees and Chief Executive Officers of the Group, granting shares when rights attached to convertible securities are exercised, holding and subsequently using shares in exchange or as payment for acquisitions and continuing the liquidity contract set up in November 2004. The liquidity contract was terminated on December 31, 2009.

Under the agreement concluded on December 9, 2008 between the French government and the Societe Generale Group relating to the subscription by the government of subordinated notes issued by Societe Generale, the Group undertook not to buy back its own shares throughout the holding period of the notes subscribed by the government, except for redemptions to honour or cover the Group's employee share ownership plans and day-to-day management operations.

Since it launched its share buyback programme in September 1999, Societe Generale has bought back 108.4 million of its own shares, for a total net amount of EUR 8.4 billion. In 2002, Societe Generale cancelled 7.2 million shares representing a total of EUR 438 million, followed by a further 18.1 million in 2005, representing a total of EUR 1,352 million, and 10.0 million shares in 2008 totalling EUR 1,217 million.

Overall, Societe Generale bought back 2,111,262 ordinary shares in 2009 worth EUR 57,401,425.88 and sold or transferred 1,138,227 shares with a total disposal value of EUR 13,827,409.12.

- 275,732 shares were used for the payment of acquisitions in 2009;
- 1,835,530 shares were allocated to employees to cover free share plans.

During the capital increase with pre-emptive subscription rights in Q4 2009, Societe Generale sold 12,024,864 rights attached to treasury shares worth EUR 31,729,236.29.

The total transaction cost of the buybacks was EUR 28,700.71.

From January 1, 2009 to December 31, 2009

	Purchases			Disposals / Exercise of stock options				
	Number		Purchase price	Number		Purchase price		Disposal / strike price
Cancellation	0	-	0.00					
Acquisitions	275,732	25.12	6,925,796.18	275,732	25.12	6,925,796.18	27.91	7,695,680.12
Allocation to employees	1,835,530	27.50	50,475,629.70	862,495	94.26	81,299,845.44	7.11	6,131,729.00
Total	**2,111,262**	**27.19**	**57,401,425.88**	**1,138,227**	**77.51**	**88,225,641.62**	**12.15**	**13,827,409.12**

Between January 1, 2010 and February 17, 2010, Societe Generale purchased 2,000,000 of its own shares for a purchase price of EUR 85,970,000. These shares were immediately earmarked for allocation to employees.

Share buybacks and treasury shares

At December 31, 2009, the Societe Generale Group held 11,976,621 shares under its share buyback programme, representing 1.62% of its capital, and 8,987,016 treasury shares, representing 1.21% of its capital. In total, the Group holds 20,963,637 of its own shares either directly or indirectly (excluding shares held under trading operations), with a net book value of EUR 940,555,421.95 and a nominal value of EUR 26,204,546.25. Of this total, 11,976,621 shares, with a market value of EUR 808,078,421.95, have been allocated to cover stock options and free shares granted to employees.

VALUE OF TREASURY SHARES AND BUYBACKS AT DECEMBER 31, 2009

Percentage of capital held directly or indirectly	**2.83% ***
Number of shares cancelled over the last 24 months	10,000,000
Number of shares held directly	11,976,621
Net book value of shares held directly	EUR 808,078,421.95
Market value of shares held directly	EUR 582,082,270.86

** 3.85% including stock set aside for the coverage of 2005, 2006 and 2007 stock option plans.*

At December 31, 2009	Number of shares	Nominal value (in euros)	Book value (in euros)
Societe Generale	11,976,621	14,970,776	808,078,422
Subsidiaries	8,987,016	11,233,770	132,477,000
Finareg	*4,944,720*	*6,180,900*	*80,180,000*
Gene-act1	*2,210,112*	*2,762,640*	*19,385,000*
Vouric	*1,832,184*	*2,290,230*	*32,912,000*
Total	**20,963,63**	**26,204,546**	**940,555,422**

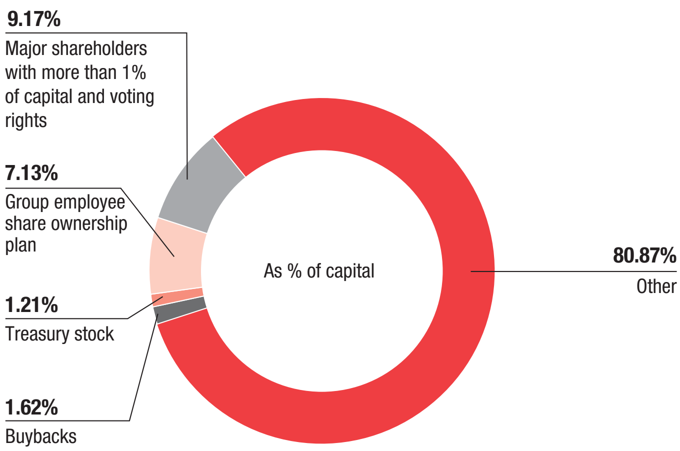
Breakdown of capital and voting rights (1) over 3 years

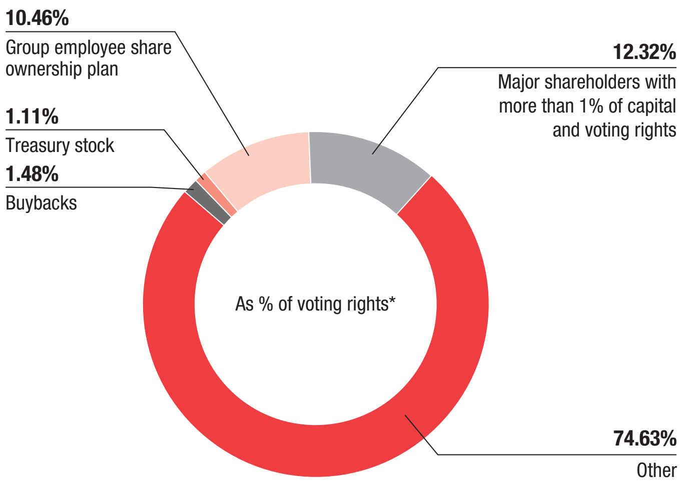
	At December 31, 2009 (2)			At December 31, 2008			At December 31, 2007		
	Number of shares	% of capital	% of voting rights*	Number of shares	% of capital	% of voting rights*	Number of shares	% of capital	% of voting rights*
Group Employee Share Ownership Plan	52,775,654	7.13%	10.46%	41,219,452	7.10%	10.91%	33,458,863	7.17%	11.56%
Major shareholders with more than 1% of the capital and voting rights	67,824,045	9.17%	12.32%	62,303,884	10.73%	14.71%	47,737,086	10.23%	15.63%
Groupama	*31,338,265*	*4.24%*	*5.55%*	*23,831,529*	*4.10%*	*5.78%*	*16,336,391*	*3.50%*	*5.48%*
CDC	*16,754,025*	*2.26%*	*2.78%*	*14,253,665*	*2.45%*	*3.09%*	*10,778,058*	*2.31%*	*3.10%*
Meiji Yasuda Life Insurance Cy	*11,069,312*	*1.50%*	*2.74%*	*11,069,312*	*1.91%*	*3.43%*	*11,069,312*	*2.37%*	*4.16%*
CNP	*8,662,443*	*1.17%*	*1.25%*	*6,805,811*	*1.17%*	*1.28%*	*5,188,089*	*1.11%*	*1.25%*
Fondazione CRT	(3)	(3)	(3)	*6,343,567*	*1.09%*	*1.12%*	*4,365,236*	*0.94%*	*1.64%*
Free float	598,242,929	80.87%	74.63%	457,213,306	78.73%	71.27%	355,074,822	76.10%	67.11%
Buybacks	11,976,621	1.62%	1.48%	11,003,586	1.89%	1.71%	21,324,806	4.57%	4.01%
Treasury stock	8,987,016	1.21%	1.11%	8,987,016	1.55%	1.39%	8,987,016	1.93%	1.69%
Total		**100.00%**			**100.00%**	**100.00%**		**100.00%**	**100.00%**
Number of outstanding shares		739,806,265	807,180,185		580,727,244	644,824,914		466,582,593	531,812,177

(1) Including double voting rights (article 14 of Societe Generale's by-laws).

(2) At December 31, 2009, the share of European Economic Area shareholders in the capital is estimated at 45.9%.

(3) Shareholder with less than 1% of the capital and voting rights





* *As of 2006 and in accordance with article 223-11 of the AMF's General Regulations, the total number of voting rights is calculated on the basis of all shares with voting rights attached.*

Shareholder agreements

On July 24, 2000, Societe Generale signed an agreement with Santander Central Hispano concerning the management of the two parties' cross-holdings. Under the terms of this agreement, Societe Generale and Santander Central Hispano each grant the other party a pre-emptive right to the shares held directly or via a subsidiary by each of the parties in the capital of the other, although this right does not apply in the event of a public offer made by a third-party for the shares of one or other of the parties.

The agreement was signed initially for a period of three years and is subsequently renewable for two-year periods.

This pre-emptive clause was published by the French Financial Markets Council in Decision No. 201C1417 dated November 30, 2001. This agreement was still in place at December 31, 2009. However, at this date, Santander Central Hispano no longer held any shares in Societe Generale.

Information about article L. 225-100-3 of the French Commercial Code

Under article L. 225-100-3 of the French Commercial Code, Societe Generale must disclose information about the following 10 factors likely to affect the outcome of a public offer.

To the best of its knowledge, Societe Generale does not have any specific arrangements likely to affect the outcome of a public offer. The information required by article L. 225-100-3 of the French Commercial Code is listed below, however, as it has been included in the Registration Document to meet other obligations.

1. share capital structure: this information appears in chapter 3 under the heading "Breakdown of capital and voting rights over 3 years";
2. restrictions on the exercise of voting rights imposed by the By-laws: this information appears in chapter 11 in the paragraph "By-laws" and more particularly in articles 6 and 14;
3. direct or indirect stakes in Societe Generale's capital of which it is aware by virtue of articles L. 233-7 and L. 233-12 of the French Commercial Code: this information appears in chapter 3 under the heading "Breakdown of capital and voting rights over 3 years";
4. the list of holders of any shares bearing special control rights: not applicable since the cancellation of the preference shares on December 23, 2009;
5. control mechanisms provided for under any employee share ownership plans, if the control rights are not exercised by employees: this information appears in chapter 6 "Human Resources" under the heading "Profit-sharing and the Global Employee Share Ownership Plan";
6. shareholder agreements of which Societe Generale is aware and that may restrict the transfer of shares and the exercise of voting rights: not applicable;
7. rules applicable to the appointment and replacement of members of the Board of Directors and amendments to the Company's By-laws. This information appears in chapter 11 in the paragraph "By-laws" and more specifically in articles 7 and 14;
8. powers of the Board of Directors to issue or buy back shares: the delegations of authority granted by the General Meeting to the Board of Directors to this end appear in chapter 3 under the heading "List of outstanding delegations and their use in 2008, 2009 and early 2010" and the information about share buybacks in chapter 3 under the heading "Share buybacks";
9. agreements concluded by Societe Generale that are amended or terminated if there is a change of control of Societe Generale, unless this disclosure would seriously harm its interests and except in cases where disclosure is a legal obligation: not applicable;
10. agreements granting compensation to members of the Board of Directors or employees if they resign or are laid off without a genuine and serious cause, or if their employment comes to an end because of a public offer: this information appears in chapter 5 under the heading "Remuneration policy" for the Chief Executive Officers and Directors.

List of outstanding delegations and their use in 2008, 2009 and early 2010 (up to February 17, 2010)

Type of authorisation	Purpose of authorisation granted to the Board of Directors	Period of validity	Limit	Use in 2008	Use in 2009	Use in 2010 (up to February 17)
Share buybacks	Authorisation to buy Societe Generale shares	**Granted by:** AGM of May 27, 2008, under its 9th resolution **For a period of:** 18 months **Start date:** Aug. 5, 2008 **Early termination:** May 24, 2009	10% of capital at the date of the purchase	Repurchase of 998,966 shares, i.e. 0.004% of capital at Dec. 31, 2008	Repurchase of 2,111,262 shares, i.e. 0.29% of capital at Dec. 31, 2009	N/A
		Granted by: AGM of May 19, 2009, under its 13th resolution **For a period of:** 18 months **Start date:** May 25, 2009 **Expiry date:** Nov. 19, 2010	10% of capital at the date of the purchase	N/A	N/A	Repurchase of 2,000,000 shares, i.e. 0.27% of capital at Dec. 31, 2009
Capital increase through the issue of ordinary shares	Authorisation to increase share capital *with pre-emptive subscription rights* through the issue of ordinary shares or securities convertible into shares	**Granted by:** AGM of May 27, 2008, under its 10th resolution **Amended by:** AGM of May 19, 2009, under its 18th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	Nominal EUR 360 million for shares, *i.e. 49.6% of capital on the date the authorisation was granted* Nominal EUR 6 billion for securities convertible into shares *Note: These limits are included in those set under resolutions 10-16 of the AGM of May 27, 2008* *This limit was increased from EUR 220 to 360 million under the 18th resolution approved at the AGM of May 19, 2009*	N/A	134,510,230 shares issued, i.e. 20.68% of capital on the date of the operation	N/A
	Authorisation to increase share capital through the *incorporation* of reserves, retained earnings, or additional paid-in capital	**Granted by:** AGM of May 27, 2008, under its 10th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	Nominal EUR 550 million, *i.e. 75.45% of capital on the date the authorisation was granted*	N/A	N/A	N/A
	Authorisation to increase share capital *with no pre-emptive subscription rights* through the issue of ordinary shares or securities convertible into shares	**Granted by:** AGM of May 27, 2008, under its 11th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	Nominal EUR 100 million for shares, *i.e. 13.7% of capital on the date the authorisation was granted* Nominal EUR 6 billion for securities convertible into shares *Note: These limits are included in those of resolution 10, and include those set in resolutions 12-16 of the AGM of May 27, 2008*	N/A	N/A	N/A
	Option to oversubscribe in the event of surplus demand for capital increases *with or without pre-emptive subscription rights* approved by the Board within the framework of resolutions 10 and 11	**Granted by:** AGM of May 27, 2008, under its 12th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	15% of the initial issue *Note: Such operations are carried out at the same prices as the initial issue and within the same limits as those set out in resolutions 10 and 11 of the AGM of May 27, 2008*	N/A	N/A	N/A

Type of authorisation	Purpose of authorisation granted to the Board of Directors	Period of validity	Limit	Use in 2008	Use in 2009	Use in 2010 (up to February 17)
	Authorisation to increase capital in order to pay for share contributions	**Granted by:** AGM of May 27, 2008, under its 13th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	10% of capital *Note: This limit is included in those set under resolutions 10 and 11 of the AGM of May 27, 2008*	N/A	N/A	N/A
Capital increase through the issue of preference shares	Authorisation to increase capital *with no pre-emptive subscription rights* through the issue of preference shares with no voting or pre-emptive subscription rights to the *Société de Prise de Participation de l'Etat*	**Granted by:** AGM of May 19, 2009, under its 15th resolution **For a period of:** 14 months **Expiry date:** July 19, 2010	Nominal EUR 241.9 million for the preference shares, i.e. a maximum of 193,520,000 preference shares of a nominal value of EUR 1.25.	N/A	45,045,045 preference shares issued, i.e. 7.76% of the capital on the date of the operation on May 28, 2009. These shares were bought back then cancelled on Dec. 23, 2009	N/A
Transactions for employees	Authorisation to increase capital through the issue of ordinary shares or securities convertible into shares reserved for employees subscribing to a *Societe General Company or Group Savings Plan*	**Granted by:** AGM of May 27, 2008, under its 14th resolution **For a period of:** 26 months **Expiry date:** May 19, 2009	3% of capital on the date the authorisation was granted *Note: This limit is included in those set under resolutions 10 and 11 of the AGM of May 27, 2008*	N/A	10,757,876 shares issued, i.e. 1.68% of capital on the date of the operation	N/A
		Granted by: AGM of May 19, 2009, under its 17th resolution **For a period of:** 14 months **Expiry date:** July 19, 2010	1.75% of capital on the date the authorisation was granted *Note: This limit is included in those set under resolutions 10 and 11 of the AGM of May 27, 2008*	N/A	N/A	Transaction decided in principle by the Board on Feb. 17, 2010.
	Authorisation to grant share subscription or purchase *options* to employees and Chief Executive Officers of the Company	**Granted by:** AGM of May 27, 2009, under its 15th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	4% of capital on the date the authorisation was granted *Note: This limit includes the allocation of free shares and is included in those set under resolutions 10 and 11 of the AGM of May 27, 2008* *0.20% for Chief Executive Officers Note: This limit is included in the 4% limit set under resolution 15 of the AGM of May 27, 2008*	N/A	1,295,772 subscription options granted, i.e. 0.22% of capital on the date of the operation	N/A
	Authorisation to grant *free existing* or *new shares* to employees and Chief Executive Officers	**Granted by:** AGM of May 27, 2008, under its 16th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	2% of capital on the date the authorisation was granted *Note: This limit is included in those set under resolution 15 and those provided for under resolutions 10 and 11 of the AGM of May 27, 2008*	N/A	3,090,740 shares issued, i.e. 0.53% of capital on the date of the operation	N/A
Cancellation of shares	Authorisation to cancel shares as part of a share buyback programme	**Granted by:** AGM of May 27, 2008, under its 17th resolution **For a period of:** 26 months **Expiry date:** July 27, 2010	10% of the total number of shares per 24-month period	10,000,000 shares cancelled, i.e. 1.72% of capital on the date of the operation	N/A	N/A

ADDITIONAL INFORMATION

General information

Name

Societe Generale

Registered Office

29, boulevard Haussmann, 75009 Paris

Administrative Office

17, Cours Valmy, 92972 Paris-La Défense

Postal address: Societe Generale, Tours Societe Generale, 75886 Paris cedex 18

Telephone number: 33 (0) 1 42 14 20 00

Website: www.societegenerale.com

Legal form

Societe Generale is a public limited company (*société anonyme*) established under French law and having the status of a bank.

Governing law

Under the legislative and regulatory provisions relating to credit institutions, notably the articles of the French Monetary and Financial Code that apply to them, the Company is subject to the commercial laws, in particular articles L. 210-1 and following of the French Commercial Code, as well as its current By-laws.

Societe Generale is a credit institution authorised to act as a bank. As such, it can carry out all banking transactions. It can also carry out all investment-related services or allied services, as listed by articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code, except for operating a multilateral trading facility. In its capacity as an investment services provider, Societe Generale is subject to the regulations applicable to the same. It must notably comply with a number of prudential rules and is subject to the controls carried out by the French Banking Commission (*Commission bancaire*). Its management and all employees are bound by rules governing professional secrecy, violation of which is punishable by law. Societe Generale also acts as an insurance broker.

Date of formation and duration

Societe Generale was incorporated by deed approved by the decree of May 4, 1864. The company will expire on December 31, 2047, unless it is wound up or its duration extended.

Corporate purpose

Article 3 of the Company By-laws describes its corporate purpose. The purpose of Societe Generale is, under the conditions determined by the laws and regulations applicable to credit institutions, to carry out with individuals and corporate entities, in France and abroad:

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

Societe Generale may also, on a regular basis, as defined in the conditions set by the French Financial and Banking Regulation Committee, engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Societe Generale may carry out, on its own behalf, on behalf of a third-party or jointly, all financial, commercial, industrial, agricultural, security or property transactions, directly or indirectly related to the abovementioned activities or likely to facilitate the accomplishment of such activities.

Registration number

552 120 222 RCS PARIS

ISIN code (International Securities Identification Number): FR 0000130809

NAF (trade sector) code: 6419Z

Company reports and documents

All Societe Generale reports and documents, including in particular its By-laws, financial statements and the reports submitted to General Meetings by the Board of Directors and the Statutory Auditors, may be consulted at the Company's administrative offices at Tour Societe Generale, 17, cours Valmy, 92972 Paris-La-Défense Cedex, France.

The current version of the By-laws has been registered with public notaries "Thibierge, Pône, Fremeaux, Palud, Sarrazin, Sagaut et Chaput" in Paris, France.

Fiscal year

The fiscal year starts on January 1 and ends on December 31.

Categories of shares and attached rights

Under the terms of article 4 of the Company's By-laws, the share capital is divided into two categories of shares. Category A shares are ordinary shares. Category B shares are preference shares with no voting or pre-emptive subscription rights.

All the preference shares that the Company issued to the *Société de Prise de Participation de l'Etat* on May 28, 2009, i.e. 45,045,045 category B shares, were bought back by the Company on November 4, 2009. They were cancelled on December 23, 2009. Since this date, Societe Generale's share capital has once again been composed solely of ordinary shares.

Double voting rights

In accordance with article 14 of the Company's By-laws, double voting rights, in relation to the share of capital stock they represent, are allocated to all those shares which are fully paid up and which have been registered in the name of the same shareholder for at least two years as from January 1, 1993. Double voting rights are also allocated to new registered shares that may be allocated free of charge to a shareholder in respect of the shares with double voting rights already held by him, in the case of a capital increase by incorporation of reserves, earnings, or additional paid-in capital.

According to the law, these double voting rights are rendered null and void if the shares are converted into bearer form or if ownership of the shares is transferred. Nevertheless, transfers through inheritance, the liquidation of marital assets, or transfers to a spouse or directive relative, do not result in the loss of rights and do not affect the minimum two-year holding period. The same applies, unless otherwise stated in the By-laws, following a merger or split-off relating to a shareholder company.

Limitation of voting rights

Under the terms of article 14 of the Company's By-laws, the number of votes at General Meetings to be used by one shareholder, either personally or by a proxy, may not exceed 15% of total voting rights at the date of the Meeting. This 15% limit does not apply to the Chairman or any other proxy with respect to the total number of voting rights they hold on a personal basis and in their capacity as proxy, provided each shareholder for which they act as proxy complies with the 15% rule. For the purposes of applying this 15% limit, shares held by a single shareholder include shares held indirectly or jointly in accordance with the conditions described in articles L. 233-7 and following of the French Commercial Code. This limit ceases to apply when a shareholder acquires – either directly or indirectly or jointly with another shareholder – more than 50.01% of the Company's voting rights following a public offer.

Declaration of shareholdings exceeding statutory limits

In accordance with article 6.2 of the Company's By-laws, any shareholder acting on his own or jointly, who comes to hold directly or indirectly at least 1.5% of the capital or voting rights, must inform the Company within 15 days of the time at which he exceeds this threshold, and must also indicate in his declaration the number of shares he holds in the share capital. Mutual fund management companies must provide this information based on the total number of shares held in the Company by the funds they manage. Beyond the initial 1.5%, shareholders are obliged to notify the Company, under the conditions set in article 6.2 of the By-laws, whenever their holding of capital or voting rights exceeds an additional 0.5%.

Failure to comply with this requirement will be penalised in accordance with legal provisions on this matter, at the request of one or more shareholders with at least a 5% holding in the Company's capital or voting rights. The said request will be duly recorded in the minutes of the General Meeting.

Any shareholder acting on his own or jointly, is also required to inform the Company within 15 days if the percentage of his capital or voting rights falls below each of the thresholds described in article 6.2 of the By-laws.

Convening and rules for attending Annual and Extraordinary General Meetings of Shareholders

Under the terms of article 14 of the Company's By-laws, General Meetings are called and deliberate as provided for by the legal and regulatory provisions in force. They meet at the head offices or in any other place in metropolitan France indicated in the Notice of Meeting. Such meetings are chaired by the Chairman of the Board or, in his absence, by a Director appointed for this purpose by the Chairman of the Board.

Regardless of the number of shares held, all shareholders whose shares are registered under the terms and at a date set forth by decree have the right, upon proof of their identity and status as a shareholder, to participate in the General Meetings. They may, as provided for by the legal and regulatory provisions in force, personally attend the General Meetings, vote remotely or appoint a proxy. The intermediary registered on behalf of shareholders may participate in the General Meetings, as provided for by the legal and regulatory provisions in force.

In order for the ballots to be counted, they must be received by the Company at least two days before the General Meeting is held, unless otherwise specified in the Notice of Meeting or required by the regulations in force.

Shareholders may participate in General Meetings by videoconference or any other means of telecommunication, when stipulated in the Notice of Meeting and subject to the conditions provided therein.

The General Meeting may be publicly broadcast by means of electronic communication subject to the approval and under the terms set by the Board of Directors. Notice will be given in the preliminary Notice of Meeting and/or Notice to attend the Meeting.

In all General Meetings, voting rights attached to shares which include a usufructuary right, are exercised by the usufructuary.

Identification of holders of bearer shares

Article 6.3 of the By-laws provides that the Company can at any time, in accordance with current legislative and regulatory provisions, request that the organisation responsible for securities clearing provide information relating to the shares granting the right to vote in its General Meetings, either immediately or in the future, as well as information about the holders of these shares.

Documents

Societe Generale's By-laws are included in the present Registration Document. All reports, letters and other documents, historical financial data, assessments and declarations established by external experts at the request of the issuer and included in part or referred to in the present document, as well as all financial data on Societe Generale and its subsidiaries for each of the two fiscal periods preceding the publication of this document, can be consulted on the Societe Generale Group website or at its administrative office.

4 GROUP MANAGEMENT REPORT

SOCIETE GENERALE GROUP MAIN ACTIVITIES

SIMPLIFIED ORGANISATIONAL CHART AT DECEMBER 31, 2009

Societe Generale Group

- French Networks
- International Retail Banking
- Specialised Financing and Insurance

FRANCE

French Networks

► Societe Generale *	
► Crédit du Nord Group	100%
► Compagnie Generale d'Affacturage	100%
► Sogéfinancement	100%
► Sogéfimur	100%
► Sogelease France	100%
► Sogébail	51.5%
► SG Services	100%
► Transactis	50.0%
► SG Capital Développement	100%
► Généfimmo	100%
► Généfim	100%
► Sogéprom	100%

International Retail Banking

► Banque de Polynésie	72.1%
► Microcred	22.3%
► Societe Generale Calédonienne de Banque	90.1%
► Banque Française Commerciale Océan Indien	50.0%
► SG de Banque aux Antilles	100%

Specialised Financing and Insurance

► Franfinance Group	100%
► CGL Group	99.9%
► ECS Group	100%
► Sogécap Group	100%
► Sogessur	65.0%
► Temsys	100%
► La Banque Postale Financement	35.6%

EUROPE

International Retail Banking

► SKB Banka *Slovenia*	99.7%
► BRD-Groupe SG *Romania*	59.4%
► SG Express Bank *Bulgaria*	99.0%
► Komerčni Banka A.S. (KB) *Czech Republic*	60.4%
► General Bank of Greece *Greece*	54.0%
► Banque SG Vostok *Russia*	100%
► SG Cyprus Ltd	51.0%
► Ohridska Banka ad Ohrid *Macedonia*	59.2%
► SG Banka SRBIJA *Serbia*	100%
► Podgoricka Banka *Montenegro*	86.8%
► Delta Credit *Russia*	100%
► Rosbank Group *Russia*	65.3%
► SG-Splitska Bank *Croatia*	100%
► Bank Republic *Georgia*	80%
► Mobiasbanca *Moldavia*	87.9%
► Banka Popullore *Albania*	75.0%
► Komerčni Banka Bratislava *Slovakia*	60.4%

Specialised Financing and Insurance

► ALD International Group	100%
► GEFA Group *Germany*	100%
► Fiditalia Spa Group *Italy*	100%
► SG Equipment Finance Group	100%
► Eurobank *Poland*	99.4%
► Rusfinance *Russia*	100%
► Hanseatic Bank *Germany*	75.0%
► SG Consumer Finance Group	100%

AFRICA - MIDDLE EAST

International Retail Banking

► SG Marocaine de Banques	56.9%
► SG de Banques en Côte d'Ivoire	73.3%
► Union Internationale de Banque *Tunisia*	52.3%
► SG de Banques au Cameroun	58.1%
► SG de Banque au Liban	19.0%
► National Societe Generale Bank *Egypt*	77.2%
► SG de Banque en Guinée	57.9%
► SG de Banques au Bénin	79.5%
► SG - SSB Limited *Ghana*	52.2%
► Societe Generale Mauritanie	51.0%
► BFV SG *Madagascar*	70.0%
► SG de Banques au Sénégal	64.9%
► SG Algérie	100%
► SG de Banques au Burkina	52.5%
► SG de Banque en Guinée Equatoriale	57.2%
► SG Tchadienne de Banque	66.2%

Specialised Financing and Insurance

► Eqdom *Morocco*	54.7%
► La Marocaine Vie	100%

AMERICAS

Specialised Financing and Insurance

► Banco Cacique S.A. *Brazil*	100%
► Banco Pecunia *Brazil*	70.0%
► SG Equipment Finance USA	100%

ASIA - AUSTRALIA

International Retail Banking

► South East Asia Commercial Bank *Vietnam*	20.0%

Specialised Financing and Insurance

► Family Credit Limited *India*	100%

* *Parent company*

(1) Subsidiary of SGBT Luxembourg

(2) As well as its Private Banking activities. Societe Generale Bank & Trust Luxembourg also provides retail and corporate and investment banking services for its corporate customers

Notes:

- *The percentages given indicate the share of capital held by the Societe Generale Group.*
- *Groups are listed under the geographic region where they carry out their principal activities.*

Private Banking, Global Investment Management and Services: Private Banking; Asset Management; Securities Services, Brokers and Online Savings

Corporate and Investment Banking

FRANCE

Private Banking	Asset Management	Securities Services, Brokers and Online Savings	Corporate and Investment Banking
► Societe Generale *	► SGAM 100% ► Amundi Group 25.0%	► Societe Generale * ► Newedge Group 50.0% ► Parel 100% ► Boursorama Group 55.5% ► SGSS France 98.2%	► Societe Generale * ► CALIF 100% ► SG Securities (Paris) SAS 100% ► Lyxor Asset Management 100% ► Gaselys 49.0% ► Orbeo 50.0% ► SG Option Europe 100% ► Societe Generale SCF 100%

EUROPE

Private Banking	Asset Management	Securities Services, Brokers and Online Savings	Corporate and Investment Banking
► Societe Generale Bank & Trust Luxembourg (2) 100% ► Societe Generale Private Banking Suisse SA (1) 100% ► Societe Generale Private Banking (Belgique) 100% ► Societe Generale Hambros Bank Limited *United Kingdom* 100% ► Societe Generale Private Banking (Monaco) (1) 100%		► SGSS Spa *Italy* 100% ► Societe Generale Securities Services UK Ltd *United Kingdom* 100% ► SGSS KAG *Germany* 100% ► EFS *Luxembourg* 100% ► Newedge Group Branches in: London *United Kingdom* ► Societe Generale * Branch in: Dublin *Ireland*	► SG Bank Nederland N.V. *Netherlands* 100% ► SG Investments (U.K.) Ltd *United Kingdom* 100% ► SG Immobel *Belgium* 100% ► Societe Generale * Branches in: Milan *Italy*, Frankfurt *Germany*, Madrid *Spain*, London *United Kingdom*

NORTH AMERICA

Private Banking	Asset Management	Securities Services, Brokers and Online Savings	Corporate and Investment Banking
	► TCW Group Inc *United States* 100%	► Newedge USA, LLC 50.0% ► Newedge Canada Inc. 50.0%	► SG Americas, Inc. *United States* 100% ► SG Americas Securities, LLC *United States* 100% ► SG Canada 100% ► Banco SG Brazil SA 100% ► Societe Generale * Branches in: New York *United States*, Montreal *Canada*

ASIA - AUSTRALIA

Private Banking	Asset Management	Securities Services, Brokers and Online Savings	Corporate and Investment Banking
► SG Private Banking (Japan) Ltd 100%	► Fortune SGAM *China* 49.0%	► Newedge Japan Inc 50.0% ► Newedge Group Hong Kong Branch	► SG Securities Asia International Holdings Ltd (Hong-Kong) 100% ► SG Securities North Pacific, Tokyo Branch *Japan* 100% ► SG Asia (Hong Kong) Ltd 100% ► SG Australia Holding Ltd 100% ► SG Australia Ltd 100% ► Lyxor Asset Management Japan Co Ltd 100% ► Societe Generale (China) Ltd 100% ► Societe Generale * Branches in: Singapore, Tokyo *Japan*, Hong Kong, Mumbai *India*, Seoul *South Korea*, Taipei *Taiwan*, Sydney *Australia*

GROUP ACTIVITY AND RESULTS

The financial information presented for the financial year ended December 31, 2009 and comparative information in respect of the 2008 financial year have been prepared by applying accounting principles and methods in accordance with IFRS, as adopted in the European Union and applicable at these dates.

* *When adjusted for changes in Group structure and at constant exchange rates*

Against the backdrop of an historic economic and financial crisis in terms of its scale and duration, 2009 will have been a year of very severe recession in virtually all the developed economies. The swift reaction of governments and central banks helped alleviate the negative effects of the recession and stabilise the level of activity from mid-2009.

Analysis of consolidated income statement

Acknowledging the new economic and banking environment in the process of taking shape, Societe Generale adopted 4 priorities:

1. Maintaining a high level of commitment to its customers, particularly in France where, during a year of recession, the Group grew its loans to the economy by +3.1%. Accordingly, Societe Generale posted generally satisfactory commercial performances in all its core businesses: approximately 100,000 new current accounts opened for individual customers in France, 2.0% [1] revenue growth in the French Networks, resilience of International Retail Banking, market share gains in Corporate and Investment Banking. These good performances are guarantees of the Group's future development.
2. Realigning the businesses most directly affected by the crisis: retail banking platform in Russia, peripheral consumer credit operations, asset management with the setting up of the Amundi JV with Crédit Agricole, reduction of Corporate and Investment Banking risks.
3. Implementing changes to its management bodies and strengthening its balance sheet primarily through the successful EUR 4.8 billion capital increase in autumn 2009.
4. Establishing the milestones for a far-reaching plan to transform the company, made necessary by the crisis and the new requirements that will affect the banking sector.

The cost of the crisis had a significant impact in 2009:

- The commercial cost of risk amounted to EUR 4.4 billion in 2009. It increased significantly for SME customers in France and in emerging countries but remained at remarkably low levels for individual customers in France and for multinational corporates.
- EUR 4.3 billion of losses, write-downs and provisions were recorded in 2009 on assets acquired by Corporate and Investment Banking between 2005 and 2007. They were due primarily to the deterioration in US residential real estate.

(1) Excluding the PEL/CEL effect and Visa capital gain recorded in 2008

In millions of euros	2009	2008	Change	
Net banking income	21,730	21,866	-0.6%	+0.7%*
Operating expenses	(15,766)	(15,528)	+1.5%	+2.5%*
Gross operating income	**5,964**	**6,338**	**-5.9%**	**-3.6%***
Net allocation to provisions	(5,848)	(2,655)	x 2.2	x 2.3*
Operating income	**116**	**3,683**	**-96.9%**	**-94.9%***
Net income from companies accounted for by the equity method	15	(8)	NM	
Net income from other assets	711	633	+12.3%	
Impairment losses on goodwill	(42)	(300)	+86.0%	
Income tax	308	(1,235)	NM	
Net income before minority interests	1,108	2,773	-60.0%	
O.w. minority interests	*430*	*763*	*-43.6%*	
Net income	**678**	**2,010**	**-66.3%**	**-64.1%***
Cost/income ratio	72.6%	71.0%		
Average allocated capital	30,245	28,425	+6.4%	
ROE after tax	**0.9%**	**6.4%**		
Basel II Tier 1 Ratio**	**10.7%**	**8.8%**		

* When adjusted for changes in Group structure and at constant exchange rates

** Does not reflect additional minimum capital requirements (in 2008, the Basel II requirement cannot be lower than 90% of CAD requirements)

Net banking income

With NBI of EUR 21.7 billion in 2009, the Group enjoyed substantial growth in 2009 core business revenues (+26.8% vs. 2008) which amounted to EUR 24.9 billion.

- The French Networks posted revenue growth in line with the announced target (+2.0% [1] in 2009 corresponding to NBI of EUR 7.3 billion). International Retail Banking saw full-year revenues grow (+1.9%* vs. 2008) to EUR 4.7 billion on the back of a diversified development strategy in several economic regions. Overall, the French Networks and International Retail Banking account for 55% of the Group's 2009 revenues.
- Specialised Financing and Insurance saw their full-year revenues grow by +1.8%* to EUR 3.2 billion, despite an unfavourable environment, particularly in operational vehicle leasing and fleet management.
- Private Banking further demonstrated its potential by posting NBI of EUR 0.8 billion in 2009 and growing nearly 13% in assets under management. Directly impacted by the crisis, Asset Management published revenues of EUR 0.8 billion for 2009. Private Banking, Global Investment Management and Services' full-year NBI totalled EUR 2.8 billion, slightly higher than in 2008.
- Corporate and Investment Banking published high revenues for 2009 of EUR 6.9 billion (EUR 9.7 billion excluding losses on legacy assets). This performance is underpinned by market share gains in all the business lines.

Operating expenses

The increase in the Group's operating expenses (EUR 15.8 billion or +2.5%* vs. 2008) reflects (i) the ongoing investment needed for its organic growth, (ii) the costs incurred in realigning its operating infrastructure, but also includes (iii) the savings generated primarily under the Operating Efficiency Plan. As a result, 2009 operating expenses (excluding payroll costs) were EUR -0.5 billion lower than in the reference year 2007 when restated for structure, currency and inflation effects.

(1) Excluding the PEL/CEL effect and Visa capital gain (EUR 72 million in 2008).

In the case of compensation paid to market professionals, Societe Generale intends to act as a responsible player, by reconciling compliance with the G20 principles and the concerns of all its stakeholders and public opinion with an ability to retain talented employees that are key for its activities. Accordingly, its compensation system for market professionals can be broken down as follows:

- Budgets for the variable component of market professionals' pay are calculated on the basis of operating income (i.e. after deducting the cost of risk) and after factoring in the cost of capital.
- Additional taxes on variable compensation are deducted from these budgets.
- On average, 55% of the variable compensation is deferred over 3 years, is fully paid in Societe Generale shares (or instruments indexed to the share) and is subject to performance criteria that may result in it being reduced or cancelled completely ("clawback" mechanism). Market professionals are prohibited from hedging on this variable compensation.
- The Board of Directors has approved the system on the proposal of the Compensation Committee, after it was reviewed by the French Regulator[(1)] and the market professionals' compensation controller.

Societe Generale is determined to apply compensation mechanisms that take account of the individual and collective performances of its employees, the company's long-term development objectives and the interests of its shareholders, while at the same time scrupulously adhering to the principles enacted by the regulatory bodies.

Societe Generale's cost to income ratio was 72.6% in 2009.

Operating income

Core businesses' gross operating income was sharply higher in 2009 (x2.2 vs. 2008) at EUR 9.3 billion. Societe Generale's gross operating income totalled EUR 6.0 billion in 2009 (-3.6%* vs. 2008).

The Group's cost of risk increased significantly in 2009 due to the effects of the economic crisis. When restated for Corporate and Investment Banking's legacy assets, the Group's cost of risk stood at the high level of 117 basis points (or EUR 4.4 billion) vs. 66 basis points in 2008.

- The French Networks' cost of risk amounted to 72 basis points in 2009, reflecting the increase in the loss rate within the business customer portfolio. It rose in Q4, in particular, due to significant provision allocations on a limited number of accounts. The housing loan loss rate remains low.
- International Retail Banking's 2009 cost of risk (EUR 1.3 billion) was significantly higher than in 2008 due to the sharp rise in defaults in Russia (490 basis points in 2009 vs. 130 basis points in 2008). However, after increasing in H1, the net cost of risk stabilised in the second half of the year, standing at 191 basis points for 2009.
- The cost of risk for Specialised Financing and Insurance was sharply higher in 2009 at EUR 1.2 billion (or 250 basis points), driven mainly by consumer credit (x2 at 425 basis points). Although there was an increase in the cost of risk for equipment finance, it remains smaller (EUR 0.2 billion).
- The 2009 cost of risk for Corporate and Investment Banking's core activities was a high 88 basis points, albeit with a significant improvement in Q4. The net cost of risk corresponding to legacy assets amounts to EUR 1.4 billion.

The Group's operating income totalled EUR 116 million in 2009.

Group net income

After tax, minority interests and the capital gain following the setting up of Amundi, Group net income totalled EUR 678 million in 2009 (vs. EUR 2,010 million in 2008). Group ROE after tax stood at 0.9% in 2009. Group net income for the year would be EUR 3.5 billion excluding the negative effects of legacy assets.

Earnings per share amounts to EUR 0.45 for 2009.

(1) Secrétariat général de la Commission bancaire

ACTIVITY AND RESULTS OF THE CORE BUSINESSES

The financial statements of each core business are drawn up in accordance with those of the Group in order to:

- determine the results of each core business as if it were a stand-alone entity;
- present a true and fair view of each business's results and profitability over the period.

The core businesses reflect the Group's management method, through its key businesses:

- the **French Networks,** which include the Societe Generale and Crédit du Nord networks in France and cash management activities. The real estate subsidiaries previously attached to Corporate and Investment Banking have been incorporated in the French Networks since January 1, 2009 and the 2008 comparative data have been restated accordingly;
- **International Retail Banking**, which covers retail banking activities abroad;
- **Specialised Financing and Insurance,** which comprises Specialised Financing subsidiaries serving businesses (equipment and vendor finance, IT asset leasing and management, operational vehicle leasing and fleet management), and individuals (consumer finance) and providing life and non-life insurance;
- **Private Banking, Global Investment Management and Services** including Private Banking, Asset Management and Securities Services and Online Savings. The Securities Services division includes the Group's brokerage arm, operated by Newedge, together with the securities and employee savings business. The Online Savings business is operated by the direct bank "Boursorama";
- **Corporate and Investment Banking** consisting of:
  - **"Global Markets"**, which encompasses all market activities, i.e. "Equities" and "Fixed Income, Currencies & Commodities",
  - **"Financing & Advisory"**, which covers all strategy, capital raising and structured financing advisory services,
  - **"Legacy Assets"**, which manages financial assets that have become illiquid in the wake of the financial crisis.

These operating divisions are supplemented by the **Corporate Centre**, which acts as the Group's central funding department vis-à-vis the divisions. As such, it recognises the cost of carry of equity investments in subsidiaries and related dividend payments, as well as income and expenses stemming from the Group's ALM and income from the Group's management of its assets (management of its industrial and bank equity portfolio and of its real estate assets). Income and expenses that do not relate directly to the activity of the core businesses are also allocated to the Corporate Centre. This means that the debt revaluation differences linked to own credit risk and the revaluation differences of the credit derivative instruments hedging the loans and receivables portfolios are now allocated to the Corporate Centre, instead of Corporate and Investment Banking as previously. 2008 comparative data have been restated accordingly.

The principles used to determine the income and profitability of each core business are outlined below.

Capital allocation

The general principle adopted by the Group in 2009 is to allocate normative capital to the core businesses corresponding globally to 6% of the Basel II average risk-weighted assets and supplemented by the additional consumption of prudential capital generated by each core business (deductions impacting Basel II Tier 1 capital: bank shareholdings exceeding 10%, "poorly" rated securitisation positions, etc.) and, if necessary, requirements specific to the insurance activities. This capital allocation rule therefore applies to the Group's 5 core businesses (French Networks; International Retail Banking; Specialised Financing and Insurance; Private Banking, Global Investment Management and Services; Corporate and Investment Banking) and allows an evaluation of the results by activity as well as their level of profitability on an autonomous and uniform basis, independently of local regulatory constraints.

The capital allocated to the Corporate Centre corresponds to the sum of, on the one hand, the regulatory requirement related to the assets assigned to this division (primarily the equity and real estate portfolio) and, on the other hand, the surplus (or deficit) of available capital at Group level (difference between the total capital allocated to the core businesses as defined above and the average capital (Group share) under IFRS [(1)] after distribution).

As from January 1, 2010, the Group has decided to shift to a rate of 7% of risk-weighted assets for its normative capital calculation in order to reflect changes in the Group's Tier 1 ratio.

Net banking income

Net banking income (NBI) for each core business includes:

- revenues generated by its activity;
- the yield on normative capital allocated to the core businesses, which is defined on an annual basis by reference to an estimated rate of return on Group capital during the financial year. On the other hand, the yield on the core businesses' book capital is reassigned to the Corporate Centre.

Moreover, capital losses and gains generated by the core businesses on the disposal of shares in non-consolidated entities, and income from the management of the Group's industrial and bank equity portfolios, are booked under NBI, as these securities are classified as available-for-sale financial assets.

Operating expenses

Each core business' operating expenses include its direct expenses, its management overheads and a share of the head-office expenses, which are in principle almost fully redistributed between the core businesses. The Corporate Centre only books costs relating to its activity, along with certain technical adjustments.

Cost of risk

The cost of risk is charged to each core business so as to reflect the cost of risk inherent in their activity during each financial year.

Impairment losses concerning the whole Group are booked by the Corporate Centre.

Net income from other assets

Net income from other assets essentially comprises capital losses and gains on the disposal of shares in consolidated entities and of operating fixed assets.

Impairment losses on goodwill

Impairment losses on goodwill are booked by the core business to which the corresponding activity is attached.

Income tax

The Group's tax position is managed centrally, with a view to optimising the consolidated expense.

Income tax is charged to each core business on the basis of a normative tax rate which takes into account the local tax rate of the countries in which it conducts its activities and the nature of its revenues.

(1) Excluding (i) unrealised or deferred capital gains or losses booked directly under shareholders' equity excluding translation reserves, (ii) deeply subordinated notes, (iii) undated subordinated notes recognised as shareholders' equity and deducting (iv) interest to be paid to holders of deeply subordinated notes and reclassified undated subordinated notes.

SUMMARY OF RESULTS AND PROFITABILITY BY CORE BUSINESS

Income statement by core business

In millions of euros	French Networks		International Retail Banking		Specialised Financing & Insurance		Private Banking, Global Investment Management and Services		Corporate & Investment Banking		Corporate Centre		Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net banking income	7,253	7,179	4,724	4,990	3,225	3,101	2,833	2,818	6,867	1,544	(3,172)	2,234	21,730	21,866
Operating expenses	(4,778)	(4,725)	(2,681)	(2,752)	(1,818)	(1,795)	(2,464)	(2,630)	(3,877)	(3,430)	(148)	(196)	(15,766)	(15,528)
Gross operating income	**2,475**	**2,454**	**2,043**	**2,238**	**1,407**	**1,306**	**369**	**188**	**2,990**	**(1,886)**	**(3,320)**	**2,038**	**5,964**	**6,338**
Net allocation to provisions	(968)	(494)	(1,298)	(500)	(1,224)	(587)	(38)	(53)	(2,324)	(1,033)	4	12	(5,848)	(2,655)
Operating income	**1,507**	**1,960**	**745**	**1,738**	**183**	**719**	**331**	**135**	**666**	**(2,919)**	**(3,316)**	**2,050**	**116**	**3,683**
Net income from companies accounted for by the equity method	13	8	6	8	(54)	(21)	0	0	53	0	(3)	(3)	15	(8)
Net income from other assets	0	0	7	14	(16)	(1)	(1)	0	(7)	10	728	610	711	633
Impairment losses on goodwill	0	0	0	(300)	(43)	0	0	0	0	0	1	0	(42)	(300)
Income tax	(512)	(667)	(150)	(368)	(44)	(220)	(83)	(12)	(73)	1,046	1,170	(1,014)	308	(1,235)
Net income before minority interests	1,008	1,301	608	1,092	26	477	247	123	639	(1,863)	(1,420)	1,643	1,108	2,773
O.w. minority interests	*37*	*50*	*163*	*474*	*9*	*18*	*20*	*13*	*16*	*7*	*185*	*201*	*430*	*763*
Net income	**971**	**1,251**	**445**	**618**	**17**	**459**	**227**	**110**	**623**	**(1,870)**	**(1,605)**	**1,442**	**678**	**2,010**
Cost/income ratio	65.9%	65.8%	56.8%	55.2%	56.4%	57.9%	87.0%	93.3%	56.5%	NM	NM	NM	72.6%	71.0%
Average allocated capital	5,386	5,214	3,087	2,860	4,187	3,880	1,286	1,566	7,677	7,424	8,622 *	7,481*	30,245	28,425
ROE after tax	**18.0%**	**24.0%**	**14.4%**	**21.6%**	**0.4%**	**11.8%**	**17.7%**	**7.0%**	**8.1%**	**NM**	**NM**	**NM**	**0.9%**	**6.4%**

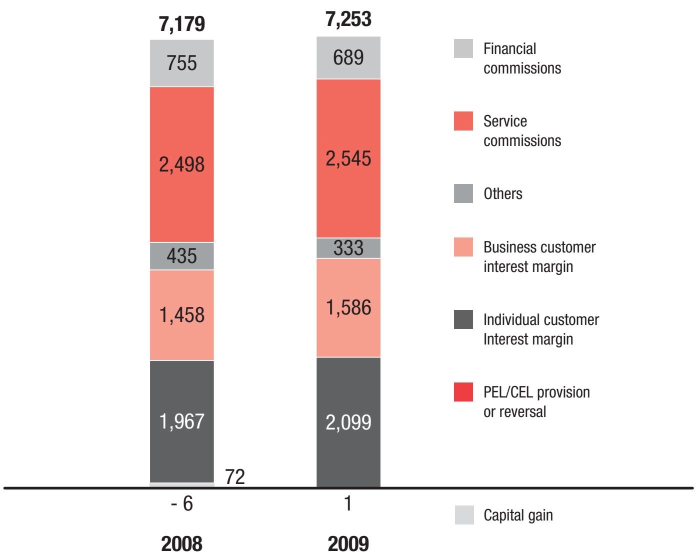
* *Calculated as the difference between total Group capital and capital allocated to the core businesses*

French Networks

In millions of euros	2009	2008	Change	
Net banking income	7,253	7,179	+1.0%	+2.0%[a]
Operating expenses	(4,778)	(4,725)	+1.1%	
Gross operating income	**2,475**	**2,454**	**+0.9%**	**+3.6%[a]**
Net allocation to provisions	(968)	(494)	+96.0%	
Operating income	**1,507**	**1,960**	**-23.1%**	**-20.5%[a]**
Net income from companies accounted for by the equity method	13	8	+62.5%	
Net income from other assets	0	0	NM	
Income tax	(512)	(667)	-23.2%	
Net income before minority interests	1,008	1,301	-22.5%	-20.0%[a]
O.w. minority interests	*37*	*50*	*-26.0%*	
Net income	**971**	**1,251**	**-22.4%**	**-19.8%[a]**
Cost/income ratio	65.9%	65.8%		
Average allocated capital	5,386	5,214	+3.3%	
ROE after tax	**18.0%**	**24.0%**		

(a) Excluding a EUR 1m PEL/CEL reversal in 2009 vs the EUR 6m allocation to provisions and EUR 72m Visa capital gain in 2008

BREAKDOWN OF THE FRENCH NETWORKS' NBI (IN MILLIONS OF EUROS)



The **French Networks** posted good commercial and financial performances in 2009 given the deteriorated economic environment.

With EUR 99.1 billion in 2009, average outstanding deposits rose +5.3% on the back of the commercial success resulting from the widespread distribution of the Livret A passbook account and a new corporate term account offering. Loan production proved resilient in a generally sluggish environment. As a result, average outstanding loans grew +2.8% in 2009 vs. 2008, underpinned primarily by housing loans, whereas corporate loans continued to be impacted by the slowdown in activity.

In terms of **individual customers**, the growth in the number of personal current accounts (+96,000 accounts in 2009 vs. +89,000 in 2008) illustrates the commercial dynamism of the teams as well as the attractiveness of a regularly enhanced range of products and services.

Average outstanding deposits for individual customers increased by +1.8% in 2009, due to the dynamic growth of the Special Savings Scheme (+9.6%) and especially passbook accounts.

Life insurance experienced an upturn in 2009 which was particularly significant in H2. Gross inflow totalled EUR 7.9 billion in 2009, up +6.3% vs. 2008.

Households' reluctance to get into debt at the beginning of the year gradually gave way to a demand for loans, boosted both by the decline in house prices and interest rate levels. New housing loan business enjoyed a strong revival in the second half of the year and totalled EUR 11.5 billion, taking outstandings to EUR 70.0 billion in 2009, up +4.2%. Consumer credit provided further evidence of its resilience in 2009, with new business up +2.6% vs. 2008 in a shrinking market. Overall, outstanding loans to individuals rose +3.6% vs. 2008.

The relatively sluggish activity in the **business customer** market reflects the difficulties experienced by businesses in a still uncertain environment. While deposits have held up well, loans have been hit by weak demand, especially for operating loans.

Average outstanding deposits increased substantially in 2009 (+15.2% year-on-year) on the back of the growth in outstanding term deposits (+38.7%), boosted by an attractive business offering. Sight deposits were also higher, albeit more moderately (+6.0% vs. 2008).

The contraction in working capital requirements caused by the slowdown in activity, inventory reduction, the adoption of new tax measures (monthly VAT refund, spreading the payment of social security contributions, etc.) as well as reduced payment periods introduced by the LME (French law for the modernisation of the economy) have helped ease the tensions on corporate cash. As a result, outstanding operating loans fell -15.5% vs. 2008 due to lower demand. Despite the decline in activity and resulting underutilisation of production capacity, outstanding investment loans continued to grow by +7.5% vs. 2008. Overall, outstanding loans to business customers increased by +2.8% in 2009.

In terms of **financial results**, the French Networks posted a good performance in 2009. Net banking income totalled EUR 7,253 million, up +2.0% vs. 2008 (excluding the PEL/CEL effect and EUR 72 million Visa capital gain in 2008), in line with forecasts.

The interest margin increased by +4.1% in 2009 on the back of the growth in deposit volumes, lower remuneration rates for regulated savings and the easing of refinancing conditions.

Commissions declined very slightly -0.6% in 2009 due to the decrease observed in H1 2009.

There was a controlled increase in operating expenses of +1.1% in 2009.

As a result of these developments, there was a 0.5-point (excluding the PEL/CEL effect and Visa capital gain) improvement (65.9%) in the cost to income ratio in 2009 vs. 2008.

The deterioration in the environment resulted in a higher cost of risk in 2009 (72 bp vs. 36 bp in 2008). It was mainly business customers that were affected, with individual customers continuing to exhibit a low loss rate.

The contribution to Group net income totalled EUR 971 million vs. EUR 1,251 million in 2008.

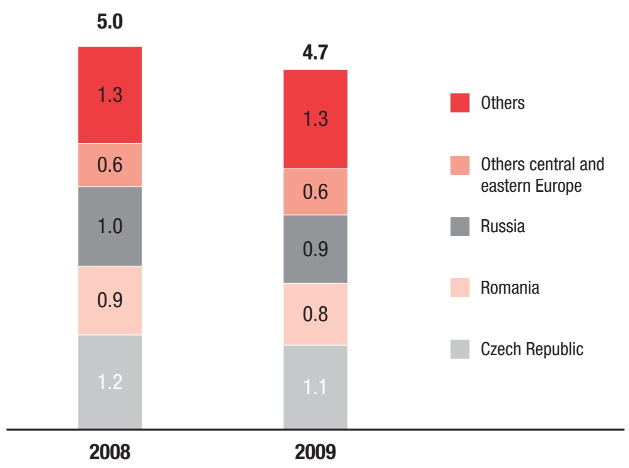
ROE (excluding the PEL/CEL effect) was 18.0% in 2009.

International Retail Banking

In millions of euros	2009	2008	Change	
Net banking income	4,724	4,990	-5.3%	+1.9%*
Operating expenses	(2,681)	(2,752)	-2.6%	+4.9%*
Gross operating income	**2,043**	**2,238**	**-8.7%**	**-1.8%***
Net allocation to provisions	(1,298)	(500)	x 2.6	x 2.9*
Operating income	**745**	**1,738**	**-57.1%**	**-54.2%***
Net income from companies accounted for by the equity method	6	8	-25.0%	
Net income from other assets	7	14	-50.0%	
Impairment losses on goodwill	0	(300)	+100.0%	
Income tax	(150)	(368)	-59.2%	
Net income before minority interests	608	1,092	-44.3%	
O.w. minority interests	*163*	*474*	*-65.6%*	
Net income	**445**	**618**	**-28.0%**	**-26.7%***
Cost/income ratio	56.8%	55.2%		
Average allocated capital	3,087	2,860	+7.9%	
ROE after tax	**14.4%**	**21.6%**		

* *When adjusted for changes in Group structure and at constant exchange rates*

BREAKDOWN OF NBI BY REGION (IN BILLIONS OF EUROS)



Despite being affected by an economic slowdown that varied in scale across geographical regions (sharp slowdown in Russia, significant in Central and Eastern Europe and moderate in the Mediterranean Basin), International Retail Banking proved highly resilient, with a ROE of 14.4% in 2009.

The slowdown in activity and increasing uncertainty had already prompted the division to redefine its development plan as from end-2008. Priority has been given to optimising customer franchises through an improvement in the number of bank products per customer and an active deposit inflow policy. Outstanding deposits totalled EUR 64.0 billion in 2009, up +5.4%, with +6.6% for individual customers and +4.4% for business customers. A more cautious loan approval policy was adopted in order to contain the rise in risks. With EUR 60.4 billion in 2009, outstanding loans were down -2.6% vs. 2008.

The division also implemented a rigorous cost control policy and continued to streamline its operating infrastructure. At the same time, there was a significant slowdown in the rate of branch openings. The rollout of new branches in 2009 was targeted on dynamic regions (an additional 37 branches in Morocco and 14 in Egypt). Over the year, International Retail Banking opened 143 branches and closed 85, mainly in Russia, representing 58 net openings (vs. 248 in 2008). There was a correlative decline in the headcount (-2,238 employees) to 61,259 at end-December 2009.

All these adjustments helped maintain a high earning capacity, with a GOI/RWA ratio of 311 basis points in 2009.

The contribution of all subsidiaries remained satisfactory. Russia, which was hard hit in 2009 by the deteriorated economic environment (contribution to Group net income of EUR -200 million), should be capable of gradually returning to a more favourable situation.

The operations in Central and Eastern Europe slowed down their activity. However, they were able to continue with their development strategy due to their solid positions, the quality of their operations and strong reputation.

While the normalisation of market conditions observed since end-2009 in the Czech Republic has revived competition, Komerçni Banka has nevertheless continued to strengthen its leadership position due primarily to regular product innovation. In order to maintain its profitability, the subsidiary has also introduced the pooling of resources and the exploitation of synergy sources while carefully containing its cost of risk. Signs of recovery, visible during Q4 2009, suggest a more favourable outlook in 2010.

In Romania, BRD's commercial dynamism during the launch of the Prima Casa government-guaranteed mortgage has helped it capture a significant market share in this segment. The healthy loan/deposit ratio is a positive factor that the subsidiary will be able to use to finance the stimulus projects announced for 2010.

Present in Russia via three brands (Rosbank, DeltaCredit and BSGV), the Group has been endeavouring to establish itself as a benchmark player over the last few years. After the process of integrating Rosbank, it has embarked on a new stage in the transformation of its Russian platform by drawing on the expertise of specialised entities (consumer credit, mortgage, leasing and Corporate and Investment Banking). A new legal entity will supervise all the Group's activities in this country. It will be 81.5%-owned by Societe Generale and 18.5%-owned by Interros and others.

International Retail Banking revenues totalled EUR 4,724 million, representing a +1.9%* increase vs. 2008.

Operating expenses were +4.9%* higher in 2009 than in 2008 (-2.6% in absolute terms).

Gross operating income was down -1.8%* in 2009 vs. 2008 (-8.7% in absolute terms) at EUR 2,043 million.

The deterioration in the business climate in 2009 adversely affected International Retail Banking's cost of risk. It stood at 191 basis points vs. 73 basis points in 2008. Russia accounted for the bulk of this increase with its cost of risk jumping from 130 basis points in 2008 to 490 basis points in 2009. The last quarter of 2009 marked the beginning of a stabilisation in the cost of risk with 204 basis points in Q4 09 vs. 200 basis points in Q3 09, 185 basis points in Q2 09 and 173 basis points in Q1 09.

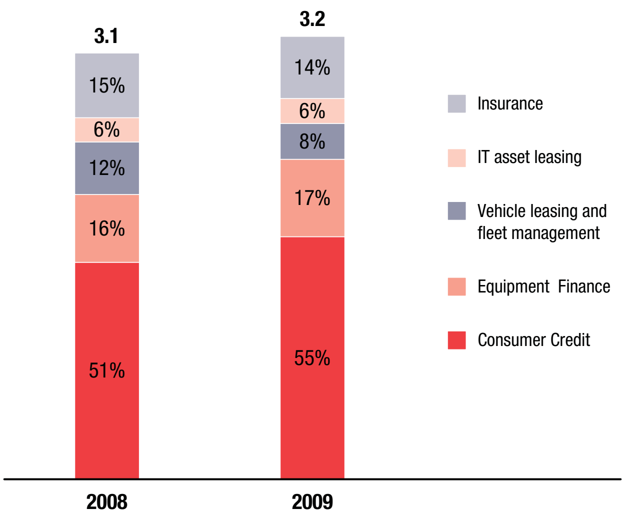
International Retail Banking's contribution to Group net income totalled EUR 445 million in 2009 vs. EUR 618 million in 2008. ROE came to 14.4% vs. 21.6% a year earlier.

Specialised Financing and Insurance

In millions of euros	2009	2008	Change	
Net banking income	3,225	3,101	+4.0%	+1.8%*
Operating expenses	(1,818)	(1,795)	+1.3%	+0.4%*
Gross operating income	**1,407**	**1,306**	**+7.7%**	**+3.5%***
Net allocation to provisions	(1,224)	(587)	x 2.1	x 2.2
Operating income	**183**	**719**	**-74.5%**	**-68.6%***
Net income from companies accounted for by the equity method	(54)	(21)	NM	
Net income from other assets	(16)	(1)	NM	
Income tax	(44)	(220)	-80.0%	
Net income before minority interests	26	477	-94.5%	
O.w. minority interests	*9*	*18*	*-50.0%*	
Net income	**17**	**459**	**-96.3%**	**-74.0%***
Cost/income ratio	56.4%	57.9%		
Average allocated capital	4,187	3,880	+7.9%	
ROE after tax	**0.4%**	**11.8%**		

* *When adjusted for changes in Group structure and at constant exchange rates*

BREAKDOWN OF THE NBI OF SPECIALISED FINANCING AND INSURANCE (IN BILLIONS OF EUROS)



The **Specialised Financing and Insurance** division comprises:

(i) **Specialised Financing** (consumer credit, equipment finance, operational vehicle leasing and fleet management, IT leasing and management)

(ii) **Life** and **Non-Life** Insurance.

Specialised Financing and Insurance's overall performance reflects the effects of the deteriorated economic environment in 2009. Specialised financing was adversely affected by the erosion of loan demand and the adjustment of commercial policy to the new market conditions. However, the customer franchise remained intact, as illustrated by the healthy operating results (gross operating income up +3.5%* vs. 2008). Meanwhile, the Insurance business held up well, with high inflow levels and solid revenues.

Consumer credit experienced a slowdown during 2009, with new business amounting to EUR 11.7 billion, down -10.5%* vs. 2008. There was a recovery in Q4 with new business totalling EUR 3.2 billion, up +6.4% at constant structure vs. Q3 09 and close to the quarterly average for 2008 (EUR 3.4 billion). Despite the sluggishness affecting all markets, Germany saw a +13.3%* increase in new business vs. 2008. In a sharply lower market (-13.3% vs. 2008 according to the ASF French Association of Financial Companies), France provided further evidence of its resilience with new business only -6.6%* lower.

The unfavourable economic environment adversely affected the performance of Russia (-51.0%*), which nevertheless saw an improvement in Q4 09 (new business up +10.9% vs. Q3 09). Outstandings totalled EUR 23.1 billion at end-December 2009, an increase of +4.9%* vs. end-December 2008.

New business margins held up well helped by pricing adjustments during 2009 and the optimisation of refinancing conditions.

Equipment Finance was also hit by a sluggish economic environment. The decline in new financing, excluding factoring, (-21.0%* vs. 2008) affected all its markets. Germany, SGEF's key market, and Scandinavia saw their new financing decline by respectively -23.8%* and -18.4%* vs. 2008 due to difficulties in the industrial sector. The high-tech sector benefited from the industrial difficulties with the transfer of IT budget financing to leasing. Accordingly, it increased its share of new financing to 29.9% in 2009 vs. 23.0% in 2008. At end-December 2009, outstanding loans (excluding factoring) totalled EUR 18.9 billion, -3.5%* vs. 2008.

Although the slowdown in the leasing rate for **operational vehicle leasing and fleet management** is a consequence of the deteriorated environment, it also reflects the effects of the realignment measures. In light of the difficulties in the used vehicle market which significantly affected its financial performance, the business line had already started to extend the duration of contracts at end-2008 in order to postpone disposals, and to develop alternative resale channels. Accordingly, in 2009, ALD leased 237,675 vehicles, taking the fleet under management to 793,807 vehicles at year-end, representing a +0.9% increase vs. 2008 at constant structure. This stability reflects declines in Spain (-20.9% at constant structure) and Italy (-4.6% at constant structure) offset by the resilience of France (+4.5%) and Germany (+3.0%).

Specialised Financing revenues totalled EUR 2,774 million in 2009, up +2.8%* vs. 2008 (+5.4% in absolute terms). New financing margins held up well, helping to contain the effects of losses and provisions on the residual values of used vehicles (EUR -229 million in 2009). Measures to control costs and reduce the headcount helped lower operating expenses by -0.2%* vs. 2008 (+0.9% in absolute terms). As a result of these developments, gross operating income totalled EUR 1,145 million, up +7.0%* vs. 2008 (+12.6% in absolute terms).

After a sluggish start to the year related to the unfavourable economic environment, the **Insurance** activity enjoyed a satisfactory year in 2009, illustrating its strong resilience. Gross life insurance inflow totalled EUR 8.8 billion, up +13.5%* vs. 2008. The proportion of with-profits policies stood at 89% in 2009 vs. 84% in 2008 given clients' ongoing preference for this type of secure investment. Another feature of 2009 was the good performance posted by non-life insurance, with net new business up +7.0%.

The Insurance activity's net banking income totalled EUR 451 million in 2009, down -3.9%* vs. 2008 (-4.0% in absolute terms).

The effects of the crisis on the business climate can also be measured through the deterioration in risk. The cost of risk amounted to 250 basis points in 2009 vs. 123 basis points in 2008. The increase was observed both in consumer credit (425 basis points vs. 229 basis points in 2008), especially in Central and Eastern Europe, and in Equipment Finance (125 basis points vs. 38 basis points in 2008), notably in Germany which was particularly hard hit by the crisis.

Specialised Financing and Insurance's operating income totalled EUR 183 million in 2009. The contribution to Group net income was EUR 17 million.

Private Banking, Global Investment Management and Services

In millions of euros	2009	2008	Change	
Net banking income	2,833	2,818	+0.5%	+1.1%*
Operating expenses	(2,464)	(2,630)	-6.3%	-5.6%*
Gross operating income	**369**	**188**	**+96.3%**	**+92.1%***
Net allocation to provisions	(38)	(53)	-28.3%	-26.9%*
Operating income	**331**	**135**	**x 2.5**	**x 2.4***
Net income from other assets	(1)	0	NM	
Income tax	(83)	(12)	x 6.9	
Net income before minority interests	247	123	x 2.0	
O.w. minority interests	*20*	*13*	*+53.8%*	
Net income	**227**	**110**	**x 2.1**	**x 2.1***
Cost/income ratio	87.0%	93.3%		
Average allocated capital	1,286	1,566	-17.9%	

* *When adjusted for changes in Group structure and at constant exchange rates*

The **Private Banking, Global Investment Management and Services** division consists of three major activities:

(i) **Private Banking** (Societe Generale Private Banking);

(ii) **Asset Management** (Societe Generale Asset Management);

(iii) **Societe Generale Securities Services** (SGSS), **Brokers** (Newedge), **and Online Savings** (Boursorama).

Characterised notably by historically low interest rates, 2009 generally remained unfavourable for **Private Banking, Global Investment Management and Services**. In this environment, the business lines produced mixed performances.

The main event in **Asset Management** in 2009 was the radical realignment of the operating infrastructure. In addition to the disposal of the UK subsidiary, the reorganisation of the business line's activities resulted in:

- the setting up of Amundi (25% Group shareholding), the new joint asset management division of Societe Generale and Crédit Agricole SA, which became operational on January 1, 2010. With assets under management totalling EUR 670 billion at December 31, 2009, including all of CAAM's activities as well as the fundamental investment management activities, 20% of TCW and the Indian joint venture contributed by Societe Generale, Amundi is ranked No. 3 in Europe and No. 8 in the world.
- the setting up of a single structured, alternative and index-fund management platform, within Corporate and Investment Banking. With the transfer of SGAM AI's activities to Lyxor Asset Management, effective from January 1, 2010, the Group will be able to capitalise on the substantial volumes and recognised expertise of this major industrial player. The new merged entity's assets under management represented EUR 86 billion at January 1, 2010;
- the strengthening of the US platform: TCW's acquisition of 100% of US asset manager MetWest will enable the Group to supplement its activities in some high-potential bond segments, thus ensuring the long-term growth of its US activities. The operation, which is subject to approval by the local regulatory authorities, is expected to become effective in Q1 2010 and boost the division's assets under management by EUR 21 billion.

Private Banking's commercial dynamism helped it maintain a good level of activity in a nevertheless unfavourable environment. It continued to expand its operations both inside and outside France, recording an inflow of EUR 3.1 billion in 2009.

Low interest rates and weak stock markets adversely affected the performance of Securities Services and the Broker business, and to a lesser extent Online Savings. Boursorama, which provided further evidence of the success of its development model, produced satisfactory performances in 2009.

At December 31, 2009, the division's assets under management totalled EUR 344 billion, up +2.4% vs. end-2008.

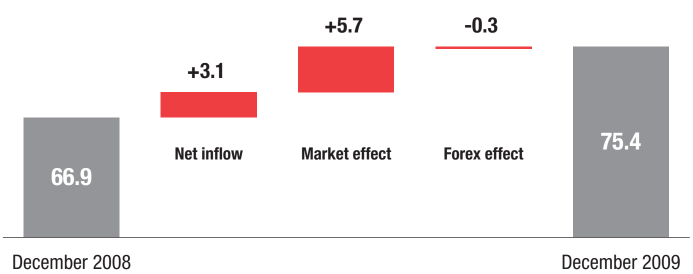
Despite the unfavourable economic environment, the 2009 revenues of Private Banking, Global Investment Management and Services proved highly resilient at EUR 2,833 million, a slight increase vs. 2008 (+1.1%* and +0.5% in absolute terms). For the record, they do not include the EUR 732 million capital gain related to the setting up of Amundi, which was recorded in the Corporate Centre's results. The division's operating expenses amounted to EUR 2,464 million, down -5.6%* (-6.3% in absolute terms) vs. 2008 due to the productivity improvement measures implemented in all the business lines. Consequently, there was a significant recovery in gross operating income and the division's contribution to Group net income which amounted to respectively EUR 369 million (+92.1%* vs. 2008, +96.3% in absolute terms) and EUR 227 million (x2.1* vs. 2008, x2.1 in absolute terms).

Private Banking

In millions of euros	2009	2008	Change	
Net banking income	826	834	-1.0%	-1.5%*
Operating expenses	(525)	(539)	-2.6%	-2.4%*
Gross operating income	**301**	**295**	**+2.0%**	**+0.3%***
Net allocation to provisions	(38)	(32)	+18.8%	+22.6%*
Operating income	**263**	**263**	**+0.0%**	**-2.3%***
Net income from other assets	0	0	NM	
Income tax	(59)	(54)	+9.3%	
Net income before minority interests	204	209	-2.4%	
O.w. minority interests	*0*	*0*	*NM*	
Net income	**204**	**209**	**-2.4%**	**-4.7%***
Cost/income ratio	63.6%	64.6%		
Average allocated capital	380	390	-2.6%	

* *When adjusted for changes in Group structure and at constant exchange rates*

ASSETS UNDER MANAGEMENT (IN BILLIONS OF EUROS)



Despite a generally unfavourable environment, **Private Banking** posted satisfactory commercial performances in 2009.

The business line continued to expand and strengthen its operating infrastructure: in the Middle East, with the setting up of a new subsidiary in Bahrain and in France, with the opening of a 4th regional centre in Lille, which will be followed by 4 additional openings in the regions and in Paris/the Greater Paris region in 2010. In 2009 and for the 4th year running, Societe Generale Private Banking was awarded the title of "Best Private Bank Worldwide for its offer in structured products" (*Euromoney magazine*) on the basis of its expertise and innovative capacity.

Private Banking recorded a net inflow of EUR +3.1 billion in 2009. After factoring in a positive market effect of EUR +5.7 billion and a negative currency impact of EUR -0.3 billion, Private Banking's assets under management amounted to EUR 75.4 billion at end-2009, +12.7% higher than at end-2008.

At EUR 826 million, the business line's net banking income was slightly lower (-1.5%* and -1.0% in absolute terms) than in 2008. The change in the composition of assets at the beginning of the year, at the expense of better remunerated structured products, adversely affected the business line's revenues. However, the change was offset by a continuing high margin and good results for treasury products.

Operating expenses shrank -2.4%* vs. 2008 (-2.6% in absolute terms) due to the rollout of the cost-cutting plan.

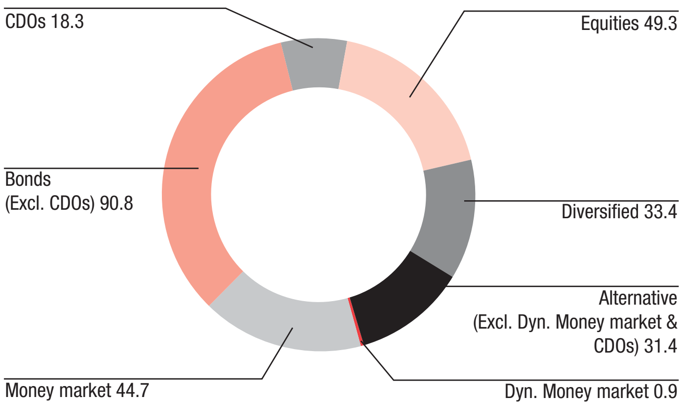
As a result, gross operating income increased +0.3%* vs. end-2008 (+2.0% in absolute terms) to EUR 301 million. The contribution to Group net income amounted to EUR 204 million, lower (-4.7%* and -2.4% in absolute terms) than in 2008 after factoring in a net cost of risk of EUR -38 million.

Asset Management

In millions of euros	2009	2008	Change	
Net banking income	765	425	+80.0%	+84.9%*
Operating expenses	(761)	(792)	-3.9%	-2.6%*
Gross operating income	**4**	**(367)**	**NM**	**NM***
Net allocation to provisions	3	(8)	NM	NM*
Operating income	**7**	**(375)**	**NM**	**NM***
Net income from other assets	0	0	NM	
Income tax	(3)	124	NM	
Net income before minority interests	4	(251)	NM	
O.w. minority interests	*3*	*(5)*	*NM*	
Net income	**1**	**(246)**	**NM**	**NM***
Cost/income ratio	99.5%	NM		
Average allocated capital	430	641	-32.9%	

* *When adjusted for changes in Group structure and at constant exchange rates*

BREAKDOWN OF ASSETS UNDER MANAGEMENT BY PRODUCT AT END-2009 (IN BILLIONS OF EUROS)



The outflow continued in Asset Management due to both the decline in the financial markets and measures to realign the operating infrastructure at the end of the year. However, the outflow was on a smaller scale than in 2008 and amounted to EUR -18.3 billion in 2009.

After factoring in "market" effects (EUR +25.2 billion) and "currency" effects (EUR -2.3 billion) and the impact of disposals (EUR -5.0 billion including SGAM UK for EUR -4.7 billion), the business line's assets under management remain stable vs. end-2008 and amounted to EUR 268.8 billion at end-2009. They consist mainly of:

(i) EUR 170 billion transferred to Amundi.

(ii) EUR 13 billion transferred to Lyxor Asset Management in Q1 2010.

(iii) EUR 70 billion managed by TCW [(1)].

(1) *Without taking account of the MetWest acquisition.*

The business line's revenues totalled EUR 765 million in 2009, a significant increase (+84.9%*, +80.0% in absolute terms) vs. 2008 revenues, which included substantial write-downs and losses related to the crisis.

Operating expenses were down -2.6%* vs. 2008 (-3.9% in absolute terms) due to headcount cuts and the decline in performance-linked pay.

As a result, gross operating income returned to breakeven (EUR 4 million) after the losses in 2008 (EUR -367 million). The contribution to Group net income was EUR 1 million.

Societe Generale Securities Services (SGSS), Brokers (Newedge) and Online Savings (Boursorama)

In millions of euros	2009	2008	Change	
Net banking income	1,242	1,559	-20.3%	-19.8%*
Operating expenses	(1,178)	(1,299)	-9.3%	-8.8%*
Gross operating income	**64**	**260**	**-75.4%**	**-75.2%***
Net allocation to provisions	(3)	(13)	-76.9%	-76.9%*
Operating income	**61**	**247**	**-75.3%**	**-75.1%***
Net income from other assets	(1)	0	NM	
Income tax	(21)	(82)	-74.4%	
Net income before minority interests	39	165	-76.4%	
O.w. minority interests	*17*	*18*	*-5.6%*	
Net income	**22**	**147**	**-85.0%**	**-84.1%***
Cost/income ratio	94.8%	83.3%		
Average allocated capital	476	535	-11.0%	

* *When adjusted for changes in Group structure and at constant exchange rates*

Securities Services was severely hampered by historically low interest rates, even if it shows encouraging signs of recovery. At respectively EUR 3,073 billion and EUR 450 billion at end-2009, assets under custody and assets under administration experienced an upturn compared with end-2008 (respectively +20% and +6%).

Despite a recovery at year-end, **Newedge's** 2009 trading volumes were lower than in 2008 (-6.4% at 3,100 million lots) albeit less so than the market (-14.9%). This good relative performance helped Newedge increase its market share (+1.1 point over the year to 12.5% at end-2009) and become the No. 1 market player based on deposits in the United States [(1)].

Capitalising on the strong volatility and subsequent rebound in European stock markets, **Boursorama** enjoyed a strong level of activity. Brokerage volumes were up +10% vs. 2008. Online banking was also very dynamic: with approximately 34,000 accounts opened during the year, the customer franchise had a total of approximately 107,000 accounts at end-2009. Boursorama has been included in the French Networks since January 1, 2010.

The revenues of SGSS, Brokers and Online Savings were severely affected by the historically low interest rate environment. At EUR 1,242 million, they shrank -19.8%* vs. 2008 (-20.3% in absolute terms). However, some of the decline was offset by the decrease in operating expenses -8.8%* (-9.3% in absolute terms) as a result of the implementation of the cost-cutting and efficiency optimisation plan. Consequently, gross operating income amounted to EUR 64 million vs. EUR 260 million in 2008, whereas the business line's contribution to Group net income totalled EUR 22 million vs. EUR 147 million a year earlier.

(1) Ranking at end November 2009.

Corporate and Investment Banking

In millions of euros	2009	2008	Change	
Net banking income	6,867	1,544	x 4.4	x 4.5*
o.w. Financing & Advisory	*2,493*	*1,787*	*+39.5%*	*NA*
o.w.Global Markets [(1)]	*7,200*	*3,093*	*x 2.3*	*NA*
o.w.legacy assets	*(2,826)*	*(3,336)*	*+15.3%*	*NA*
Operating expenses	(3,877)	(3,430)	+13.0%	+11.5%*
Gross operating income	**2,990**	**(1,886)**	**NM**	**NM***
Net allocation to provisions	(2,324)	(1,033)	x 2.2	x 2.2*
O.w.legacy assets	*(1,398)*	*(195)*	*x 7.2*	*x 6.9**
Operating income	**666**	**(2,919)**	**NM**	**NM***
Net income from companies accounted for by the equity method	53	0	NM	
Net income from other assets	(7)	10	NM	
Impairment losses on goodwill	0	0	NM	
Income tax	(73)	1,046	NM	
Net income before minority interests	639	(1,863)	NM	
O.w. minority interests	*16*	*7*	*x 2.3*	
Net income	**623**	**(1,870)**	**NM**	**NM***
Cost/income ratio	56.5%	NM		
Average allocated capital	7,677	7,424	+3.4%	
ROE after tax	**8.1%**	**NM**		

* *When adjusted for changes in Group structure and at constant exchange rates*

(1) O.w. "Equities" EUR 3,300m in 2009 (EUR 1,312m in 2008) and "Fixed income, Currencies and Commodities" EUR 3,900m in 2009 (EUR 1,781m in 2008)

Debt revaluation differences related specifically to the credit risk and revaluation differences for credit derivative instruments used to hedge the loans and receivables portfolios are now booked to the Corporate Centre and no longer to Corporate and Investment Banking; 2008 comparative data have been restated accordingly.

2009 saw **Corporate and Investment Banking** implement the plan to realign its operating infrastructure to the new environment. Continuing the strategy based on its three areas of excellence (investment banking, financing and market activities), this plan focuses on three priorities: developing client orientation, increasing operating efficiency and improving the risk profile. Accordingly, it has resulted in:

- the combining of market activities within the Global Markets division, which now covers all the Equities and Fixed Income, Currencies & Commodities activities. In addition to the integrated management of scarce resources, this new organisational structure also allows an enhanced client offering by proposing an expanded multi-underlying approach;
- the reorganisation of Financing & Advisory, which consists of the Coverage & Investment Banking division and the Global Finance division, which now includes financial market engineering activities and the sale of loans in the secondary market (previously located in Fixed Income, Currencies & Commodities), as well as corporate broking activities (previously in the Equities business line);
- the finalisation of the process for centralising assets that have become illiquid and legacy assets in the wake of the credit crisis, within a single structure having its own specific governance. These assets include both risky assets (such as unhedged CDOs, US RMBS', etc .), but also good quality assets hedged by monoline insurers or CDPCs. They are entrusted to a dedicated team and intended to be carried until maturity or sold on the basis of a detailed risk analysis and market opportunities;

- the launch of a plan to improve the operating model and designed to enhance and expand the measures initiated from the beginning of 2008;

This restructuring of Corporate and Investment Banking has resulted in changes to the financial communication, which is now centered around the two divisions Global Markets and Financing & Advisory. The results of legacy assets are also presented separately for easier interpretation.

In addition to these changes, Corporate and Investment Banking's excellent performances illustrate the solidity of its customer franchises and its ability to capitalise on changes in the environment by capturing market share in the most buoyant segments. The division's 2009 revenues amounted to EUR 6,867 million, or 4.4 times its 2008 revenues, thus equalling its high in 2006. If the negative revenues of legacy assets are stripped out (EUR -2,826 million), the business lines posted record revenues of EUR 9,693 million (best historic performance).

2009 was also characterised by an improvement in Corporate and Investment Banking's risk profile and the ongoing reduction in its balance sheet. EUR 8 billion of legacy assets were sold in 2009, while Corporate and Investment Banking's balance sheet total was 23% lower than at the start of the financial crisis in mid-2007 at EUR 531 billion. The decline was even more marked for the balance sheet's funded component (-38% vs. mid-2007). Market risks have also been significantly reduced since end-2008, as testified to by the sharp decline in trading VaR (from EUR 70 million to EUR 30 million at end-2009) and the halving of market stress tests (from EUR 1.4 billion at end-2008 to EUR 670 million at end-2009).

Global Markets had an excellent year in 2009, revenues having more than doubled (x2.3) vs. 2008, at EUR 7,200 million.

With revenues of EUR 3,300 million in 2009 (x2.5 vs. 2008), **Equities** approached their 2007 record despite unfavourable market conditions at the beginning of the year. The excellent full-year performances were driven by the healthy growth of flow activities (+14% vs. 2008) and listed products (+14% vs. 2008) as well as the very strong growth of structured products (x2.1 vs. 2008), which were able to capitalise on the gradual normalisation of complex market parameters (dividends, correlation, volatility). With an inflow of EUR 5.8 billion in 2009, and assets up +21% vs. 2008 at EUR 73.3 billion, Lyxor continued to enjoy dynamic growth and once again saw its expertise recognised with the titles of "Institutional Manager of the Year" (*Thomson Extel's Pan-European Survey, June 2009*) and, for the third year running, "Best Overall Investment Platform" (*Hedge Fund Review, November 2009*). SG CIB also confirmed its leading positions in the warrants market (global No. 1 with a market share of 13.9% at end-2009) and ETF market (European No. 2 with a market share of 20.8%). Its expertise was once again rewarded with the title of "Best Equity Derivatives House" (*Risk Magazine, January 2010*).

Fixed Income, Currencies & Commodities enjoyed record revenues in 2009. At EUR 3,900 million, they were more than double (x2.2) the figure for 2008 despite the effect of the sharp fall in volumes and the less favourable level of some market parameters (particularly sales margins and volatility) on Q4 revenues. The business line was able to achieve these excellent results because of its ability to capitalise on exceptional market conditions in H1 while at the same time capturing and consolidating its market share. In particular, client-driven flow activities (+84% vs. 2008) remained very robust in 2009 after a record year in 2008, especially for fixed income products. Accordingly, 2009 saw the business line move up the global rankings from 18th to 13th in the currency market (*Euromoney* classification) and increase its market share for electronic platforms: market share of 3.6% at end-2009 in the currency market (vs. 1.0% in 2007) and 11.7% in the secondary market for Euro Government bonds (vs. 6.9% in 2007).

Once again in 2009, **Financing & Advisory** demonstrated the quality of its expertise and its commitment to finance the economy. The complementary nature of structured financing and capital raising activities enabled the business line to maintain a high level of activity throughout the year, with record revenues of EUR 2,493 million, up +39.5% vs. 2008, which was already an excellent year. Financing activities were very dynamic, particularly for natural resources (+22% vs. 2008), infrastructure (+28%) and export (x3) finance, enjoying high, stable revenues throughout the year (+36% vs. 2008). The business line participated in numerous large-scale operations, such as Groupama's EUR 750 million Tier 2 subordinated debt issue (the first launched by an insurer in 2009), HeidelbergCement's EUR 4.4 billion capital increase (the largest in Germany since 2004), the financing of a fully integrated PNG LNG [(1)] gas complex for USD 13 billion, or the financing for the disposal by brewer Anheuser Busch Inbev of its Central European activities (EUR 690 million operation, the biggest LBO in Europe since the Lehman Brothers' collapse). Its expertise resulted in it being voted "Best Export Finance Arranger" for the eighth year running and "Best Commodity Finance Bank for natural resources" (*Trade Finance Magazine, June 2009*) as well as "Advisor of the year in Project Finance" (*PFI awards 2009*). The capital raising activities were also able to take advantage of the substantial increase in volumes to boost their contribution to the business line's revenues (+48% vs. 2008). SG CIB also improved its positioning in the euro bond issue market and in the equity and convertible issues market in Western Europe, with market share of respectively 7.1% (vs. 5.3% in 2007) and 5.1% (vs. 2.1% in 2007) at end-2009.

(1) Papua-New-Guinea Liquefied Natural Gas

The 2009 revenues of **legacy assets** were marked by a deterioration in both the US residential real estate market and the situation of monoline insurers. In particular, the Group decided to toughen the valuation assumptions for RMBS CDOs in Q1 and Q4 2009. At end-2009, cumulative loss rates (1) on "subprime" loans stood at 16.5% for the 2005 vintage, 39.6% for the 2006 vintage and 49.5% for the 2007 vintage, while the actual cumulative loss assumptions for "prime" and "midprime/ Alt-A" loans represented on average 37% and 74% respectively of the assumptions adopted for "subprime" loans. As a result, revenues were negative at EUR -2,826 million in 2009 (vs. EUR -3,336 million in 2008.

Corporate and Investment Banking's operating expenses totalled EUR 3,877 million in 2009, up +13.0% vs. 2008, a much lower level than its revenues. Accordingly, the cost to income ratio was 56.5% in 2009 and gross operating income totalled EUR 2,990 million compared with EUR -1,886 million a year earlier.

Corporate and Investment Banking booked a net allocation to provisions of EUR -2,324 million in 2009, including EUR -1,025 million in respect of reclassified RMBS CDOs. When restated for this amount and litigation issues, the division's cost of risk amounts to 88 basis points in 2009, vs. 92 basis points in 2008, reflecting the portfolio's resilience.

Corporate and Investment Banking's operating income totalled EUR 666 million in 2009 and its contribution to Group net income was EUR 623 million.

Corporate Centre

In millions of euros	2009	2008
Net banking income	(3,172)	2,234
Operating expenses	(148)	(196)
Gross operating income	**(3,320)**	**2,038**
Net allocation to provisions	4	12
Operating income	**(3,316)**	**2,050**
Net income from companies accounted for by the equity method	(3)	(3)
Net income from other assets	728	610
Impairment losses on goodwill	1	0
Income tax	1,170	(1,014)
Net income before minority interests	(1,420)	1,643
O.w. minority interests	*185*	*201*
Net income	**(1,605)**	**1,442**

The Corporate Centre now includes all the accounting effects related to the revaluation (2) of debts linked to own credit risk and the credit derivative instruments used to hedge the loans and receivables portfolios, so as to reflect the Group's operating management structure and also make it easier to interpret the performances of the core businesses. These items, which reached an exceptional level on account of the crisis, made a contribution of EUR -2,342 million to gross operating income in 2009 (vs. EUR +2,489 million in 2008). They are likely to be much more moderate in the future given the reduction in the portfolio's sensitivity.

(1) After liquidity write-down
(2) Societe Generale's revaluation differences were previously booked to Corporate and Investment Banking. The 2008 comparative data have been restated accordingly.

Excluding these items, the Corporate Centre recorded gross operating income of EUR -978 million in 2009 vs. EUR -451 million in 2008. This deterioration can be attributed primarily to:

(i) the effect of the Marked-to-Market valuation of interest rate hedge swaps on issues of hybrid instruments classified in shareholders' equity (EUR -249 million in 2009);

(ii) the decline in equity portfolio income, which amounted to EUR -71 million, vs. EUR +70 million in 2008. This figure notably includes permanent impairments (EUR -75 million in 2009 vs. EUR -249 million in 2008) as well as the proceeds from the disposal of shareholdings (EUR +4 million in 2009 vs. EUR +318 million in 2008 mainly attributable to the disposal of Bank Muscat).

Following the setting up of Amundi, the result of merging its asset management activities with those of Crédit Agricole SA, the Group has also recorded a capital gain in net gains on other assets of EUR 732 million before tax.

At December 31, 2009, the IFRS net book value of the industrial equity portfolio, excluding unrealised capital gains, amounted to EUR 0.69 billion, representing a market value of EUR 0.88 billion.

Methodology

1. The Group's consolidated financial statements at December 31, 2009 were approved by the Board of Directors on February 17, 2010

The financial information presented for the financial year ended December 31, 2009 and comparative information in respect of the 2008 financial year have been prepared by applying accounting principles and methods in accordance with IFRS, as adopted in the European Union and applicable at these dates.

2. Group **ROE** is calculated on the basis of average Group shareholders' equity under IFRS excluding (i) unrealised or deferred capital gains or losses booked directly under shareholders' equity excluding translation reserves, (ii) deeply subordinated notes, (iii) undated subordinated notes recognised as shareholders' equity, (iv) preference shares (following their cancellation in December 2009) and deducting (v) interest to be paid to holders of deeply subordinated notes and reclassified undated subordinated notes, as well as (vi) the remuneration of preference shares. The net income used to calculate ROE excludes interest, net of the tax impact, to be paid to holders of deeply subordinated notes, holders of reclassified undated subordinated notes and preference shareholders for the period (EUR 398 million in 2009 vs. EUR 184 million in 2008).

FINANCIAL POLICY

The objective of the Group's capital management policy is to optimise the use of capital in order to maximise the short- and long-term return for shareholders, while maintaining a capital adequacy ratio (Tier 1 ratio) in line with its objectives and the target rating required for market activities.

The Tier 1 ratio was 10.7% at end-2009. The increase vs. end-2008 (8.8%) is due to the respective changes in available capital and its use over the year.

The Group's financial structure

After the success of the EUR 4.8 billion capital increase in October 2009, Group shareholders' equity totalled EUR 42.2 billion [(1)] at December 31, 2009 and net asset value per share was EUR 48.94 (including EUR -0.18 of unrealised capital losses).

In 2009, Societe Generale purchased 2.1 million shares during Q1 in order to cover the free shares granted to employees. As a result, at end-2009, Societe Generale possessed 12.0 million own shares and 9.0 million treasury shares representing 2.83% of the capital (excluding shares held for trading purposes). Societe Generale also held 7.5 million purchase options on its own shares to cover stock option plans allocated to its employees.

Basel II risk-weighted assets amounted to EUR 324.1 billion in Q4 09 vs. EUR 345.5 billion in Q4 08. The Tier 1 ratio stood at 10.7% (including 8.4% for Core Tier 1) at end-2009. This includes the effects of a dividend payment of EUR 0.25 per share (representing a payout ratio of 56%), as proposed by the Board of Directors at the Annual General Meeting. The Board of Directors is also proposing to offer shareholders the option of a scrip dividend.

The Group is rated Aa2 by Moody's and A+ by Fitch and S&P.

Organisation under Basel II

The work carried out by the Group since 2003 was presented to the French Banking Commission (*Commission bancaire*) in 2007. The Commission approved the use of the AIRB *(Advanced Internal Rating Based)* approach to monitor the large majority of the loan portfolio and the AMA *(Advanced Measurement Approach)* to calculate the capital requirement for operational risk. The Societe Generale Group has therefore been applying the advanced approaches (AIRB and AMA) to calculate its minimum capital requirements since January 1, 2008, and the scope of application of the advanced methods continues to be extended within the Group.

The risk measurement systems are regularly enhanced. For example, portfolio analyses covering all the Group's commitments are conducted and presented to the Group's management, in order to analyse loan portfolios' risk profile on a sector and geographical basis.

Moreover, besides the economic capital measures, the Group has improved its stress test procedure (formerly specific stress tests for each type of risk) with global stress tests incorporating the Group's full risk profile, measuring the consequences of macro-economic crisis scenarios on the Group's loss profile. These are included and identified in the different components involved in the management of financial equilibrium and the Tier 1 ratio. The tests are regularly conducted and take place at least once a year as part of the budget process. In July 2009, the Group also participated in the stress test exercise requested by ECOFIN and performed under the supervision of the CEBS (Committee of European Banking Supervisors) as well as the stress test exercise organised by the Banking Commission in September 2009. The results of these stress test exercises are presented to the Risk Committee and Finance Committee.

As well as determining the capital required to cover the extreme loss scenarios simulated through these global stress tests, analyses are regularly performed aimed at measuring and managing the capital requirements linked to the pro-cyclicity introduced by the Basel II standards, which are more sensitive to credit cycles.

This work has naturally led to procedures for the management of capital in a Basel II environment. These procedures and their results, and their inclusion in the Group's operational management, were reviewed at end-2008 by a team from the CEBS. Along with the French regulator, this team included regulators from Greece, Luxembourg, Romania, the Czech Republic, Slovakia and Slovenia.

(1) This figure includes notably (i) EUR 6.2 billion of deeply subordinated notes, EUR 0.8 billion of undated subordinated notes and (ii) EUR -0.1 billion of net unrealised capital losses.

Generation and use of capital in 2009

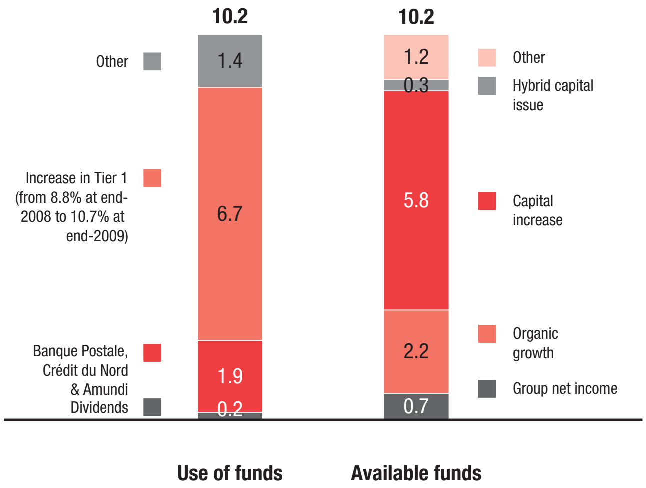
The main changes in shareholders' equity in 2009 were as follows:

Available funds:

- additional paid-in capital from capital increases representing EUR 5.8 billion (including EUR 0.3 billion reserved for employees);
- EUR 0.7 billion of Group net income;
- income from internal growth: EUR 2.2 billion excluding the currency effect reflecting the decline in the Group's risk-weighted assets, particularly for Corporate and Investment Banking;
- additional paid-in capital from the issuance of equity instruments (deeply subordinated notes) representing EUR 0.3 billion (including repayment of the EUR 1.7 billion issued in 2008 under the French government's support package);
- various items, including changes in reserves, representing EUR 1.2 billion.

Use of funds:

- financing of external growth operations representing EUR 1.9 billion: the joint venture in partnership with La Banque Postale, the setting up of Amundi with Crédit Agricole SA, as well as the acquisition of the 20% of Crédit du Nord held by minority shareholders;
- the dividend for 2009, which is subject to the approval of the Annual General Meeting;
- various items representing EUR 1.4 billion (including EUR 0.5 billion related to Basel II deductions, excluding items relating to acquisitions and EUR 0.5 billion related to the remuneration of equity instruments).



Financing of the main investments currently underway

The main investments currently underway will be financed using the Group's usual sources of funds.

SIGNIFICANT NEW PRODUCTS OR SERVICES

In accordance with the Societe Generale Group's innovation strategy, numerous new products were launched in 2009, the most significant of which are listed below:

Business division	New product or service	
French Networks	Luminéo Range	Launch by the French Networks of two new guarantee funds. The 3-6 year and 4-8 year Luminéo Garantis funds are Mutual Funds whose performance at maturity depends on the trend in the DJ Euro Stoxx 50 benchmark index. They are aimed at investors wanting exposure to Euro zone equity markets and to benefit from a 100% capital guarantee at maturity. They also offer a double profit opportunity through a fixed return mid-period that exceeds the rates given for with profits policies, or through the growth potential of the benchmark index at maturity.
	Term Account Range	The French Networks have extended the Term Account range with new cash surplus investment products for business customers, with a capital guarantee regardless of the withdrawal date: "CAT EONIA+" ensures a return on short-term investments (1 to 12 months) equal to the average of the EONIA rates plus a fixed margin stated on subscription and guaranteed on withdrawal; "CAT Croissance+" delivers a return on stable long-term (3 year) investments at a guaranteed graduated-interest rate.
	Mixed rate housing loan	Launch of a new two-phase housing loan: 1st phase at a fixed rate on part of the loan's lifespan and a 2nd at a revisable rate capped on the rate for the fixed phase.
International Retail Banking	Sight savings accounts - SGA (Algeria)	Launch by SGA (Algeria) of Rezki and Rezki +, two new sight savings accounts with a fixed rate of return offering the option of a mortgage loan at a preferential interest rate after a minimum period of 2 years for Rezki and 5 years for Rezki +
	"Progress" account Ohridska Bank Macedonia	Launch by OBSG of a deposit account in euros offering high flexibility and a graduated interest rate over 36 months. Its maturities are spread over 6 six-month periods during which the rate of return increases. Voluntary payments may be made throughout the product's lifetime. If a withdrawal is made, the interest for the previous 6-month period is paid to the customer.
	"Geniki Safe Kid" savings product - Geniki Bank (Greece)	Launch of Geniki Safe Kid, a product enabling parents to build up capital for their children in the event of the subscriber's death or permanent incapacity. The monthly payments vary from EUR 30 to EUR 150 and the payment schedule can range from 10 to 18 years. The product was developed in conjunction with Sogecap.
	Deposit account offering - BSGV- (Russia)	Launch by BSGV of three new deposit account formulas: "Etalon Avto +" which entitles the holder to interest and preferential rates on car loans; "Etalonchnik" aimed at children under 14 years which pays 10% interest per year and offers the possibility of subsequent payment or partial withdrawal; "Etalon Junior", aimed at children between 14 and 18 years, paying 11% interest and offering the same features as Etalonchnik.
	E-Space – UIB (Tunisia)	Launch by UIB of an e-Space service in its branches, designed to facilitate banking transactions via the Internet. The service also allows easily accessible and free consultation of Tunisian information and economic news sites, the carrying out of administrative procedures and invoice payments, etc.
	SeAStudy loan – SeABank – Vietnam	Launch by SeABank of a loan for a period ranging from 6-60 months, with a ceiling of VND 500m (EUR 20,000) intended to finance student studies.
Specialised Financing and Insurance	Plaisance Plenium Card	Launch by CGL (Compagnie Générale de Location d'Equipements), in conjunction with Franfinance and Master Card, of a credit/debit card dedicated to recreation. The card offers sophisticated payment features born of the experience of Franfinance, specific sailing insurance cover and a club of prestigious partners (including Uship, SNSM and Météoconsult) all offering exclusive advantages.
	Gia'Pagato (Fiditalia)	Launch by Fiditalia of the innovative personal loan Gia'Pagato, whose amount is directly paid to the point of sale rather than to the loan applicant. This product offers the advantage of financial terms that are better than those of a traditional loan, the ability to make purchases in any shop (and not just those linked to Fiditalia through a partnership agreement) and the benefit of an individual repayment schedule.
	Certi Livret A	Launch bv Sogecap of the Certi "Livret A", a new contract from the Certi range, coupled with the Livret A (passbook account). This provides the designated beneficiaries, within 15 days of the holder's death, with capital equal to the amount outstanding in the Livret A, interest included, within the limit of EUR 15,300. Whatever the sum in the Livret A, the designated beneficiaries receive a sum of EUR 3,500, paid within 48 hours of the account holder's accidental death.
	ALD Flexilease (Norway)	Launch of ALD Flexilease, which allows companies to lease cars, but deliver them back after a minimum holding period of 12 months with 1 month's notice. The product is more expensive than a regular Full Service Leasing contract, but has the huge advantage of flexibility, reduction of risk and mobility at the same time.
	ALD Releasing (Denmark)	Launch by ALD Danemark of a new service leasing used cars. The advantages are: utilising the used car sales stock, tax benefits for the driver and the possibility of providing more flexible contract duration periods to the customer.

Asset Management	"Crédit 2012" and "Crédit 2014" SGAM Invest Target Fund	Launch by SGAM of Invest Target Fund, a fund with two sub-funds, one with a 3-year maturity ("Crédit 2012") and the other with a 5-year maturity ("Crédit 2014"), which capitalises on the potential currently offered by the private corporate bond market.
Securities Services	A new clearing service	Extending by SGSS of its clearing services to the new multilateral trading platforms BATS Europe, Nyse Arca and Nasdaq OMX Europe, as "General Clearing Member" for all the European clearing houses.
Corporate and Investment Banking	Compass	Launch of Compass which allows investors to benefit from a potential further decrease in the equity markets over the short to medium-term, and from any rebound in the long term, while mitigating the market-timing risk.
	SGI Emerald	Launch by SGCIB of the SGI Emerald Statistical Arbitrage Index, a combination of 10 underlying SGI sub-indices that follow the same objective: profiting from market inefficiencies in the European equity universe. Each index is based on a specific pure quantitative model, systematic fundamental strategy or artificial intelligence model.
	SGI Ivory	With the SGI Ivory index, SG CIB has launched a unique solution to capitalise on brokers' best investment ideas on European equities (DJ Stoxx 600). Using strategies based on models for the optimisation of these ideas, the SGI Ivory index offers new diversification solutions based on a very low correlation to traditional asset classes.
	Prélude	An EMTN secured against a basket of 50 shares making up the DJ Euro Stoxx 50 index, with a maturity of 3½ years and guaranteed capital at maturity, Prélude is a diversification solution aimed at customers with stable cash at 3½ years and looking for outperformance compared with the traditional deposit rate for this maturity.
	Transatlantic range	Launch of the Transatlantic range, consisting of a 10-year maturity swap offering and two EMTN vehicles with guaranteed capital and a 7-year maturity, enabling investors to capitalise on a scenario of faster emergence from the crisis in the USA than in Europe and the positive medium/long-term trend of USD/EUR 10-year spreads.
	Light Accumulator	An EMTN with guaranteed capital and a 10-year maturity, subscribed by tranche based on a multi-annual schedule, Light Accumulator enables investors to protect their income in a scenario of continuing low interest rates over a long period by guaranteeing them the payment of 5% annual interest.
	Basket of bonds	An EMTN with non-guaranteed capital and a 5-year maturity, this product provides an opportunity to invest in well-known names with high yields.

MAJOR INVESTMENTS

As part of its strategy to increase its customer base in Europe and secure its long-term growth, the Group made further targeted acquisitions in 2009.

Business division	Description of the investment
2009	
French Networks	Purchase of Dexia's 20% minority stake in Crédit du Nord.
International Retail Banking	7% increase in our stake in Rosbank. As a result of this operation, Societe Generale owns 64.7% of Rosbank.
Specialised Financing and Insurance	Buyout of the 13% minority stakeholding in our Moroccan insurance subsidiary ("La Marocaine-Vie") through a Public Buyout Offer.
Asset Management	Setting up of Amundi, one of the European leaders in asset management. 25%-owned by Societe Generale and 75%-owned by Crédit Agricole, Amundi is a result of the merger of the activities of SGAM and CAAM.
2008	
International Retail Banking	Acquisition of a majority stake in Rosbank, Russia's leading privately-owned banking network. Societe Generale has a 57.6% stake in Rosbank following the exercise of its purchase option on 30% of the capital in February 2008 and the launch of a takeover bid for 7.6% of the capital in May.
	Acquisition of 20% of the capital of Vietnamese bank South East Asia Bank (SeABank).
Specialised Financing and Insurance	Acquisition of Ikar Bank, a Ukrainian consumer credit specialist.
	Acquisition by SG Equipment Finance of 100% of PEMA GmbH, a German company offering truck and trailer full service rental.
	Acquisition by SG Consumer Finance of 100% of General Financing, a Lithuanian consumer credit specialist.
Asset Management	Acquisition of an additional 1.6% stake in the capital of TCW.
Private Banking	Acquisition of 100% of Canadian Wealth Management.
	Acquisition by SG Hambros of 100% of the wealth management activities of ABN AMRO Bank N.V. in Gibraltar.
	Acquisition of a minority stake in Rockefeller Financial Services in the USA.
Securities Services, Brokers and Online savings	Acquisition of 100% of Capitalia's securities services activity in Italy.
	Creation of Newedge, a world leader in brokerage services. Newedge is owned 50/50 by Societe Generale and Calyon, and was created by the merger of Fimat and Calyon Financial.
2007	
International Retail Banking	Acquisition of 51% of Banque Internationale d'Investissement (BII) in Mauritania.
	Acquisition of 95% of Mobiasbanca, one of the main banks in Moldavia.
	Acquisition of 59% of Ohridska Banka, one of the four major universal banks in Macedonia.
	Acquisition of 75% of Banka Popullore, a dynamic universal bank in Albania.
Specialised Financing and Insurance	Acquisition of Scott Financial Services, a broker specialising in pleasure boat financing in the United States.
	Acquisition of 70% of Banco Pecunia, a Brazilian company specialising in consumer credit.
	Acquisition of Banco Cacique, a major Brazilian player specialising in consumer credit.
	Increase of the stake in Indian consumer credit company Family Credit (ex-Apeejay Finance) from 45% to 100%.
	Purchase from UniCredit of its 50% stake in LocatRent, an Italian company specialising in multi-brand operational vehicle leasing and fleet management.

Asset Management	Increase in SGAM's stake in Fortune SGAM to 49%, the maximum level authorised by Chinese regulations. Fortune SGAM is a co-management company formed in 2003 with the Chinese industrial leader Baosteel.
	Acquisition of an additional 3.3% of the capital of TCW.
	Acquisition of 51% of Buchanan Street Partners, an asset management company specialising in real estate in the United States.
Private Banking	Acquisition of the private banking activities of ABN AMRO in the United Kingdom.
Securities Services and Online Savings	Acquisition by Boursorama of 82% of OnVista AG, the German leader in web-based financial information.
	Purchase by Fimat of the commodities business of Himawari CX Inc., a Japanese broker in the futures markets in Japan.
	Acquisition of the fund administration, middle and back office activities of Pioneer Investments in Germany.

Business division	Description of the divestment
2009	
Asset Management	Sale of the London asset management subsidiary (SGAM UK) to GLG Partners, Inc
2008	
International Retail Banking	Disposal of Societe Generale's entire stake (7.8%) in the capital of BankMuscat (Sultanate of Oman).

RECENT DEVELOPMENTS AND FUTURE PROSPECTS

After the economic and financial upheavals that marked 2008, 2009 saw the appearance of the first signs of an emergence from the crisis as from H2. This shift can be explained primarily by the implementation of unprecedented measures to boost the economy through massive budgetary stimulus programmes and accommodating monetary policies.

However, the economic environment in industrialised countries remains fragile and uncertain in the medium-term. This is due to both structural factors (potential growth affected by the decline in productive investment and rising unemployment, need for some countries to rethink their development model based on substantial household debt, etc.) and factors of an economic nature (central bank intervention to reduce potential excessive liquidity and prevent inflationary risks, implementation of more restrictive budgetary policies to contain the public debt of some countries, etc.). In these conditions, mature countries are expected to record lower growth levels than before the crisis. Meanwhile, the major emerging countries are likely to continue to catch up economically and maintain significant medium-term growth potential.

As for the banking sector, it has continued with its restructuring. There has been a radical transformation in the competitive landscape since the beginning of the crisis with the merger of some players and emerging country banks appearing at the top of the global rankings in terms of market capitalisation. On the regulatory front, the G20 summit in Pittsburgh established the foundations for the strengthening of prudential rules, which will result in increased capital and liquidity requirements for financial institutions. In addition, supervision of systemic risk and the issue of the size of banks continue to generate considerable attention with, in particular, the launch of a Financial Stability Board working group on these themes. Current discussions within the banking industry must therefore endeavour to produce a durable growth model for the financial sector that fully preserves the banks' ability to finance the economy in an environment of probably less accommodating budgetary policies in the future. In this respect, the implementation of effective international coordination, avoiding competitive biases and maintaining a balance in the efforts between different countries, is a key issue.

The Societe Generale Group has successfully come through this constantly changing environment due to its resilient, diversified universal banking model. The Group is supported by a solid financial structure, further reinforced since the successful capital increase in October 2009 (Core Tier 1 of 8.4%), which has enabled it to seize opportunities (purchase of Dexia's 20% stake in Crédit du Nord). Moreover, in a general environment of scarcer and more expensive resources, the Group has been able to implement targeted partnerships to exploit economies of scale and better serve its customers (as in asset management with the setting up of Amundi, the No. 3 in Europe). It will continue with its efforts to increase operating efficiency and industrialise processes, primarily through the "Ambition SG 2015" project.

POST-CLOSING EVENTS

The main post-closing events are described in the chapter Financial Information.

Cf. Chapter 10 of the Registration Document (Note 48 to the consolidated financial statements, "Post-closing events").

IMPLEMENTATION OF THE BASEL II REFORM

Publication of Societe Generale's Pillar III report

Societe Generale's first Pillar III Annual Report was made available to the public on its institutional website in May 2009, in accordance with the banking supervision regulations laid down by the Basel Committee in 1988 (Basel II regulations).

Constituting Basel II's third pillar, the "Solvency and Risk Management Report" promotes market discipline by establishing a set of quantitative and qualitative disclosure obligations. These allow market players to more effectively assess equity levels, risk exposure and risk management procedures, and therefore the capital adequacy of the establishments concerned, as determined in accordance with the Basel II Pillar I rules. Publication of the 2010 Pillar III Report is scheduled for spring 2010.

ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

ASSETS

(in billions of euros)	December 31, 2009	December 31, 2008	% change
Cash, due from central banks	**14.4**	13.8	4%
Financial assets measured at fair value through profit or loss	**400.2**	488.4	-18%
Hedging derivatives	**5.6**	6.2	-11%
Available-for-sale financial assets	**90.4**	81.7	11%
Due from banks	**67.6**	71.2	-5%
Customer loans	**344.5**	354.6	-3%
Lease financing and similar agreements	**28.9**	28.5	1%
Revaluation differences on portfolios hedged against interest rate risk	**2.6**	2.3	11%
Held-to-maturity financial assets	**2.1**	2.2	-2%
Tax assets and other assets	**42.9**	56.2	-24%
Non current assets held for sale	**0.4**	0.0	NM
Deferred profit sharing	**0.3**	3.0	-89%
Tangible, intangible fixed assets and other	**23.8**	21.9	9%
Total	**1,023.7**	**1,130.0**	**-9%**

LIABILITIES

(in billions of euros)	December 31, 2009	December 31, 2008	% change
Due to central banks	**3.1**	6.5	-52%
Financial liabilities measured at fair value through profit or loss*	**302.8**	414.3	-27%
Hedging derivatives*	**7.3**	7.4	-1%
Due to banks	**90.1**	115.3	-22%
Customer deposits	**300.1**	282.5	6%
Securitised debt payables	**133.2**	120.4	11%
Revaluation differences on portfolios hedged against interest rate risk	**0.8**	0.6	33%
Tax liabilities and other liabilities	**50.2**	58.8	-15%
Non current liabilities held for sale	**0.3**	0.0	NM
Underwriting reserves of insurance companies	**74.4**	67.1	11%
Provisions	**2.3**	2.3	1%
Subordinated debt	**12.3**	13.9	-12%
Shareholders' equity	**42.2**	36.1	17%
Minority interests	**4.6**	4.8	-3%
Total	**1,023.7**	**1,130.0**	**-9%**

* *Amounts reclassified following a correction of presentation with respect to the published financial statements as at December 31, 2008.*

Main changes in the consolidated balance sheet

At December 31, 2009, the Group's consolidated balance sheet totalled EUR 1,023.7 billion, down EUR 106.3 billion (-9.4%) vs. December 31, 2008 (EUR 1,130 billion). Changes in the exchange rate impacted the balance sheet as follows: EUR -9.6 billion for the US Dollar, EUR +4.9 billion for the Australian Dollar, EUR +2.5 billion for Sterling, EUR -1.7 billion for the Yen, EUR -0.6 billion for the Russian Rouble, EUR +0.4 billion for the Czech Koruna and EUR -0.3 billion for the Romanian Leu.

The main changes in scope impacting the consolidated balance sheet and occurring during the 2009 financial year consist of:

- the Societe Generale Group sold SG Asset Management Group Ltd to GLG Partners, Inc.;
- Mobiasbanca joined Group's consolidation scope and is now fully consolidated;
- the Group consolidated by the equity method its consumer finance partnership with La Banque Postale. The Group's share in this subsidiary is 35%;
- Societe Generale Group acquired the non-financial entity New Esporta Holding Ltd in a debt for equity swap. This company is fully consolidated since then;
- Gaselys, which was previously proportionally consolidated, is now consolidated by the equity method;
- the Global Commodities Finance Fund Ltd., which is 100%-owned by the Group, was fully consolidated;
- Amundi, the 25%-held company resulting of the merger between Societe Generale Asset Management and Crédit Agricole Asset Management asset management activities, is consolidated by using the equity method;
- through SG Consumer Finance, the Group has fully consolidated the Family Credit individual financial services activities in India;
- in application of IFRS 5, "Non-current assets held for sale and discontinued operations", the following items were classified in "Non-current assets and liabilities held for sale":

• Assets and liabilities that will be sold to Amundi during 2010,

• IBK SGAM's assets and liabilities following the signing of an agreement with IBK,

• SG Cyprus' assets and liabilities following the project of transfer to SG Liban.

Changes in major consolidated balance sheet items

Financial assets at fair value through profit or loss (EUR 400.2 billion at December 31, 2009) fell by EUR 88.2 billion (-18.1%) vs. December 31, 2008, including a EUR -5.3 billion Dollar effect and EUR +0.2 billion structure effect. The trading portfolio increased by EUR 43 billion, including EUR +10.4 billion for the portfolio of treasury notes and similar securities, EUR -12.4 billion for the bonds and other debt securities portfolio, EUR +30.8 billion for the shares and other equity securities portfolio and EUR +14.2 billion for other financial assets. Trading derivatives fell by EUR 134.4 billion, including EUR -33.8 billion for interest rate instruments, EUR0 -15.6 billion for foreign exchange instruments, EUR -23.8 billion for index and equity instruments, EUR -11.9 billion for commodity instruments, EUR -49.1 billion for credit derivatives and EUR -0.2 billion for other financial assets. The portfolio of assets measured using fair value option through P&L increased by EUR 3.2 billion.

Financial liabilities at fair value through profit or loss (EUR 302.8 billion at December 31, 2009) fell by EUR 111.5 billion (-26.9%) vs. December 31, 2008, including a EUR -4.2 billion Dollar effect. Trading liabilities increased by EUR 15.4 billion including EUR +0.9 billion for securitised debt payables, EUR +15.8 billion for amounts payable on borrowed securities, EUR +3.2 billion for the bonds and other debt instruments sold short portfolio and EUR -4.5 billion for other financial liabilities. Trading derivatives fell by EUR 126.1 billion, including EUR -34.9 billion for interest rate instruments, EUR -15.5 billion for foreign exchange instruments, EUR -21.1 billion for index and equity instruments, EUR -10.3 billion for commodity instruments, EUR -42.9 billion for credit derivatives and EUR -1.4 billion for other forward financial instruments. Financial liabilities measured using the fair value through P&L option fell by EUR 0.8 billion.

Customer loans, including rediscounted securities purchased under resale agreements accounted for at cost, amounted to EUR 344.5 billion at December 31, 2009, down by EUR 10.1 billion (-2.9%) vs. December 31, 2008, including a EUR -2.2 billion Dollar effect and a EUR +0.1 billion structure effect.

This decrease mainly reflects the following:

- a fall in other loans of EUR 7.8 billion, of which EUR 13.9 billion for loans to financial clients;
- a fall in short-terms loans of EUR 5.2 billion;
- a EUR 7.5 billion rise in housing, equipment and export loans;
- a fall in trade notes of EUR 2.2 billion.

Customer deposits, including rediscounted securities purchased under resale agreements accounted for at cost, totalled EUR 300.1 billion at December 31, 2009, up by EUR 17.6 billion (+6.2%) vs. December 31, 2008, including a EUR -2 billion Dollar effect and a EUR +0.2 billion structure effect. This change is due to the increase in regulated savings accounts of EUR 4.6 billion, the decline of EUR -2.8 billion in other demand deposits and rise of EUR +13.3 billion in other term deposits. Securities sold to customers under repurchase agreements grew by EUR 2.4 billion.

Due from banks, including rediscounted securities purchased under resale agreements accounted for at cost, amounted to EUR 67.6 billion, down by EUR 3.6 billion (-5%) vs. December 31, 2008, including a EUR -1 billion Dollar effect and a EUR +0.1 billion structure effect. This change is mainly due to the increase in demand and overnight current accounts of EUR 0.4 billion, an increase of EUR 0.7 billion in overnight deposit and loan accounts, a decrease of EUR 3.9 billion in term deposit and loan accounts, and a fall of EUR 0.4 billion in securities purchased under resale agreements.

Due to banks, including rediscounted securities purchased under resale agreements accounted for at cost, totalled EUR 90.1 billion at December 31, 2009, down by EUR 25.2 billion (-21.9%) vs. December 31, 2008, including a EUR -1.9 billion Dollar effect and a EUR +0.1 billion structure effect. This change is mainly attributable to the decrease of EUR 1 billion in demand and overnight deposits, the sharp EUR 25.4 billion reduction in term deposits, as well as the EUR 1 billion increase in securities sold under repurchase agreements.

Available-for-sale financial assets totalled EUR 90.4 billion at December 31, 2009, up by EUR 8.7 billion (+10.7%) vs. December 31, 2008, including a EUR -0.5 billion Dollar effect and an increase of EUR +0.5 billion for changes in structure and other changes. This change is the result of the EUR 3.7 billion increase in treasury notes and similar securities, EUR 3.7 billion in bonds and other debt securities and EUR 1.3 billion in shares and other equity securities.

Securitised debt payables totalled EUR 133.2 billion at December 31, 2009. They increased by EUR 12.8 billion (+10.6%) vs. December 31, 2008, including a EUR -1.4 billion Dollar effect. There was no structure effect as of December 31, 2009. Most of the change (EUR +9.2 billion) relates to interbank certificates and negotiable debt instruments, which totalled EUR 121.6 billion.

Group shareholders' equity stood at EUR 42.2 billion at December 31, 2009, compared with EUR 36.1 billion at December 31, 2008. This change mainly reflects the following:

- net income for the financial year at December 31, 2009: EUR +0.7 billion;
- capital increases and decreases over the year: EUR +5.5 billion;
- change in treasury stock: EUR -0.1 billion;
- equity instrument issues: EUR +0.4 billion;
- change in value of financial instruments affecting the shareholders' equity, net of the tax impact: EUR +0.9 billion;
- dividend payment in respect of the 2008 financial year: EUR -1.1 billion.

After taking into account minority interests (EUR 4.6 billion), Group shareholders' equity amounted to EUR 46.8 billion at December 31, 2009.

At December 31, 2009, Group shareholders' equity contributed to a Basel II solvency ratio of 13.0%. The Tier 1 capital ratio represented 10.7%, with total weighted commitments of EUR 324.1 billion.

Group debt policy

The Societe Generale Group's debt policy is designed not only to ensure financing for the growth of the core businesses' commercial activities and debt renewal, but also to maintain repayment schedules that are compatible with the Group's ability to access the market and its future growth.

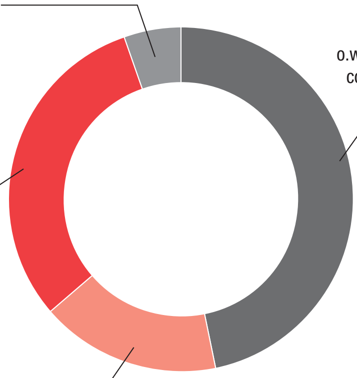
The Group's debt policy is based on 2 principles:

- firstly, maintaining an active policy of diversifying the Societe Generale Group's sources of refinancing in order to guarantee its stability: at December 31, 2009, customer deposits accounted for 28.3% of the Group's liabilities while debt instruments, interbank transactions and funds generated through the refinancing of securities portfolios amounted to EUR 374.9 billion (or 36.6% of Group liabilities). The balance of the Societe Generale Group's refinancing requirements was met through shareholders' equity, other financial accounts, provisions and derivative instruments;
- secondly, managing the maturity composition of its debt to ensure that it is consistent with that for assets in order to maintain a balanced consolidated balance sheet and minimise its mismatch risk.

Accordingly, the Group's long-term financing plan, implemented gradually and in a coordinated manner during the year based on a non-opportunistic issue policy, is designed to maintain a surplus liquidity position over the medium/long-term.

During 2009, the Group was able to refinance all its needs not only through a diversified programme of issues in the capital markets, supplemented at the beginning of the year by the SFEF's contributions (standard or structured private placements and benchmark public issues, both subordinated and senior), but also by a robust level of deposits, particularly for French Network customers.

The financing programme totalled EUR 37.2 billion in 2009, which easily covered the Group's needs during the year and even enabled it to generate an advance of EUR 3 billion in respect of the 2010 financial year. The 2009 refinancing sources break down as EUR 6.3 billion of unsecured plain vanilla senior issues (private placements and benchmark), EUR 11.5 billion of structured private placements and EUR 17.4 billion of secured financing including EUR 11.8 billion via the SFEF, EUR 5 billion via SG SCF, EUR 600 million via the CRH. In addition, there is EUR 2 billion of hybrid Tier 1 debt.



PROPERTY AND EQUIPMENT

The gross book value of the Societe Generale Group's tangible fixed assets amounted to EUR 21.6 billion at December 31, 2009. This figure essentially comprises land and buildings (EUR 4.3 billion), assets leased by specialised financing companies (EUR 11.5 billion) and other tangible assets (EUR 5.8 billion).

The gross book value of the Group's investment property amounted to EUR 590 million at December 31, 2009.

The net book value of tangible fixed assets and investment property amounted to EUR 13.6 billion, representing just 1.33% of the consolidated balance sheet at December 31, 2009. Due to the nature of the Group's activities, the weighting of property and equipment in overall assets is low.

Moreover, the new Granite Tower, which is the 1st high-rise building in France to be certified as "High Environmental Quality" and was voted new building of the year 2008, was delivered at the end of October as scheduled. Occupants from Paris, or sites with more expensive leases that are coming to an end, have moved into the building. This process was completed at end-March 2009.

Work on the *Immeuble Marchés* building began in July 2008, as planned, for delivery in H1 2012.

5 CORPORATE GOVERNANCE

BOARD OF DIRECTORS (at January 1, 2010)

Frédéric OUDEA

Date of birth: July 3, 1963

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Member of the Nomination and Corporate Governance Committee

Holds 17,525 shares

Year of first appointment: 2009 – Year in which current mandate will expire: 2011

Biography: Frédéric Oudéa is a graduate of the Ecole Polytechnique and the Ecole Nationale d'Administration. From 1987 to 1995, he held a number of posts in the French senior civil service (Audit Department of the Ministry of Finance, Ministry of the Economy and Finance, the Budget Ministry and in the Cabinet of the Ministry of the Treasury and Communication). He joined Societe Generale in 1995 and went from being Deputy Head to Head of the Corporate Banking arm in London. In 1998, he became Head of the Global Supervision and Development of Equities. In May 2002, he was appointed Deputy Chief Financial Officer of the Societe Generale Group. He became Group Chief Financial Officer in January 2003, before being made Group Chief Executive Officer in 2008. In May 2009, he was made Chairman and Chief Executive Officer of Societe Generale.

Anthony WYAND

Date of birth: November 24, 1943

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

Company Director

Chairman of the Audit, Internal Control and Risk Committee, Member of the Nomination and Corporate Governance Committee and the Compensation Committee

Holds 1,636 shares

Year of first appointment: 2002 – Year in which current mandate will expire: 2011

Other mandates held in French listed companies: Director: Société Foncière Lyonnaise.

Mandates held in foreign listed companies: Director: Unicrédito Italiano Spa.

Mandates held in French unlisted companies: Director: Aviva France, Aviva Participations, Grosvenor Continental Europe.

Biography: A British national, he became Vice-Chairman of the Board of Directors of Societe Generale on May 6, 2009. He joined Commercial Union in 1971, was Chief Financial Officer and Head of European Operations (1987-1998), Executive Managing Director of CGNU Plc (1998-2000) and Executive Director of AVIVA until June 2003.

Jean AZEMA

Date of birth: February 23, 1953

CHIEF EXECUTIVE OFFICER OF GROUPAMA

Independent Director

Holds 1,000 shares

Year of first appointment: 2003 – Year in which current mandate will expire: 2013

Other mandates held in French listed companies: Director: Véolia Environnement. Permanent representative of Groupama SA on the Board of Directors: Bolloré.

Other mandates held in foreign listed companies belonging to the Director's group: Director: Médiobanca.

Mandates held in unlisted companies: Chief Executive Officer: Groupama Holding, Groupama Holding 2. Vice-Chairman and Director: Banque Postale IARD.

Biography: Chief Financial Officer of the MSA de l'Allier in 1979. Head of Accounting and Consolidation Management of the CCAMA (Groupama) in 1987. Head of Insurance of the CCAMA in 1993. Chief Executive Officer of Groupama Sud-Ouest in 1996. Chief Executive Officer of Groupama Sud in 1998. Became Chief Executive Officer of Groupama in 2000.

Robert CASTAIGNE

Date of birth: April 27, 1946

COMPANY DIRECTOR

Independent Director, Member of the Audit, Internal Control and Risk Committee

Holds 762 shares

Year of first appointment: 2009 – Year in which current mandate will expire: 2010

Other mandates held in French listed companies: Director: Sanofi-Aventis, Vinci.

Other mandates held in foreign listed companies: Director: Compagnie nationale à portefeuille.

Biography: A graduate of the Ecole Centrale de Lille and the Ecole nationale supérieure du pétrole et des moteurs, he holds a doctorate in economics and has spent his whole career at TOTAL SA, first as an Engineer, then in various posts. From 1994 to 2008, he was Chief Financial Officer and a Member of the Executive Committee of TOTAL SA.

Michel CICUREL

Date of birth: September 5, 1947

CHAIRMAN OF THE MANAGEMENT BOARD OF LA COMPAGNIE FINANCIERE EDMOND DE ROTHSCHILD AND OF LA COMPAGNIE FINANCIERE SAINT-HONORE

Independent Director, Member of the Nomination and Corporate Governance Committee and the Compensation Committee

Holds 918 shares

Year of first appointment: 2004 – Year in which current mandate will expire: 2012

Other mandates held in French listed companies: Member of the Supervisory Board: Publicis. Non-Voting Director of Paris-Orléans.

Mandates held in foreign listed companies belonging to the Director's group: Director: Banque Privée Edmond de Rothschild SA, Geneva.

Mandates held in French unlisted companies belonging to the Director's group: Chairman of the Management Board: La Compagnie Financière Edmond de Rothschild Banque SA, La Compagnie Financière Saint-Honoré. Member of the Supervisory Board: SIACI Saint-Honoré, Newstone Courtage, Edmond de Rothschild Private Equity Partners (SAS), Edmond de Rothschild Corporate Finance (SAS). Chairman of the Board of Directors: ERS. Permanent representative of La Compagnie Financière Saint-Honoré: Cogifrance. Permanent representative of La Compagnie Financière Edmond de Rothschild Banque: Edrim Solutions, Edmond de Rothschild Asset Management (SAS).

Mandates held in foreign unlisted companies belonging to the Director's group: Chairman of the Board of Directors: Edmond de Rothschild SGR Spa (Italy), Edmond de Rothschild SIM Spa (Italy). Director: Edmond de Rothschild Ltd. (London).

Mandates held in French unlisted companies not belonging to the Director's group: Director: Bouygues Telecom.

Biography: After a career at the French Treasury from 1973 to 1982, he was appointed project director and then Deputy Chief Executive Officer of the Compagnie Bancaire from 1983 to 1988 and Cortal from 1983 to 1989. He was Deputy Director of Galbani (BSN Group) from 1989 to 1991, then Director and Chief Executive Officer, and subsequently Vice-Chairman and Chief Executive Officer of CERUS from 1991 to 1999.

Jean-Martin FOLZ

Date of birth: January 11, 1947

COMPANY DIRECTOR, CHAIRMAN OF THE AFEP (ASSOCIATION FRANCAISE DES ENTREPRISES PRIVEES – FRENCH ASSOCIATION FOR PRIVATE ENTERPRISES)

Independent Director, Chairman of the Nomination and Corporate Governance Committee and the Compensation Committee

Holds 948 shares

Year of first appointment: 2007 – Year in which current mandate will expire: 2011

Other mandates held in French listed companies: Director: Alstom, Carrefour, Saint-Gobain. Member of the Supervisory Board: AXA.

Mandates held in foreign listed companies: Director: Solvay (Belgium).

Mandates held in French unlisted companies: Member of the Supervisory Board: ONF-Participations (SAS).

Biography: He served as Chairman of the PSA Peugeot Citroën group from 1997 to February 2007, after holding management, then executive management, positions with the Rhône-Poulenc group, Schneider group, Péchiney group and Eridania-Beghin-Say.

Jean-Bernard LEVY

Date of birth: March 18, 1955

CHAIRMAN OF VIVENDI'S MANAGEMENT BOARD

Independent Director

Holds 1,000 shares

Year of first appointment: 2009 – Year in which current mandate will expire: 2013

Other mandates held in French listed companies: Director: Vinci.

Other mandates held in foreign listed companies: Chairman of the Board of Directors: Activision Blizzard Inc (USA), GVT (Brazil). Vice-Chairman of the Supervisory Board: Maroc Telecom.

Mandates held in French unlisted companies: Chairman of the Supervisory Board: Canal+ France, Viroxis. Vice-Chairman of the Supervisory Board: Canal+ Group. Director: SFR.

Mandates held in foreign unlisted companies: Director: NBC Universal Inc (USA).

Biography: A graduate of the Ecole Polytechnique and the Ecole Nationale Supérieure des Télécommunications, Mr. Levy was appointed Chairman of Vivendi's Management Board on April 28, 2005. He joined Vivendi in August 2002 as Chief Executive Officer.

Jean-Bernard Lévy was CEO then Managing Partner responsible for Corporate Finance of Oddo et Cie from 1998 to 2002. From 1995 to 1998, he was Chairman and Chief Executive Officer of Matra communication. From 1993 to 1994, Jean-Bernard Lévy was Director of the Cabinet of Mr. Gérard Longuet, French Minister for Industry, the Postal Service, Telecommunications and Foreign Trade. From 1988 to 1993, he was Head of telecommunication satellites at Matra Marconi Space. From 1986 to 1988, Jean-Bernard Lévy was technical advisor to the Cabinet of Mr. Gérard Longuet, Deputy Minister for the Postal Service and Telecommunications, and from 1978 to 1986 he was an engineer at France Télécom.

Elisabeth LULIN

Date of birth: May 8, 1966

FOUNDER AND CHIEF EXECUTIVE OFFICER OF PARADIGMES ET CAETERA

(company specialising in benchmarking and forecasting in public policies).

Independent Director, Member of the Audit, Internal Control and Risk Committee

Holds 1,394 shares

Year of first appointment: 2003 – Year in which current mandate will expire: 2013

Other mandates held in French listed companies: Director: Bongrain SA Group.

Biography: After a career at the Ministry of Finance (1991-1996) as adviser to Edouard Balladur and subsequently as technical adviser to Alain Juppé (1994-1995), she was appointed Head of the external communication unit at INSEE (1996-1998) and has since been Chief Executive Officer of Paradigmes et Caetera.

Gianemilio OSCULATI

Date of birth: May 19, 1947

CHAIRMAN OF VALORE SPA

Independent Director, Member of the Audit, Internal Control and Risk Committee

Holds 1,526 shares

Year of first appointment: 2006 – Year in which current mandate will expire: 2010

Other mandates held in foreign unlisted companies: Chairman: Osculati & Partners Spa, Eurizon Vita Spa. Director: Ariston Thermo Spa, Banque de Crédit et de Dépôts, Eurizon capital Spa, Eurizon Life, Eurizon Tutela Spa, Gas Plus Spa, Miroglio Spa.

Biography: An Italian national, Mr. Osculati was a consultant at McKinsey, where he specialised in the banking and financial sector. He was Chief Executive Officer of Banca d'America e d'Italia, a subsidiary of Deutsche Bank, for 6 years.

Nathalie RACHOU

Date of birth: April 7, 1957

FOUNDER AND CHIEF EXECUTIVE OFFICER OF TOPIARY FINANCE LTD.

Independent Director, Member of the Audit, Internal Control and Risk Committee

Holds 753 shares

Year of first appointment: 2008 – Year in which current mandate will expire: 2012

Other mandates held in French unlisted companies: Director: Liautaud et Cie.

Biography: A French national and graduate of HEC, from 1978 to 1999, she held a number of positions within Banque Indosuez and Crédit Agricole Indosuez: foreign exchange dealer, head of asset/liability management, founder then CEO of Carr Futures International Paris (brokerage subsidiary of Banque Indosuez trading on the Paris Futures Exchange), Corporate Secretary of Banque Indosuez and Head of Global Foreign Exchange and Currency Options at Crédit Agricole Indosuez. In 1999, she founded Topiary Finance Ltd., an asset management company based in London. She has also been a Foreign Trade Advisor for France since 2001.

Luc VANDEVELDE

Date of birth: February 26, 1951

COMPANY DIRECTOR

Founder and Chief Executive Officer of Change Capital Partners

Independent Director, Member of the Nomination and Corporate Governance Committee and the Compensation Committee

Holds 2,673 shares

Year of first appointment: 2006 – Year in which current mandate will expire: 2012

Other mandates held in foreign listed companies: Director: Vodafone.

Biography: A Belgian national. Mr. Vandevelde served as Chief Financial Officer and, subsequently, Chief Executive Officer at a number of blue-chip companies (Kraft, Promodès, Carrefour, Marks and Spencer) in several European countries as well as in the United States.

Patrick DELICOURT

Date of birth: March 2, 1954

HEAD OF EMPLOYEE RELATIONS FOR THE LORRAINE CUSTOMER SERVICE UNIT

Director elected by employees

Year of first appointment: June 1, 2009 – Year in which current mandate will expire: 2012

Biography: Societe Generale employee since 1975.

France HOUSSAYE

Date of birth: July 27, 1967

MANAGER OF THE ROUEN PALAIS DE JUSTICE BRANCH

Director elected by employees

Year of first appointment: 2009 – Year in which current mandate will expire: 2012

Biography: Societe Generale employee since 1989.

Non-voting director

Kenji MATSUO

Date of birth: June 22, 1949

CHAIRMAN OF MEIJI YASUDA LIFE INSURANCE

Year of first appointment: 2006 – Year in which current mandate will expire: 2014 (mandate renewed by the Board of Directors on January 12, 2010).

Biography: A Japanese national, he joined Meiji Life in 1973 and was appointed Chairman of Meiji Yasuda Life in 2005.

Director profiles

	Main sector of activity			
DIRECTORS	**Banking, Finance**	**Other activities**	**International**	**Brief description**
Frédéric OUDEA	x		x	SG Group since 1995: Corporate and Investment Banking until 2001 – Group CFO from 2003 to 2008
Anthony WYAND	x		x	Since 1971 – Insurance (Commercial Union-CGU-Aviva) – Executive Director between 2000 and 2003
Jean AZEMA	x		x	Since 1998 – Groupama Assurance – CEO since 2000
Robert CASTAIGNE		x	x	TOTAL SA: CFO and member of the Executive Committee from 1994 to 2008
Michel CICUREL	x		x	Banking experience since 1983 – Chairman of the Management Board of La Compagnie Financière Edmond de Rothschild and of La Compagnie Financière Saint-Honoré since 1999
Jean-Martin FOLZ		x	x	Chairman of the automotive group PSA Peugeot Citroën between 1997 and 2007
Jean-Bernard LEVY		x	x	Vivendi since 2002: CEO then Chairman of the Management Board since 2005
Elisabeth LULIN		x		Auditor in the Audit Department of the French Ministry of Finance from 1991 to 1996 – Founder of a public policy benchmarking consultancy in 1998
Gianemilio OSCULATI	x		x	Banking experience: CEO of Banca d'America e d'Italia from 1987 to 1993 and Strategy Advisor (McKinsey).
Nathalie RACHOU	x		x	Banking experience between 1978 and 1999 (Banque Indosuez) – Founder of an asset management company in 1999
Luc VANDEVELDE		x	x	CFO and CEO in the mass-market retail sector between 1971 and 2007
Patrick DELICOURT	x			Since 1975 – SG employee
France HOUSSAYE	x			Since 1989 – SG employee

Directors whose mandate expires in 2010

Robert CASTAIGNE

Date of birth: April 27, 1946

COMPANY DIRECTOR

Independent Director, Member of the Audit, Internal Control and Risk Committee

Robert DAY (resignation on December 31, 2009)

Date of birth: December 11, 1943

CHAIRMAN OF TRUST COMPANY OF THE WEST (TCW)

Gianemilio OSCULATI

Date of birth: May 12, 1945

CHAIRMAN OF VALORE SPA

Independent Director, Member of the Audit, Internal Control and Risk Committee

MANDATES HELD BY MEMBERS OF THE BOARD OF DIRECTORS *(at December 31 of each year)*

Start	End	Name	2009	2008	2007	2006	2005
2009	2011	**Frédéric OUDEA** Chairman and CEO: *Professional address:* Tours SG, 75886 Paris Cedex 18.	None	*Chairman and CEO:* Génébanque (until Sept. 29, 2008), Généfinance and SG FSH (until Aug. 5, 2008). *Director:* Newedge Group (until May 29, 2008).	*Chairman and CEO:* Génébanque, Généfinance, SG FSH.	*Chairman and CEO:* Génébanque, Généfinance, SG FSH.	*Chairman and CEO:* Génébanque, Généfinance, SG FSH.
2002	2011	**Anthony WYAND** Vice-Chairman: Company Director	*Director:* Société Foncière Lyonnaise, Unicrédito Italiano Spa., Aviva France, Aviva Participations, Grosvenor Continental Europe.	*Chairman:* Grosvenor Continental Europe SAS. *Director:* Aviva Participations, Unicredito Italiano Spa, Société Foncière Lyonnaise. *Member of the Supervisory Board:* Aviva France. *Non-Executive Director:* Grosvenor Group Holding Ltd.	*Chairman:* Grosvenor Continental Europe SAS. *Director:* Aviva Participations, Unicredito Italiano Spa, Société Foncière Lyonnaise. *Member of the Supervisory Board:* Aviva France. *Non-Executive Director:* Grosvenor Group Holding Ltd.	*Director:* Unicredito Italiano SPA, Société Foncière Lyonnaise, Atis real, Aviva Participations. *Permanent representative:* Aviva Spain, CU Italia. *Member of the Supervisory Board:* Aviva France. *Non-Executive Director:* Grosvenor Group Holding Ltd.	*Executive Director:* Aviva. *Chairman of the Supervisory Board:* CGU France. *Executive Vice-Chairman:* Victoire Asset Management. *Director:* Aviva Holding Poland Ltd., North Mercantile Insurance Cy Ltd., Norwch Union Overseas Holding BV, Norwich Union Overseas Ltd., The Road Transport and General Insurance Cy Ltd., Scottis Insurance Corporation Ltd., The Yorkshire Insurance Company Ltd. Abeille Assurances, Abeille Vie SA, CGU Group BV, CGU Insurance Plc, CGU International Holding BV, Commercial Union Finance BV, Commercial Union Holding (France) Ltd., Commercial union International Holding Ltd., Delta Lloyd NV, Eurofil SA, General Accident Plc, Northern Assurance Company Ltd., Norwich Union Plc, Royal St George Banque SA.

Note: professional addresses are only given only for those still in employment. For other Board members, please send any post to Societe Generale's postal address, Chapter 3, page 28.

Start	End	Name	2009	2008	2007	2006	2005
2003	2013	**Jean AZEMA** Chief Executive Officer of Groupama *Professional address:* 8, 10 rue d'Astorg, 75008 Paris.	*Director:* Médiobianca, Véolia Environnement. *Permanent representative of Groupama SA on the Board of Directors:* Bolloré. *Chief Executive Officer:* Groupama Holding, Groupama Holding 2. *Vice-Chairman:* La Banque Postale, IARD. *Permanent representative of Groupama SA* in SCI Groupama les Massues.	*Director:* Médiobianca, Véolia Environnement. *Permanent representative of Groupama SA on the Board of Directors:* Bolloré. *Chief Executive Officer:* Groupama Holding, Groupama Holding 2, Chairman of Groupama International (until Dec. 31, 2008). *Permanent representative of Groupama SA* in SCI Groupama les Massues.	*Director:* Médiobianca, Véolia Environnement. *Permanent representative of Groupama SA on the Board of Directors:* Bolloré. *Chief Executive Officer:* Groupama Holding, Groupama Holding 2, *Chairman* of Groupama International. *Permanent representative of Groupama SA* in SCI Groupama les Massues.	*Director:* Médiobianca, Véolia Environnement. *Permanent representative of Groupama SA on the Board of Directors:* Bolloré Investissement. *Chief Executive Officer:* Groupama Holding, Groupama Holding 2. *Chairman* of Groupama International.	*Director:* Médiobianca, Véolia Environnement. *Permanent representative of Groupama SA on the Board of Directors:* Bolloré Investissement. *Chief Executive Officer:* Groupama Holding, Groupama Holding 2.
2009	2010	**Robert CASTAIGNE** Company Director	*Director:* Sanofi-Aventis, Vinci, Compagnie nationale à portefeuille.	*Chairman and CEO:* Total Nucléaire and Total Chimie (until May 30, 2008). *Director:* Elf-Aquitaine (until June 2, 2008), Hutchinson (until June 27, 2008), Omnium Insurance & Reinsurance Cy Ltd. (until June 19, 2008), Petrofina (until June 27, 2008), Sanofi-Aventis, Total Gabon (until Aug. 29, 2008), Total gestion filiales (until June 6, 2008), Total Upstream UK Ltd. (until June 11, 2008), Vinci, Compagnie nationale à portefeuille.	*Chairman and CEO:* Total Nucléaire, Total Chimie. *Director:* Elf-Aquitaine, Hutchinson, Omnium Insurance & Reinsurance Cy Ltd., Petrofina, Sanofi-Aventis, Total Gabon, Total gestion filiales, Total Upstream UK Ltd., Vinci.	*Chairman and CEO:* Total Nucléaire, Total Chimie. *Director:* Alphega (until Oct. 31, 2006), Elf-Aquitaine, Hutchinson, Omnium Insurance & Reinsurance Cy Ltd., Petrofina, Sanofi-Aventis, Total Gabon, Total gestion filiales, Total Upstream UK Ltd.	*Chairman and CEO:* Total Nucléaire, Total Chimie. *Director:* Alphega, Arkema (until Feb. 3, 2006), Elf-Aquitaine, Hutchinson, Omnium Insurance & Reinsurance Cy Ltd., Petrofina, Sanofi-Aventis, Total Gabon, Total gestion filiales, Total Upstream UK Ltd.
2004	2012	**Michel CICUREL** Chairman of the Management Board of La Compagnie Financière Edmond de Rothschild and of La Compagnie Financière Saint-Honoré. *Professional address:* 47, Faubourg Saint-Honoré, 75008 Paris.	*Member of the Supervisory Board:* Publicis. *Non-voting director:* Paris-Orléans. *Director:* Banque privée Edmond de Rothschild SA, Geneva, Edmond de Rothschild Ltd. (London), Bouygues Telecom. *Chairman of the Management Board:* La Compagnie Financière Edmond de Rothschild Banque SA, La Compagnie Financière Saint-Honoré. *Chairman of the Supervisory Board:* Edmond de Rothschild Multi Management (SAS) (until July 3, 2009), Edmond de Rothschild Corporate Finance (SAS) since Nov. 10, 2009. *Member of the Supervisory Board:* SIACI Saint-Honoré, Newstone Courtage, *Vice-Chairman of the Supervisory Board:* Edmond de Rothschild Private Equity Partners	*Member of the Supervisory Board:* Publicis. *Non-voting director:* Paris-Orléans. *Director:* Banque Privée Edmond de Rothschild SA, Geneva. *Chairman of the Management Board:* La Compagnie Financière Edmond de Rothschild Banque SA, La Compagnie Financière Saint-Honoré. *Chairman of the Supervisory Board:* Edmond de Rothschild Multi Management (SAS), Edmond de Rothschild Corporate Finance (SAS). *Member of the Supervisory Board:* Assurances et Conseils Saint-Honoré (until Oct. 31, 2008), SIACI (until Oct. 31, 2008) SIACI Saint Honoré (since Nov. 1, 2008), Newstone Courtage and Edmond de Rothschild Private Equity Partners (SAS). *Chairman of the Board of Directors:*	*Member of the Supervisory Board:* Publicis. *Chairman of the Supervisory Board:* Edmond de Rothschild Corporate Finance SAS. *Member of the Supervisory Board:* Assurances et Conseils Saint-Honoré, SIACI, Newstone Courtage, Edmond de Rothschild Private Equity Partners (SAS). *Chairman of the Board of Directors:* ERS, Edmond de Rothschild SGR Spa (Italy), Edmond de Rothschild SIM Spa (Italy). *Director:* La Compagnie Benjamin de Rothschild (Geneva), Edmond de Rothschild Ltd. (London), La Compagnie Financière holding Edmond et Benjamin de Rothschild (Geneva), Banque privée Edmond de Rothschild (Genève), Cdb Web Tech (Italy), Bouygues Télécom.	*Member of the Supervisory Board:* Publicis. *Chairman of the Supervisory Board:* Edmond de Rothschild Multi Management SAS. *Chairman of the Board of Directors:* ERS, Edmond de Rothschild SGR Spa (Italy), Edmond de Rothschild SIM Spa (Italy). *Director:* La Compagnie Benjamin de Rothschild (Geneva), Edmond de Rothschild Ltd. (London), La Compagnie Financière holding Edmond et Benjamin de Rothschild (Geneva), Cdb Web Tech (Italy), Bouygues Télécom. *Non-voting director:* Paris-Orléans. *Member of the Council of Sponsors:* Rothschild & Compagnie Banque. *Permanent representative of* La Compagnie Financière Saint-Honoré: Cogifrance. *Permanent representative of* La Compagnie	*Member of the Supervisory Board:* Publicis. *Chairman of the Supervisory Board:* Edmond de Rothschild Multi Management SAS. *Chairman of the Board of Directors:* ERS, Edmond de Rothschild SGR Spa (Italy), Edmond de Rothschild SIM Spa (Italy). *Director:* La Compagnie Benjamin de Rothschild (Geneva), Edmond de Rothschild Ltd. (London), La Compagnie Financière holding Edmond et Benjamin de Rothschild (Geneva), Cdb Web Tech (Italy), Bouygues Télécom. *Non-voting director:* Paris-Orléans. *Member of the Council of Sponsors:* Rothschild & Compagnie Banque. *Permanent representative of* La Compagnie Financière

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Start	End	Name	2009	2008	2007	2006	2005
			(SAS). *Chairman of the Board of Directors:* ERS. *Permanent representative of* La Compagnie Financière Saint-Honoré: Cogifrance. *Permanent representative of* La Compagnie Financière Edmond de Rothschild Banque: Edmond de Rothschild Asset Management, Edmond de Rothschild Financial Services, Equity Vision. *Chairman of the Board of Directors:* Edmond de Rothschild SGR Spa (Italy), Edmond de Rothschild SIM Spa (Italy), ERS, LCF Holding Benjamin (until Nov. 26, 2009).	ERS. *Permanent representative of* La Compagnie Financière Saint-Honoré: Cogifrance. *Permanent representative of* La Compagnie Financière Edmond de Rothschild Banque: Edmond de Rothschild Asset Management, Edmond de Rothschild Financial Services, Equity Vision. *Chairman of the Board of Directors:* Edmond de Rothschild SGR Spa (Italy) Edmond de Rothschild SIM Spa (Italy), ERS, LCF Holding Benjamin et Edmond de Rothschild (SA) Geneva, La Compagnie Benjamin de Rothschild SA (Geneva) (until May 6, 2008). *Director:* Edmond de Rothschild Ltd. (London), Bouygues Telecom, Cdb Web Tech (Italy).	*Non-voting director:* Paris-Orléans. *Permanent representative of* La Compagnie Financière Saint-Honoré: Cogifrance. *Permanent representative of* La Compagnie Financière Edmond de Rothschild Banque: Edmond de Rothschild Asset Management, Edmond de Rothschild Financial Services, Equity Vision.	Financière Edmond de Rothschild Banque: Assurances et Conseils Saint-Honoré, Edmond de Rothschild Corporate Finance, Edmond de Rothschild Asset Management, Edmond de Rothschild Financial Services, Equity Vision.	Saint-Honoré: Cogifrance. *Permanent representative of* La Compagnie Financière Edmond de Rothschild Banque: Assurances et Conseils Saint-Honoré, Edmond de Rothschild Corporate Finance, Edmond de Rothschild Asset Management, Edmond de Rothschild Financial Services, Equity Vision.
2007	2011	**Jean-Martin FOLZ** Company Director, Chairman of the AFEP.	*Director:* Alstom, Carrefour, Saint-Gobain, Solvay (Belgium). *Member of the Supervisory Board:* Axa.	*Director:* Alstom, Carrefour, Saint-Gobain, Solvay (Belgium). *Member of the Supervisory Board:* Axa.	*Director:* Saint-Gobain, Alstom, Solvay (Belgium). *Member of the Supervisory Board:* Axa, Carrefour.	*Chairman of the Management Board:* Peugeot SA. *Chairman of the Board of Directors:* Automobiles Peugeot, Automobiles Citroën. *Director:* Banque PSA Finance, Peugeot Citroën Automobiles, Faurecia, Solvay (Belgium).	*Chairman of the Management Board:* Peugeot SA. *Chairman of the Board of Directors:* Automobiles Peugeot, Automobiles Citroën. *Director:* Banque PSA Finance, Peugeot Citroën Automobiles, Faurecia, Solvay (Belgium).
2009	2013	**Jean-Bernard LEVY** Chairman of Vivendi's Management Board *Professional address:* 42 avenue de Friedland, 75008 Paris.	*Chairman of the Board of Directors:* Activision Blizzard, GVT.	*Chairman of the Supervisory Board:* Canal+ *France, Vice-Chairman of the Supervisory Board:* Canal+ Group, Maroc Télécom. *Director:* Vinci, Vivendi Games Inc., Activision Blizzard Inc., NBC Universal Inc.	*Director:* Vivendi Games Inc.	*Director:* Vivendi Games Inc.	*Chairman and CEO:* VU Net, VTI. *Director:* Vivendi Games Inc, ugc. *Member of the Supervisory Board:* Cegetel.
2003	2013	**Elisabeth LULIN** Founder and CEO of Paradigmes et Caetera *Professional address:* 11 rue Surcouf, 75007 Paris.	*Director:* Bongrain Group	*Director:* Bongrain Group	*Director:* Bongrain Group	None	None

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Start	End	Name	2009	2008	2007	2006	2005
2006	2010	**Gianemilio OSCULATI** Chairman of Valore Spa *Professional address:* Piazza San Sepolcro, 1- 20123 Milan Italy.	*Chairman:* Osculati & Partners Spa. *Chairman and CEO*: Eurizon Vita Spa. *Director:* Ariston Thermo Spa, Banque de crédit et de dépôts SA, Eurizon Capital Spa, Eurizon Tutela Spa, Eurizon Life, Gas Plus Spa, Miroglio Spa, MTS Group, Fideuram Spa, (until April 7, 2009), Seves Spa (until Jan. 7, 2009).	*Chairman:* Osculati & Partners Spa. *Director:* Miroglio Spa, MTS Group, Fideuram Spa, Seves Spa (from Nov. 14, 2008 to Jan. 7, 2009).	*Chairman*: Osculati & Partners Spa. *Director:* Miroglio Spa, MTS Group.	*Chairman:* SAIAG-Comital Spa, Valore Spa. *Director:* Miroglio Spa	None
2008	2012	**Nathalie RACHOU** Founder of Topiary Finance Ltd *Professional address:* 11 Elvaston Place, London SW 5QG, United Kingdom	*Director:* Liautaud et Cie.	*Director:* Liautaud et Cie.	*Director:* Liautaud et Cie.	*Director:* Liautaud et Cie.	*Director:* Liautaud et Cie.
2006	2012	**Luc VANDEVELDE** Company Director *Professional address:* College House, 272 Kings Road London SW3 5AW, United Kingdom	*Director:* Vodafone. *CEO:* Change Capital Partners.	*Director:* Vodafone. *CEO:* Change Capital Partners.	*Director:* Vodafone. *CEO:* Change Capital Partners.	*Director:* Vodafone, Comet BV, Citra SA. *CEO:* Change Capital Partners.	*Director:* Vodafone, Comet BV, Citra SA. *CEO:* Change Capital Partners.
2008	2012	**Patrick DELICOURT** Director elected by employees *Professional address:* Tours SG, 75886 Paris Cedex 18	None	None	None	None	None
2009	2012	**France HOUSSAYE** Director elected by employees *Professional address:* Tours SG, 75886 Paris Cedex 18	None	None	None	None	None

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GENERAL MANAGEMENT (at January 1, 2010)

Frédéric OUDEA

Date of birth: July 3, 1963

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Holds 17,525 shares

Biography: see page 68

Séverin CABANNES

Date of birth: June 21, 1958

DEPUTY CHIEF EXECUTIVE OFFICER

Holds 1,469 shares

Biography: Worked for Crédit National, Elf Atochem then the La Poste Group (1983-2001). Joined Societe Generale in 2001 as Group Deputy Chief Financial Officer until 2002. Since 2001 he has been a Member of Komerčni Banka's Supervisory Board. Appointed the Stéria Group's Deputy Chief Executive Officer responsible for strategy and finances, then Chief Executive Officer (2002-2007). In January 2007, he became the Societe Generale Group's Head of Corporate Resources and has been a Deputy Chief Executive Officer since May 2008.

Jean-François SAMMARCELLI

Date of birth: November 19, 1950

DEPUTY CHIEF EXECUTIVE OFFICER AND HEAD OF RETAIL BANKING IN FRANCE

Holds 14,102 shares

Biography: After joining Societe Generale in 1974, he held various posts in the French Network's Paris branches until 1987. From 1987 to 1991, he was Head of the Dijon branch, then Head of the Water and Metal Industry construction division of Corporate Banking until 1995. He was subsequently made Head of the Real Estate Division, before being appointed Chief Operating Officer, then Chief Financial Officer, of SGIB. In 2002 he became Corporate and Investment Banking's Head of Corporates and Institutions. He was Head of the French Network in 2005 and in 2006 became Head of Retail Banking. Since January 1, 2010, he has held the posts of Deputy Chief Executive Officer and Head of Retail Banking.

Bernardo SANCHEZ INCERA

Date of birth: March 9, 1960

DEPUTY CHIEF EXECUTIVE OFFICER

Biography: A Spanish national, from 1984 to 1992, he was a corporate relationship manager and Deputy Head of the Corporate Business Branch of Crédit Lyonnais La Défense. From 1992 to 1994, he was a Director and CEO of Crédit Lyonnais Belgium. From 1994 to 1996, he was Deputy Director of Banca Jover Spain. From 1996 to 1999, he was CEO of Zara France. From 1999 to 2001, he was Head of International Operations for the Inditey Group, then Chairman of LVMH Mode et Maroquinerie Europe and of LVMH Fashion Group France from 2001 to 2003. From 2003 to 2004, he was Chief Executive Officer of Vivarte France, then in 2004, Executive Managing Director of Monoprix France until 2009. He joined Societe Generale in November 2009, where he has been a Deputy Chief Executive Officer since January 1, 2010.

POSITIONS HELD OVER THE PAST FIVE YEARS

	2009	2008	2007	2006	2005
Frédéric OUDEA Chairman and CEO: *Professional address:* Tours SG, 75886 Paris Cedex 18			see page 72		
Séverin CABANNES Deputy Chief Executive Officer *Professional address:* Tours SG, 75886 Paris Cedex 18.	*Director:* Crédit du Nord, TCW Group. *Member of the Supervisory Board:* Komerčni Banka, Stéria Group	*Director:* Crédit du Nord, Généfimmo, Rosbank, SG Global Solution. *Member of the Supervisory Board:* Komerčni Banka, Stéria Group	*Director:* Crédit du Nord, Généfimmo, SG Global Solution. *Member of the Supervisory Board:* Komerčni Banka, Stéria Group	*Member of the Supervisory Board:* Komerčni Banka	*Member of the Supervisory Board:* Komerčni Banka
Jean-François SAMMARCELLI Deputy Chief Executive Officer and Head of Retail Banking in France *Professional address:* Tours SG, 75886 Paris Cedex 18.	*Chairman of the Board of Directors:* CGA, Crédit du Nord (on Jan. 1, 2010). *Director:* Boursorama, SG Equipment Finance, Sogecap, Sogeprom, Sogessur. *Member of the Supervisory Board:* SG Marocaine de Banques, SKB Banka (until May 21, 2009). *Permanent representative of SG FSH on the Board of Directors:* Franfinance *Non-voting director:* Ortec Expansion	*Chairman:* CGA. *Director:* SG Equipment Finance, Sogecap, Sogessur. *Member of the Supervisory Board:* SG Marocaine de Banques, SKB Banka. *Permanent representative of SG FSH on the Board of Directors:* Franfinance	*Chairman:* CGA. *Director:* SG Equipment Finance, Sogecap, Sogessur. *Member of the Supervisory Board:* SG Marocaine de Banques, SKB Banka. *Permanent representative of SG FSH on the Board of Directors:* Franfinance	*Chairman:* CGA. *Director:* Généfinance, Généfim, Mibank, SG Equipment Finance, Sogecap, Sogessur. *Member of the Supervisory Board:* SKB Banka	*Chairman:* CGA. *Director:* Généfinance, Généfim, Mibank, SG Equipment Finance, Société financière Lyonnaise, Sogecap, Sogeprom. *Member of the Supervisory Board:* SKB Banka
Bernardo SANCHEZ INCERA Deputy Chief Executive Officer *Professional address:* Tours SG, 75886 Paris Cedex 18.	*Mandates that ended in the 2nd half of 2009:* *Deputy Chief Executive Officer:* Monoprix SA. *Chairman:* Monoprix Exploitation, Aux Galeries de la Croisette. *Chairman of the Supervisory Board:* Naturalia France (SAS). *Member of the Supervisory Board:* DMC. *Director:* Grosvenor, GIE S'Miles.	*Deputy Chief Executive Officer:* Monoprix SA. *Chairman:* Monoprix Exploitation, Aux Galeries de la Croisette. *Chairman of the Supervisory Board:* Naturalia France (SAS). *Member of the Supervisory Board:* DMC. *Director:* Grosvenor, GIE S'Miles.	*Deputy Chief Executive Officer:* Monoprix SA. *Chairman:* Monoprix Exploitation, Aux Galeries de la Croisette. *Member of the Supervisory Board:* DMC. *Director:* GIE S'Miles.	*Deputy Chief Executive Officer:* Monoprix SA. *Chairman:* Monoprix Exploitation, Aux Galeries de la Croisette. *Member of the Supervisory Board:* DMC. *Director:* GIE S'Miles.	*Deputy Chief Executive Officer:* Monoprix SA. *Chairman:* Monoprix Exploitation. *Member of the Supervisory Board:* DMC.

ADDITIONAL INFORMATION ABOUT THE MEMBERS OF THE BOARD AND THE DEPUTY CHIEF EXECUTIVE OFFICERS

Absence of conflicts of interest

To the best of the Board of Directors' knowledge:

- there are no potential conflicts of interest between the Board of Directors' and the Deputy Chief Executive Officers' obligations towards Societe Generale and their professional or private interests. If necessary, conflict of interest situations are governed by article 10 of the Board of Directors' Internal Rules;
- none of the persons referred to above have been selected pursuant to an arrangement or understanding with major shareholders, customers, suppliers or other parties.
- there is no family relationship between any of the persons referred to above;
- there are no service contracts between any of the persons referred to above and any of the Group's companies;
- no restrictions other than legal have been agreed to by any of the persons referred to above with regard to the disposal of their stake in Societe Generale's capital.

Absence of criminal convictions

To the best of the Board of Directors' knowledge:

- no convictions have been delivered against any of its members or any of the Deputy Chief Executive Officers for involvement in fraud, bankruptcy, sequestration or liquidation;
- none of the persons referred to above have received criminal charges and/or an official public sanction from a statutory or legal authority, or have been banned from acting as a member of the board of directors or the management body of a financial institution within the last five years.

EXECUTIVE COMMITTEE (at January 1, 2010)

The Executive Committee is responsible for the strategic management of the Group, under the authority of the Chairman and Chief Executive Officer.

Frédéric OUDEA

Chairman and Chief Executive Officer

Séverin CABANNES

Deputy Chief Executive Officer

Jean-François SAMMARCELLI

Deputy Chief Executive Officer and Head of Retail Banking in France

Bernardo SANCHEZ INCERA

Deputy Chief Executive Officer

Caroline GUILLAUMIN

Head of Group Communication

Didier HAUGUEL

Head of Specialised Financial Services

Anne MARION-BOUCHACOURT

Head of Group HR Management

Jean-Louis MATTEI

Head of International Retail Banking

Françoise MERCADAL-DELASALLES

Group Head of Corporate Resources

Benoit OTTENWAELTER

Group Chief Risk Officer

Michel PERETIE

Head of Corporate and Investment Banking

Jacques RIPOLL

Head of Global Investment Management and Services

Patrick SUET

Corporate Secretary and Group Chief Compliance Officer

Didier VALET

Group Chief Financial Officer

Participates in Executive Committee meetings discussing issues falling under his responsibility

Christian SCHRICKE

Advisor to the Chairman and Chief Executive Officer and Secretary of the Board of Directors

GROUP MANAGEMENT COMMITTEE (at January 1, 2010)

The Management Committee, which is made up of around forty of the Group's senior executives, meets to discuss Group strategy and other issues of general interest to the Group.

Frédéric Oudéa, Chairman and Chief Executive Officer

Séverin Cabannes, Deputy Chief Executive Officer

Jean-François Sammarcelli, Deputy Chief Executive Officer and Head of Retail Banking in France

Bernardo Sanchez Incera, Deputy Chief Executive Officer

Caroline Guillaumin, Head of Group Communication

Didier Hauguel, Head of Specialised Financial Services

Anne Marion-Bouchacourt, Head of Group Human Resources

Jean-Louis Mattéi, Head of International Retail Banking

Françoise Mercadal-Delesalles, Group Head of Corporate Resources

Benoit Ottenwaelter, Group Chief Risk Officer

Michel Péretié, Head of Corporate and Investment Banking

Jacques Ripoll, Head of Global Investment Management and Services

Patrick Suet, Corporate Secretary and Group Chief Compliance Officer

Didier Valet, Group Chief Financial Officer

Christian Schricke, Advisor to the Chairman and CEO and Secretary of the Board of Directors

Thierry Aulagnon, Head of Corporates, Institutions and Advisory Services, Corporate and Investment Banking

Philippe Aymerich, Deputy Chief Risk Officer

Albert Bocle, Head of Sales and Marketing for the French Retail Banking Network

Henri Bonnet, Chairman of the Management Board of Komerčni Banka

François Boucher, Group Chief Operating Officer responsible for the French Retail Banking Networks' Information Networks, back offices and process automation

Serge Cailly, Deputy Head of the French Network

Yannick Chagnon, Head of Domestic and International Payments

Alain Closier, Global Head of Securities Services

Bernard David, Group Deputy Head of International Retail Banking

Ian Fisher, Group Country Head for the United Kingdom

Olivier Garnier, Group Chief Economist

Laurent Goutard, Deputy Head of Retail Banking in France and Head of the French Network

Philippe Heim, Head of Group Strategy

Edouard-Malo Henry, Head of Group Internal Audit

Christophe Hioco, Chief Operating Officer, Corporate and Investment Banking

Xavier Jacquemain, Deputy Head of Group Human Resources and Head of Human Resources for the Functional Divisions

Arnaud Jacquemin, Deputy Group Chief Financial Officer

Olivier Khayat, Advisor to the Head of Global Investment Management and Services

Maurice Kouby, Head of Group Information Systems

Hugues Le Bret, Chairman and Chief Executive Officer of Boursorama

Diony Lebot, Chief Executive Officer, SG Americas

Inès Mercereau, Deputy Head of Specialised Financial Services

Christophe Mianné, Deputy Head of Corporate and Investment Banking and Head of Global Equities and Derivatives Solutions

Jean-Luc Parer, Head of Capital Raising and Financing, Corporate and Investment Banking

Guy Poupet, Chairman and Chief Executive Officer of the Banque Roumaine de Développement

Patrick Renouvin, Group Deputy Head of International Retail Banking, responsible for resources

Marc Stern, Chairman of SG Global Investment Management and Services America

Vincent Taupin, Chairman and Chief Executive Officer of Crédit du Nord

Catherine Théry, Head of Internal Control Coordination

Daniel Truchi, Global Head of Private Banking

Invited to participate in Group Management Committee meetings

Didier Alix, Advisor to the Chairman and Chief Executive Officer

CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE

Corporate governance declaration

Socete Generale applies the December 2008 AFEP-MEDEF Corporate Governance Code for listed companies (available from the website www.medef.fr).

Since early 2000, the Board of Directors and the Committees have been governed by internal rules. Moreover, a Director's Charter also regroups the compliance rules that apply to Societe Generale Directors. The internal rules and the Director's Charter, together with the Company's by-laws, are available to shareholders in the Registration Document.

Board of Directors

Societe Generale is a public limited company (*société anonyme*) managed by a Board of Directors. In accordance with the Company's by-laws, it is up to the Board to decide whether the roles of Chairman and Chief Executive Officer are performed by the same person or separated. From May 13, 2008 until Daniel Bouton's resignation on May 6, 2009, the roles of Chairman and Chief Executive Officer were separated. On May 6, 2009, the Board of Directors decided once again to merge the roles of Chairman and Chief Executive Officer, to ensure a tighter governance structure able to respond faster and better able to meet the challenges of the crisis, and appointed Frédéric Oudéa in this capacity, effective May 24, 2009. Didier Alix and Séverin Cabannes were confirmed in their roles of Deputy Chief Executive Officer. Philippe Citerne retired and left his position as Deputy Chief Executive Officer on April 30, 2009. Didier Alix retired on November 30, 2009. In addition to Séverin Cabannes being confirmed in his position, Bernardo Sanchez Incera and Jean-François Sammarcelli were appointed Deputy Chief Executive Officers as of January 1, 2010.

The powers of the Chairman are stated in article 2 of the Board of Directors' internal rules. The Chairman convenes and chairs the Board of Directors, whose work he organises. He chairs the General Meetings of Shareholders.

On May 6, 2009, the Board of Directors also decided to create the position of Vice-Chairman of the Board of Directors. This position was entrusted to Anthony Wyand, who is also Chairman of the Audit Committee (now the Audit, Internal Control and Risk Committee) and a member of the two other Committees. The role of Vice-Chairman of the Board of Directors was presented to shareholders at the General Meeting on July 6, 2009. Detailed information is contained in article 2 of the Board of Directors' internal rules. Specifically, the Vice-Chairman assists the Chairman in his tasks, particularly the organisation and correct operation of the Board of Directors and other Committees, and the supervision of corporate governance, internal control and risk management.

The by-laws do not impose any specific limitations on the powers of the Chief Executive Officer or the Deputy Chief Executive Officers, who fulfil their duties in accordance with current laws and regulations, the by-laws, the internal rules and the guidelines approved by the Board of Directors.

Board of Directors (at January 1, 2010)

The Board has twelve directors appointed by the General Meeting and two directors elected by employees. There has been a vacant seat since the resignation of Mr. Robert Day on December 31, 2009.

The directors appointed by the General Meeting have four-year mandates. The expiry dates for these mandates are spread out in such a way as to ensure that around one-quarter are renewed each year. Two directors are elected by the employees of Societe Generale for a three-year mandate.

The Board of Directors is comprised of three women and ten men. Three directors are non-French nationals. The Director's average age is 55. In 2009, the composition of the Board changed as follows:

- resignation of Mr. Daniel Bouton;
- renewal of the mandates of Ms. Elisabeth Lulin and Mr. Jean Azéma;
- co-opting and ratification by the General Meeting of the appointments of Messrs. Robert Castaigne and Frédéric Oudéa;
- appointment of Mr. Jean-Bernard Lévy replacing Mr. Patrick Ricard;

- resignation of Mr. Robert Day;
- election of two directors by employees: Ms. France Houssaye and Mr. Patrick Delicourt.

Since January 18, 2006, Mr. Kenji Matsuo has represented MEIJI Yasuda Life as non-voting director. His mandate as non-voting director was renewed at the Board meeting on January 12, 2010.

In accordance with the AFEP-MEDEF Corporate Governance Code, the Board of Directors, based on the report by its Nomination and Corporate Governance Committee (formerly the Nomination Committee), examined the independence of each of its members at December 31, 2009 against the criteria set out in the aforementioned Code.

In particular, it examined the banking and advisory relations between the Group and the companies that its directors manage, with a view to determining whether these relationships were of such nature and importance as to colour the directors' judgment. This analysis was based on a thorough examination that factored in a number of criteria, including the Company's overall debt and liquidity, the ratio of bank loans to total debt, Societe Generale's total exposure and the ratio of this exposure to total bank loans, advisory mandates, other commercial relations, etc. The Board of Directors also analysed the situation of those directors with ties to groups that hold Societe Generale shares.

On the basis of these criteria, the Board of Directors considered that Ms. Lulin, Ms. Rachou and Messrs. Azéma, Castaigne, Cicurel, Folz, Lévy, Osculati and Vandevelde should be regarded as independent directors.

Mr. Azéma, Chief Executive Officer of Groupama, is considered to be an independent director, since Groupama holds substantially less than 10% of Societe Generale's capital, and neither the banking or commercial relations between Groupama and Societe Generale, nor the partnership set up between the two groups to launch Groupama Banque (in which Societe Generale holds less than a 5% interest) are liable to colour his judgment, given the limited impact of this project for both Groups.

The other directors are not considered to be independent under the criteria given in the AFEP-MEDEF Code.

However, note should be made of the special situation of Mr. Wyand, who has sat on Societe Generale's Board of Directors as an individual since 2002. He should therefore be considered to be independent. However, from 1989 to 2002, Mr. Wyand represented the Aviva Group (formerly CGNU) on the Board of Directors.

Following a strict interpretation of the APEF-MEDEF recommendations, the Board of Directors therefore decided to not consider Mr. Wyand as an independent director as, for more than twelve years, he sat on the Board of Directors as a permanent representative and individual. Nonetheless, the Board believes that he has the independence of judgment required to perform the tasks entrusted to the Vice-Chairman, particularly in terms of corporate governance, internal control and risks.

Nine out of thirteen directors were therefore independent at January 1, 2010 (i.e. 69% of the Board of Directors and 82% of the directors appointed by the General Meeting).

This proportion is well above the Board's aim of ensuring that 50% of all directors are independent, as recommended in the AFEP-MEDEF Code.

It is also in line with the Board's aim of ensuring a well-balanced and diversified mix of competencies and experience among the directors, and reconciling continuity with a process of gradual renewal.

Directors

The Group's directors hold a significant number of shares in a personal capacity: the statutory minimum is 600 shares per director appointed by the General Meeting.

The amount and distribution of attendance fees are detailed below.

The Director's Charter stipulates that directors of Societe Generale should abstain from carrying out transactions in securities issued by companies on which they possess inside information. Like Group employees with access to privileged information, directors are prohibited from conducting transactions in Societe Generale shares during the thirty days prior to the publication of results, and from carrying out speculative trading in Societe Generale shares (shares must be held for at least two months, options trading is banned).

The Director's Charter was modified in January 2005 to extend this rule to transactions involving securities of listed subsidiaries of Societe Generale. Directors must inform the *Autorité des Marchés Financiers* (French Securities Regulator) of any transactions they or persons close to them have carried out on Societe Generale shares.

Duties and powers of the Board

The Board of Directors determines the Company's strategy and ensures its implementation. The Board's internal rules stipulate that it must regularly examine the Group's strategy and deliberate ex ante on changes to the Group's management structure and on transactions – in particular acquisitions and disposals – that are liable to have a significant impact on the Group's earnings, the structure of its balance sheet or its risk profile.

Since 2003, the internal rules have clearly stated the rules applicable in cases where the Board of Directors gives its prior approval to investment projects or more generally strategic transactions. This article was changed in 2005 in order to adapt to the Group's size (see article 1 of the internal rules).

The Board is informed of and regularly discusses Group policy with respect to human resources, information systems and organisation.

The Board sets the compensation of the Chief Executive Officers and Directors, approves the Group's remuneration policy, in particular for traders, and decides on the implementation of stock option and share purchase plans in accordance with the authorisation granted by the General Meeting.

Functioning of the Board

Internal rules govern how the Board of Directors operates. The Board is convened by the Chairman or at the request of one-third of the Board members. At least five meetings are scheduled each year, notably to approve the parent company and consolidated financial statements.

At least once a year, it must devote an item of its agenda to an evaluation of its performance. Similarly, the Board also deliberates at least once a year on the risks to which the Company is exposed. Where appropriate, the Board's opinion is published in press releases issued following its meetings.

Each director receives the information necessary to carry out his or her duties, notably with a view to preparing for each Board meeting. In addition, directors receive any pertinent information – including that of a critical nature – on significant events affecting the Company.

Each director receives the training necessary to fulfil his or her mandate.

Activity report of the Board of Directors for 2009

The Board of Directors met twelve times in 2009, with meetings lasting an average of two hours and 50 minutes. The attendance rate of directors was 82%, compared with 86% in 2008 and 88% in 2007.

The Board approved the annual, half-yearly and quarterly financial statements.

The Board examined the 2009 budget.

In 2009, the Board of Directors decided:

- to propose to the General Meeting of May 19, 2009 the creation of preference shares to be issued to the French Government on May 28, 2009;
- to carry out a capital increase with pre-emptive subscription rights maintained to redeem the shares issued. The preference shares were all redeemed on November 4, 2009.

The Board was kept regularly informed of the developments in the **financial and liquidity crisis** and discussed its consequences for the Group, notably in terms of risks and capital.

It reviewed the Group's global **strategy** as well as the strategies in the following areas:

- Asset management (notably the creation of Amundi, an asset management company controlled by Credit Agricole SA and Societe Generale);
- Corporate and Investment Banking;
- developments in Russia;
- Business Continuity Plans;
- Human Resources management.

The Board reviewed the Group's status with respect to **risk exposure**. It approved the overall market risk limits. It examined the annual reports submitted to the French Banking Commission (*Commission bancaire*) on risks and internal control, as well as the responses to the follow-up letters drafted after the Banking Commission's audits. It was kept informed of the progress of SGIB's Fighting Back project, specifically via a report by PWC, which was entrusted with this task in 2008.

In terms of **remuneration**, the Board reviewed the compensation of the Chief Executive Officers and Directors given the change in governance method in May 2008 and the AFEP-MEDEF recommendations in November 2008 (cf. chapter on remuneration below). It also defined the Group's strategy in terms of remuneration of traders following the decisions made by the G20 and the French Government. It decided to implement two stock option plans, the distribution of free shares and a capital increase reserved for employees as part of the Group's Global Employee Share Ownership Plan.

The Board also prepared the resolutions submitted to the Annual General Meeting as well as the Extraordinary Meeting held on July 6, 2009.

Audit, Internal Control and Risk Committee (formerly the Audit Committee)

Societe Generale has had an Audit Committee since 1995. This Committee, which in 2010 was renamed the Audit, Internal Control and Risk Committee, fulfils all the duties given to an Audit Committee by directive 2006/43/EC. On January 1, 2010, it was composed of five directors, Ms. Lulin, Ms. Rachou and Messrs. Castaigne, Osculati and Wyand, 4 of whom are independent directors, and chaired by Mr. Wyand. All the members are specially qualified in the financial and accounting fields, risk analysis and internal control, as they hold, or have held, positions as bankers, chief financial officers or auditors. The Audit, Internal Control and Risk Committee plays the following roles:

- ensuring monitoring of the process for drawing up financial information, particularly examining the quality and reliability of the systems in place and making suggestions for their improvement;
- analysing the draft financial statements to be submitted to the Board in order in particular to verify the clarity of the information provided and to offer an assessment of the relevance and consistency of the accounting methods used to draw up parent company and consolidated financial statements;
- ensuring that the Statutory Auditors are independant, in particular by reviewing the breakdown of the fees paid by the Group to them as well as to the network to which they may belong and through prior approval of all assignments that do not fall within the framework of a statutory audit of accounts, but which may be the consequence of, or a supplement to, the same, all other assignments being prohibited; implementing the procedure for selecting the Statutory Auditors and submitting an opinion to the Board of Directors concerning the appointment or renewal of such as well as their remuneration;
- examining the work programme of the Statutory Auditors and more generally ensuring the supervision of account monitoring by the Statutory Auditors;
- offering an assessment on the quality of internal controls, in particular the consistency of risk assessment, monitoring and management systems and proposing additional actions accordingly where appropriate. To this end, the Committee shall in particular:
  - review the Group's internal audit programme and the annual report on internal control drawn up in accordance with banking regulations, and formulate an opinion on the organisation and operation of the internal audit departments,
  - review the follow-up letters sent by the French Banking Commission (*Commission bancaire*) and issue an opinion on draft responses to these letters,
  - examine the market risk and structural interest rate risk control procedures and be consulted about setting risk limits,
  - formulate an opinion on the Group's global provisioning policy, as well as on specific provisions relating to large sums,
  - examine the annual risk assessment and control procedures report in accordance with French banking regulations,
  - review the policy concerning risk management and the monitoring of off-balance sheet commitments, in particular in the light of memoranda drafted to this end by the Finance Division, the Risk Division and the Statutory Auditors.

The Statutory Auditors attend Audit, Internal Control and Risk Committee (formerly the Audit Committee) meetings, unless the Committee decides otherwise.

Activity report of the Audit, Internal Control and Risk Committee (formerly the Audit Committee) for 2009

The Committee met eighteen times in 2009 and the attendance rate was 99%.

At each closing of the accounts, the Committee meets alone with the Statutory Auditors, before hearing the presentation of the financial statements by the Chief Financial Officer and the comments of the Group Chief Risk Officer and the Corporate Secretary on all matters pertaining to risks. Since 2002, one of the Chief Executive Officers has attended part of the meetings called to approve the accounts and has discussed the highlights of the quarter with the Committee. More in-depth presentations are given by other managers on certain subjects, notably the principal risks, asset and liability management, internal control and the financial aspects of planned acquisitions. Training and information sessions are organised in response to internal needs and any outside developments.

In 2009, the Committee reviewed the **draft** annual, half-yearly and quarterly consolidated **financial statements** before their presentation to the Board, and submitted its opinion to the Board on these statements. It continued to closely follow the developments in the **financial and liquidity crisis** and its consequences for the Group. In particular, it carried out an in-depth review of the Group's exposure to the US residential mortgage market and the methodology used to value financial instruments linked to this market. On several occasions it examined the liquidity position and the capital level (Tier 1), particularly under the Basel II advanced approach. The committee monitored the implementation of the operational efficiency plan.

As part of its **risk control** responsibilities, the Committee has adopted an in-depth approach to different risk factors. The Committee also reviewed the Group's risk mapping.

As such, it ensures that adequate provisions are booked for the principal identified risks and closely monitors the evolution of major risks, such as credit risk, market risk, structural interest rate, exchange rate or liquidity risk, and legal risk, as well as changes in significant on- and off-balance sheet items. It also reviews the operational risk control structure. The Committee reviews the procedures used to control market risks and is consulted on the annual revision of market risk limits. Notably, it regularly monitors hedge fund risks and examines the annual report on risk assessment and monitoring procedures.

In terms of **internal control**, the Committee continued to influence and monitor the deployment of the new Group internal control measures following the amendments to French banking regulations in this area. It carried out an in-depth review of the Internal Audit function's structure and was kept informed of the significant incidents observed in the area of compliance. It examined the annual report on internal control. It reviewed the schedule for the General Inspection department and audit teams and the procedures for following up audit recommendations. It reviewed the activity of the subsidiaries' Audit Committees to check the effective application of the Group's rules. Since the Special Committee created following the exceptional fraud completed its mission, it has been providing closer monitoring of the "Fighting Back" plan to improve internal controls of market activities. It held several discussions on the progress of the remediation plan with the support of PWC, which was specifically entrusted with this task.

It was also consulted on the draft responses by the Group to the follow-up letters from the French Banking Commission (*Commission bancaire*). The Committee examined the financial aspects of various acquisition projects submitted to the Board and reviewed the progress made on acquisitions and disposals in 2008.

The Committee reviewed several of the Group's activities, particularly from an internal control and risk standpoint (Crédit du Nord, SGSS, Russia, International Retail Banking, French Networks).

It examined certain strategic projects (SGAM-CA AM merger).

Every six months, the Committee is given a financial benchmark which shows the performances of the Group's core businesses in relation to its main competitors. This benchmark is presented to the Board once a year.

The Committee discussed the Statutory Auditors' work schedule and fees for 2009.

Compensation Committee

At January 1, 2010, the Compensation Committee was made up of four directors, Messrs. Cicurel, Folz, Vandevelde and Wyand, three of whom are independent. The Committee is chaired by Mr. Folz, an independent director. The Committee:

- proposes to the Board, in accordance with the guidelines given by the AFEP-MEDEF Corporate Governance Code and with professional standards, the policy governing the remuneration of the Chief Executive Officers and Directors, and particularly the determination criteria, structure and amount of this remuneration, including benefits in kind, such as personal protection insurance or pension benefits, as well as any compensation received from Group companies, and ensures that the policy is properly applied;
- prepares the annual performance appraisal of the Chief Executive Officers or;
- submits a proposal to the Board of Directors for the stock options policy and formulates an opinion on the list of beneficiaries;
- prepares the decisions of the Board relating to the employee savings plan;
- gives the Board of Directors its opinion on the General Management's proposals for the remuneration policy applicable within the Group, particularly regarding financial market professionals, and verifies with the General Management that the policy is being implemented. It also ensures that the General Management and Risk Management and Compliance do in fact cooperate in the definition and application of this policy, as required by professional standards, and that due consideration is given to the opinions of Risk Management and Compliance;
- conducts an annual review of the remuneration policy for financial market professionals and checks that the report made to it by the General Management complies with regulation No. 97-02 on the internal control of credit institutions and is consistent with the applicable professional standards. It receives all the information necessary for it to complete its mission and particularly the annual report sent to the French Banking Commission (*Commission bancaire*) and individual breakdowns of compensation amounts above a threshold that it determines. It calls on the internal audit departments or outside experts where necessary. It submits a report of its work to the Board. The Committee may carry out the same assignments for Group companies monitored by the French Banking Commission (*Commission bancaire*) on a consolidated or sub-consolidated basis;
- it gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

Activity report of the Compensation Committee for 2009

The Compensation Committee met eight times in 2009. The attendance rate of its members was 68% (76% in 2008).

During its meetings, the Committee did the groundwork for the Board's decisions on **the remuneration of the Chief Executive Officers**. It reviewed the AFEP-MEDEF proposals on the Chief Executive Officers' and Directors' remuneration and in particular submitted proposals for changes therein to the Board of Directors to take into account the change to the Group's governance method and the AFEP/MEDEF recommendations of November 2008. It was informed of the Executive Committee members' remuneration. The Committee proposed a review of the allocation of attendance fees following the change to the Company's governance method.

The Committee prepared **the appraisals of the Chief Executive Officers** and discussed them with the Group's other outside directors. It examined the targets of the Chief Executive Officers and Directors submitted to the Board.

The Committee reviewed the principles for trader compensation, in accordance with the new regulations in force. Specifically, it ensured that the remuneration policy was adequately tied to risks.

It also reviewed the terms of the capital increase reserved for employees. Lastly, the Committee proposed two stock option plans to the Board (cf. "Stock options") as well as a plan authorising the distribution of free shares to employees. It proposed the approval of additional profit-sharing for employees.

Nomination and Corporate Governance Committee (formerly the Nomination Committee)

This Committee is composed of the Chairman of the Board and the members of the Compensation Committee. It is chaired by the Chairman of the Compensation Committee. This Committee is assigned the task of submitting proposals to the Board for the nomination of Directors and for the appointment of successors to the Chief Executive Officers and Directors, especially where a position becomes vacant unexpectedly, after carrying out any necessary inquiries.

It proposes appointments to the Board's Committees to the Board.

The Committee carries out preparatory work for examination by the Board of Directors on corporate governance issues. It is responsible for the evaluation of the Board of Directors' performance, which shall be carried out at least once every three years.

It submits a proposal to the Board of Directors for the presentation of the Board of Directors to be included in the Annual Report and notably the list of independent directors.

It gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

The Nomination and Corporate Governance Committee is informed prior to the appointment of any member of the Group's Executive Committee and any functional division heads who do not sit on this committee. It is informed of the list of replacements for these senior managers.

Activity report of the Nomination and Corporate Governance Committee (formerly the Nomination Committee) for 2009

The Nomination and Corporate Governance Committee met seven times in 2009, with an attendance rate of 70% (83% in 2008).

It prepared the Board's review of the Corporate Governance section of the 2008 Annual Report, in particular the section concerning the assessment of directors' independence. The Committee prepared the conclusions of the Board of Directors' self-assessment of their operation.

The Committee prepared **proposals for the appointment of Chief Executive Officers and Directors** to be submitted at the 2009 General Meeting and the Extraordinary Meeting on July 6, 2009. The Committee notably prepared the decision to reorganise the Company's governance following the resignation of Mr. Daniel Bouton.

It prepared **the plan for the appointment of successors** to the Chief Executive Officers and Directors in order to be in a position to make a proposal to the Board at the appropriate time. It examined the plan for the appointment of successors to the members of the Executive Committee.

Appraisal of the Board of Directors and Chief Executive Officers

Each year since 2000, the Board of Directors has devoted part of a meeting to debating the scope of its operations based on the answers provided by the directors in a questionnaire.

Every three years, a highly detailed questionnaire is handed out and the directors are required to provide their answers during an in-depth interview, either with a specialised consultant or with the Board Secretary. For the other two years, the questionnaire comes in abridged format and the directors submit written answers. In both instances, the answers are presented anonymously in a document that serves as a basis for debate by the Board.

The Board draws conclusions from this assessment as to its composition, its operation and its expectations of the management. The implementation of these findings is reviewed during the next yearly assessment.

On January 20, 2009 the Board assessed its operations during the crisis suffered by the company in 2008.

Given the results of this assessment, the Board has decided to improve its analysis of risks and the list of replacements for directors. It also decided on a range of improvements to the informing of directors and organisation of the Board's debates, in the interests of efficiency. Various changes were also made to the organisation of the Audit, Internal Control and Risk Committee's (formerly the Audit Committee) work with the same aim.

Following the change in the Company's governance method, the Board of Directors decided to defer the detailed assessment until spring 2010, which will be carried out by an external consultant as in 2007. During its meeting on September 22, 2009, the Board assessed its operations and that of the Committees. A decision was made to retain the current structure but to broaden or clarify assignments, with the Audit Committee becoming the Audit, Internal Control and Risk Committee and the Nomination Committee becoming the Nomination and Corporate Governance Committee. These changes appear in the new Board of Directors' internal rules adopted on January 12, 2010.

Since 2003, the Chief Executive Officers have undergone a yearly appraisal at a meeting of non-staff appointed directors or Group company directors, an appraisal whose conclusions are communicated to the Chairman by the Chairman of the Nomination Committee.

General Meeting

The by-laws (cf. pages 412 and 413) define the conditions for shareholders' participation in the General Meeting. A summary of these rules can be found in chapter 3 of the Registration Document.

Attendance fees paid to Company directors

The total amount of attendance fees was increased from EUR 780,000 to EUR 1,030,000 by the General Meeting of July 6, 2009.

The new rules for distributing attendance fees amongst directors are as follows as from 2009:

- The Chairman and Chief Executive Officer does not receive any attendance fees;
- The global amount of attendance fees is divided into two parts: one fixed part equal to one-third of the global amount and one variable part equal to the remaining two-thirds. The Vice-Chairman benefits *prorata temporis* from an allocation equal to 35% of the fixed part. The balance of the fixed part is distributed *prorata temporis* as follows:
  - four shares for the Chairman of the Audit, Internal Control and Risk Committee,
  - three shares for the Members of the Audit, Internal Control and Risk Committee,
  - two shares for the Chairman of the Nomination and Corporate Governance and Compensation Committees,
  - one share for the other directors.
- The variable part is distributed among directors on the basis of the number of Board meetings and Committee meetings attended by each director over the year.

Compensation and benefits in kind awarded to the Chief Executive Officers and Directors and the disclosure of information as provided for in article L. 225-100-3 of the French Commercial Code

The information in the Chairman's Report that describes the principles and rules defined by the Board of Directors to calculate the compensation and benefits in kind awarded to the Chief Executive Officers and Directors can be found in this chapter under the heading "Remuneration policy" below.

The section "Information about article L. 225-100-3 of the French Commercial Code" can be found in chapter 3.

REMUNERATION POLICY

Group remuneration policy

The Group remuneration policy is defined by regulators and French professional principles and standards.

The policy is generally based on principles and processes common to the whole Group.

The key principles are:

- adopting a global approach to remuneration that takes account of the objectives and context of the core businesses as well as the economic, social and competitive context;
- recognising individual and collective performances, based on objectives that include financial and non-financial criteria;
- increasing the company loyalty of key talent and executives through long-term profit-sharing plans;
- promoting employee share ownership to strengthen the cohesion of the Group;
- internal governance specific to remuneration based on regulations defined for each core business and a salary revision process structured and managed by the Group Human Resources Department;
- respecting the Group's governance rules and financial principles, and local corporate, legal and fiscal legislation.

In terms of the executive management, the Board of Directors confirmed on November 5, 2008 that the Code of Governance of the French Business Confederation (AFEP-MEDEF) was its reference code and adhered to the AFEP-MEDEF recommendations of October 6, 2008 on the remuneration of executive officers of listed companies.

In terms of the remuneration of market professionals, Societe Generale will strictly apply the rules and recommendations adopted by the regulatory authorities of the main countries in which its market activities are based, including the French ministerial act of November 3, 2009, professional standards established by the French Banking Federation on February 4 and November 5, 2009 and principles resulting from the G20 summit in Pittsburgh on September 25, 2009. As such, at a global level, the Group has adapted its policy on the remuneration of market professionals whose activities are liable to have a substantial impact on its risk exposure.

Strengthening of governance

The Group's remuneration policy is defined by the General Management, based on a proposal by the Group Human Resources Department. It is validated by the Board of Directors, after consultation with its Compensation Committee, which ensures that it is applied appropriately.

Role of the Compensation Committee

In 2009, the role of the Compensation Committee was broadened as part of the new governance system implemented in order to meet the AFEP-MEDEF recommendations and the professional standards established by the French Banking Federation in compliance with French banking regulations. As such, before giving its opinion to the Board, the Compensation Committee:

- examines the policies, principles and structures governing remuneration for the whole Group, proposed by the Group Human Resources Department and agreed upon by the Group's General Management and Executive Committee, and verifies with the General Management that they are being appropriately implemented;
- reviews the overall amounts allocated in terms of basic salary increases for the current year and performance-linked pay for the previous year;
- receives all the information required to carry out its task, particularly information on individual remuneration above a certain threshold.

Accordingly, the Compensation Committee meetings held on January 12 and February 15, 2010 enabled the Committee to ensure that all remuneration policies, principles and structures are being appropriately applied before submitting its opinion to the Board, which ruled on these issues during its meeting on February 17, 2010.

Internal governance rules for management

The General Management has defined a system of delegation and management of remuneration which applies to the whole Group. Through this system, delegations are implemented which, depending on the nature and level of certain decisions regarding remuneration, may require validation by the General Management or the Group Human Resources Department. Moreover, the Group Human Resources Department is responsible for coordinating the process for reviewing individual situations (basic salary, performance-linked bonus, stock options and/or shares), with a series of validation stages at subsidiary, core business, Group Human Resources Department and finally General Management level. Validation covers policy, budgets and individual allocations, with the Group Human Resources Department ensuring the consistency of the overall process. The legal and regulatory obligations in force in the various entities and countries are included in this process.

Role of the Risk and Compliance Division

The remuneration system for risk management and compliance staff is based on specific objectives and is in no way directly linked to the performance of market professionals or the profits of the activities that they monitor. Their remuneration is set independently from that of the businesses that they monitor or audit, and is set at a sufficient level to ensure that staff are appropriately qualified and experienced.

As of 2009, the risk management and compliance divisions have been involved in the review process of performance-linked pay for financial market professionals. As such, they were consulted by the General Management regarding the implementation of the remuneration policy for market professionals. Specifically, they assessed the risk management and compliance by various sub-businesses at Corporate and Investment Banking and by their principal supervisors.

Transparency

In accordance with the provisions of the ministerial act of November 3, 2009, as enacted in the French Banking Federation's professional standards of November 5, 2009 governing the remuneration of executive officers and financial market professionals whose activities are liable to have an impact on the bank's risk exposure, Societe Generale committed to:

- provide the French Banking Commission (*Commission bancaire*) with an annual report on the remuneration policy governing such professionals [(1)];
- publish the annual qualitative and quantitative information requested on the remuneration of these staff [(2)].

Deferred remuneration in order to discourage excessive risk taking by financial market professionals

Societe Generale already applied a certain number of recommendations from the professional standards defined by the French Banking Federation governing the allocation of performance-linked pay in 2009, in particular:

- the acquisition of a substantial portion of performance-linked pay by financial market professionals was already deferred and spread out over three years;
- this deferred remuneration was either in the form of Societe Generale shares, or a fund indexed to the change in Societe Generale's share price;
- since 2008, a portion of deferred remuneration has been contingent on a minimum performance condition being met by Corporate and Investment Banking;
- employees are prohibited from using individual hedging or insurance strategies during the remuneration deferral period;
- the cost of risk and the cost of capital were already taken into account in Corporate and Investment Banking's overall performance-linked pay.

Regulations governing the application of these principles were tightened again in 2009 in order to meet the new requirements of both French and foreign supervisors and regulators, particularly in the United States and the United Kingdom, notably in terms of the deferred portion and length of deferral. Regulations governing the 2009 remuneration policy and the quantitative information requested will be published in a separate dedicated report at a later date.

Remuneration principles and individual situation of Chief Executive Officers

Remuneration principles for Chief Executive Officers

Since 2005, the remuneration of Chief Executive Officers has been determined according to the principles proposed by the Compensation Committee and validated by the Board of Directors. It is compliant with the recommendations of the AFEP-MEDEF Corporate Governance Code (point 20), the commitments made under the agreement signed on October 23, 2008 between the Government and the Societe Generale Group, the provisions of the decree of March 30, 2009 governing the remuneration of the executive management of companies that have received or are receiving Government support, amended by the decree of April 20, 2009, and the ministerial act of November 3, 2009.

(1) in accordance with article 43.1 of the act governing remuneration of staff whose activities are liable to have an impact on the risk exposure of credit institutions and investment companies.

(2) in accordance with article 43.2 of the same act.

This policy meets the AFEP-MEDEF principles of:

- **exhaustiveness**: all elements of remuneration must be considered in the overall assessment of Chief Executive Officers' remuneration;
- **balance** between the different elements of remuneration in terms of the company's objectives, comparison with peers and consistency with other members of the company's management;
- **readability** and **transparency of regulations**, as presented in this document;
- **balance** between the company's general interest, market practices and the company's performance.

In terms of current remuneration, the structure adopted aims to strike a balance between rewarding short-term performance (performance-linked bonus) and medium-term performance (allocation of stock options) in order to encourage a continuous, lasting performance. Short-term performance is assessed based both on objective quantitative performance (performance in relation to peers) and qualitative performance in order to take account of the achievement of objectives assigned to Chief Executive Officers.

Remuneration of Chief Executive Officers excluding allocations of stock-options is made up of the following three elements:

1. a basic salary which takes into account experience, responsibilities and market practices;
2. a performance-linked component which represents the contribution of Chief Executive Officers to the success of the Societe Generale Group. It is equivalent to a percentage of the basic salary set by the Board meeting which approves the year's financial statements and is capped at 200% of basic salary for 2008 and 2009. It is made up of two parts:

- a quantitative portion, which, since 2007, has compared the Group's performance with a sample of fourteen other major listed European banks in terms of the annual variation in earnings per share (EPS). The performance-linked component related to this quantitative analysis initially varied between 0% and 140% of the basic salary, but the upper limit was subsequently reduced to 115% in 2008. The lowest rate corresponds to a variation in EPS which is at least 15 points lower than the average, and the highest rate corresponds to a variation in EPS which is at least 25 points higher than the average, with a level of variation in EPS that is in line with the average corresponding to a rate of 41%. In the event of a particularly low, even negative, variation in EPS, the amount generated by this scale may be lowered by the Board.
- a qualitative portion, based on the achievement of key objectives underpinning the success of the Company's strategy, and set ahead of the fiscal year. The performance-linked component related to these criteria initially varied between 0% and 100% of the basic salary, but the upper limit was reduced to 85% in 2008.

In accordance with the decree of March 30, 2009 governing the remuneration of the executive management of companies that have received or are receiving Government support, amended by the decree of April 20, 2009, these performance objectives are predefined and are not linked to the Company's share price.

Over recent years, and on the suggestion of the Compensation Committee, the Board of Directors has tightened its policy governing Chief Executive Officers:

- in **2007**, a performance condition was introduced in the Chief Executive Officers' performance-linked pay, which compares Societe Generale's performance to its main competitors. This condition, applied since 2007 to the quantitative element of performance-linked pay, has enabled the Group to reinforce its objective aspect, by comparing performance to competitors, and variable aspect, by bringing it more into line with the rises and falls in the Group's relative performance and less with the median performance of competitors;
- during **2008**, the Board of Directors decided to reduce the maximum amount for performance-linked pay. In the case of the Chairman, the maximum amount for performance-linked pay is 60% of the basic salary based on the achievement of objectives set by the Board and the Group's performance. For the Chief Executive Officer and Deputy Chief Executive Officers, the maximum amount for performance-linked pay is 200% of the basic salary (vs. 240% previously), with a maximum of 115% of the basic salary for the quantitative criteria (vs. 140% previously) and 85% for the qualitative criteria (vs. 100% at the start of 2008) (1);
- in **2009**, in order to conform with the decrees of March 30 and April 20, 2009, the Board of Directors amended the policy governing the performance-linked pay of Chief Executive Officers:
  - by limiting the system above to 2009;
  - by deciding that performance-linked pay would no longer be allocated if the Company's situation required it to make major redundancies during the validity of the agreement signed with the Government governing the banking support system.

The performance-linked component paid to the Chief Executive Officer and Deputy Chief Executive Officers is reduced by the amount of any attendance fees they may receive, both from Societe Generale Group companies and companies outside the Group of which they are directors.

(1) This cap complies with the AFEP-MEDEF Corporate Governance Code, point 20-2-3.

The Chief Executive Officers have their own company car and insurance, and enjoy the same benefits in terms of health cover and death/invalidity insurance as their staff.

Allocations of stock options to Chief Executive Officers [1]

In order to more closely involve the executive management in the Company's long-term development policy, the Board of Directors may decide, as part of the authorisations given by the General Meeting and the stock option and free share allocation plans for the Group's employees, to allocate stock options or share subscriptions to the Chief Executive Officers. In accordance with the AFEP-MEDEF recommendations, separate rules are applicable to Chief Executive Officers and Directors, notably conditions governing performance, holding period, custody and rules prohibiting hedging [1]. The Chief Executive Officers have undertaken not to hedge the stock options awarded to them throughout their term of office. These rules are detailed below. The general features of stock option plans are described on pages 95 to 97.

The performance condition for the 2007 and 2008 plans relates to the annualised Total Shareholder Return (TSR or change in stock price and capital dividends) for the Societe Generale share over three years (2007, 2008 and 2009) compared with the average annualised TSRs for a panel of 14 banks.

The "change in stock price" is defined as the change between:

1. the arithmetical mean of closing prices observed on trading days from October 1 to December 31, 2006 inclusive (for the 2007 plan), and from October 1 to December 31, 2007 inclusive (for the 2008 plan), and
2. the arithmetical mean of closing prices observed on trading days from October 1 to December 31, 2009 inclusive (for the 2007 plan), and from October 1 to December 31, 2010 inclusive (for the 2008 plan).

Using averages is a means of avoiding making the fulfilment of the performance condition dependent on a spot price.

The "average annualised TSRs for the panel of 14 banks" is the arithmetical mean of the annualised TSR of the 7th bank and the annualised TSR of the 8th bank in the panel.

The benchmark sample of banks in the panel consists of the 14 largest banks by market capitalisation in the European Economic Area and Switzerland, excluding banking groups controlled by mutual or cooperative companies and those whose Group net income includes a proportion of profits from insurance activities that represents at least 35%.

The number of options acquired for the 2007 and 2008 plans is calculated as follows:

- if Societe Generale's TSR based on this calculation is 10 points lower than the average TSR, no options are acquired;
- if Societe Generale's TSR is equal to the average TSR, 35% of the options are acquired;
- if Societe Generale's TSR is 15 points higher than the average TSR, 100% of the options are acquired;
- between -10 points and 0 and between 0 and +15 points, there is a linear increase in the number of options acquired.

From 2009 onwards and in order to take into account the fact that all stock option allocations (compared to 60% previously) are conditional on the Group's future performance, the rules used to calculate the number of options acquired have been adapted:

- if Societe Generale's TSR based on this calculation is 15 points lower than the average TSR, no options are acquired;
- if Societe Generale's TSR is equal to the average TSR, 50% of the options are acquired;
- if Societe Generale's TSR is 15 points higher than the average TSR, 100% of the options are acquired;
- between -15 points and 0 and between 0 and +15 points, there is a linear increase in the number of options acquired.

These new rules are more stringent than previously. As such, in the event that Societe Generale's performance is equivalent to the median of its peers, only 50% of the options allocated will be acquired compared to 61% previously.

2007 Plan

The Board of Directors meeting of January 19, 2007 decided to allocate stock options to the Chairman and Chief Executive Officer and Deputy Chief Executive Officers:

- **for Mr. Bouton, Chairman and Chief Executive Officer:** 150,000 stock-options were allocated, 40% of which (i.e. 60,000 stock-options) were subject to the condition of attendance and 60% (i.e. 90,000 stock-options) were subject to attendance and the relative performance condition described above;

(1) AFEP-MEDEF Corporate Governance Code (point 20-2-3)

- **for Messrs. Citerne and Alix, Deputy Chief Executive Officers**: 60% (i.e. 90,000 options) and 40% (i.e. 60,000 options) of the number of options allocated to the Chairman and Chief Executive Officer were allocated to Mr. Citerne and Mr. Alix respectively, under the same conditions.

Based on Societe Generale's comparative performance at December 31, 2009, the lower limit of -10 points versus the median was not achieved. As a result, the 180,000 conditional options allocated to the Chief Executive Officers were lost.

Consequently, the final allocation to the Chief Executive Officers was as follows:

	Total options allocated (1)	O/w conditional options (1)	Total options acquired (1)
Mr. Bouton (Chairman and CEO)	150,000	90,000	60,000
Mr. Citerne (Deputy CEO)	90,000	54,000	36,000
Mr. Alix (Deputy CEO)	60,000	36,000	24,000
TOTAL	300,000	180,000	120,000

(1) excluding adjustments following capital increases with PSRs

The strike price of these options is EUR 115.60.

2008 Plan

In light of the exceptional fraud discovered in January 2008, the Board of Directors meeting on January 30, 2008 decided not to allocate stock options to Messrs. Bouton and Citerne in 2008. Messrs. Oudéa (who was Deputy Chief Executive Officer at the time), Alix and Cabannes (who was not yet a Chief Executive Officer) respectively received 50,000, 60,000 and 16,145 options under the conditions described above as part of the plan of March 21, 2008. The strike price of these options is EUR 63.60.

For Mr. Oudéa and Mr. Alix, Chief Executive Officers at the date of the Board meeting for the allocation of the stock option plan, 60% of the options allocated under the 2008 plan are subject to a performance condition and are acquired under the above terms and conditions.

2009 Plan

The Board of Directors meeting of March 9, 2009 decided to allocate a total of 320,000 stock options to Messrs. Bouton, Oudéa, Alix and Cabannes, all of which (vs. 60% previously) were subject to the same performance conditions as the previous allocations (relative TSR annualised over 3 years). However, the parties refused the allocation.

2010 Plan

In accordance with the commitment made when the capital increase with PSRs was announced in November 2009, the Chief Executive Officers will not benefit from any allocation of stock options in 2010, despite the fact that the financial instruments subscribed to by the State were redeemed thanks to this transaction.

Individual remuneration of Chief Executive Officers

SITUATION OF MR. DANIEL BOUTON, FORMER CHAIRMAN

Mr. Bouton resigned from his role as Chairman on May 6, 2009. He did not receive any performance-linked pay for 2008 and refused all stock option allocations.

As Chairman, his basic annual salary was set at EUR 700,000. He earned EUR 245,003 in 2009.

In 2009, Mr. Bouton received attendance fees for 2008 in the amount of EUR 45,176.

SITUATION OF MR. FREDERIC OUDEA, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and Chief Executive Officer's basic annual salary is EUR 850,000. This figure remained unchanged when Mr. Oudéa was appointed Chairman and Chief Executive Officer following Mr. Bouton's resignation.

At Mr. Frédéric Oudéa's suggestion, the Board of Directors' meeting on January 20, 2009 decided not to pay him the performance-linked component in respect of the 2008 fiscal year. Mr. Oudéa also refused any allocation of stock options in 2009 and 2010.

Mr. Oudéa terminated his employment contract when he was appointed Chairman and Chief Executive Officer. As compensation for losing his entitlement to pension benefits, he will receive additional remuneration, which amounted to EUR 195,000 in 2009.

DEPUTY CHIEF EXECUTIVE OFFICERS

Messrs. Citerne and Alix retired on April 30 and November 30, 2009 respectively. Neither of them received any performance-linked pay for 2008, and they both refused any allocation of stock options in 2009.

As Deputy Chief Executive Officers, Messrs. Citerne and Alix's basic annual salaries were EUR 750,000 and EUR 500,000 respectively. They earned EUR 250,000 and EUR 458,337 in 2009 respectively.

In 2009, Mr. Citerne received attendance fees for 2008 in the amount of EUR 23,143.

As Deputy Chief Executive Officer, Mr. Cabannes' basic annual salary is EUR 400,000. He did not receive any performance-linked pay for 2008 and refused any allocations of stock options for 2009 and 2010.

Performance-linked amounts in respect of the 2009 fiscal year for the Chairman and Chief Executive Officer and Deputy Chief

Executive Officers shall be set by the Board in April 2010 after assessing Societe Generale's performance in relation to its peers and the appraisal of the Chairman and Chief Executive Officer and Deputy Chief Executive Officers based on the objectives set by the Board.

Share holding and ownership obligations [1]

In 2002, the Board of Directors decided that the Group's Chief Executive Officers should hold a minimum number of Societe Generale shares. The Board of Directors' meeting of January 20, 2009 set this number at:

- 30,000 shares for the Chairman and Chief Executive Officer;
- 15,000 shares for Deputy Chief Executive Officers.

This minimum must be reached at the end of a five-year mandate. When this is not the case, the executive officer must keep the shares acquired from the exercising of options after deducting the cost of financing the said exercising of options and corresponding social security charges and taxes, as well as the shares acquired under free share plans.

Former employees may hold shares directly or indirectly through the Company Savings Plan.

In addition, and in accordance with the law, Chief Executive Officers are required to hold a proportion of the shares acquired using the options awarded under stock option plans in a registered account until the end of their mandates.

This proportion has been set by the Board at 40% of the capital gains made on exercising the options, net of tax and any other mandatory deductions and minus any capital gains used to finance the acquisition of the shares. However, where the value of the shares held by officers exceeds their annual basic salary, by double for the Deputy Chief Executive Officers, or by three times for the Chairman and Chief Executive Officer, the proportion of shares that must be held until the end of their mandates shall be reduced to 20% of net capital gains.

The Chief Executive Officers are therefore required to hold a large and increasing number of shares.

Each year, the Chief Executive Officers must provide the Board of Directors with the necessary information to ensure that these obligations are met in full.

Post employment benefits

Supplementary pension plan [2][3]

Regarding benefits awarded after the end of their mandates, Messrs. Bouton, Citerne and Alix retain the benefits of the supplementary pension plan for the company's senior managers, which applied to them as employees prior to their initial appointment as Chief Executive Officers. This plan entitles its beneficiaries, upon the liquidation of their pension rights by the French Social Security, to a pension payment equal to a percentage of their pensionable earnings, calculated according to the number of annuities taken into account and capped at 70% of said remuneration in the event of liquidation at the age of 60. The total pension amount is increased for beneficiaries who have brought up at least three children, as well as for those retiring after 60. The annuities taken into account by virtue of their years of professional service shall extend both to their years of service as employees and to their mandates as Chief Executive Officers. A person's pensionable earnings include their basic salary plus a variable component which is equal to 5% of their basic salary. The pension paid by the Company is equal to the difference between the total pension defined above and all other retirement pensions or similar paid by the French Social Security, as well as any other retirement benefits linked to the salaried status of the beneficiaries. 60% of said pension shall be paid to any surviving spouse in the event of the death of a beneficiary.

Mr. Bouton, who resigned from his employment contract on May 12, 2008, has not acquired any additional retirement benefits since this date. His rights to the supplementary pension plan for the company's senior managers, which applied to him as an employee prior to his initial appointment as a Chief Executive Officer, were set at that date.

Mr. Citerne retired and resigned from his executive mandate on April 30, 2009. Mr. Alix retired on November 30, 2009 and resigned from his executive mandate on the same date. The annual pensions payable by Societe Generale for Messrs. Citerne and Alix amount to EUR 351,637 and EUR 359,916 respectively.

Supplementary pension allocation plan

Mr. Cabannes retains the benefits of the supplementary pension allocation plan for senior managers which applied to him as an employee prior to his initial appointment as a Chief Executive

(1) AFEP-MEDEF Corporate Governance Code (point 20-2-3)

(2) Regulated agreements with Messrs. Bouton, Citerne and Alix approved by the 2006 and 2007 General Meetings.

(3) Regulated agreement with Mr. Cabannes approved by the 2009 General Meeting.

Officer. This supplementary plan was introduced in 1991. It provides beneficiaries, upon the liquidation of their French Social Security pension, with a total pension equal to the product of the following:

- the average, over the last ten years of their career, of the proportion of basic salaries exceeding "Tranche B" of the AGIRC pension augmented by a variable component limited to 5% of basic salary;
- the rate equal to the ratio between a number of annuities corresponding to the years of professional service within Societe Generale and 60.

The AGIRC "Tranche C" pension acquired in respect of their professional service within Societe Generale is deducted from this total pension. The additional allocation to be paid by Societe Generale is increased for beneficiaries who have brought up at least three children, as well as for those retiring after 60. It may not be less than a third of the full rate service value of the AGIRC "Tranche B" points acquired by the executive concerned since gaining "Outside Classification" status.

The rights are subject to the employee being present in the Company upon liquidation of his pension.

As Mr. Oudéa terminated his employment contract by resigning when he was appointed Chairman and Chief Executive Officer, he no longer benefits from this plan. He has no right to a supplementary pension from Societe Generale.

Severance pay [1]

Mr. Cabannes does not benefit from any provision for compensation in the event that he is required to step down from his position as a Chief Executive Officer.

In the case of Mr. Oudéa, in the event that he leaves the office of Chairman and Chief Executive Officer:

- he would be bound for one year by a non-compete clause in relation to a listed French bank or financial institution. In exchange, he could continue to receive his basic salary for one year;
- if his departure is not the result of failure or resignation, he would be entitled to two years' remuneration (fixed and performance-linked) and, where necessary, any other compensation due by virtue of leaving office. This compensation would be subject to fulfilment of the performance condition of average Group ROE after tax (assessed for the two fiscal years preceding his departure) in excess of that achieved by the lowest quartile of Societe Generale's peers (the benchmark sample consisting of the 14 largest banks by market capitalisation in the European Economic Area and Switzerland at December 31 of the year preceding his departure).

Mr. Bouton did not receive any compensation when he ended his term of office as Chief Executive Officer and terminated his employment contract in May 2008, nor when he ended his role as Chairman on May 6, 2009.

Although the employment contract held by Mr. Cabannes prior to his appointment is suspended during his term of office, the compensation provided for in said contract shall remain due in the event of its unilateral termination, based on the compensation in force on the date it was suspended. Messrs. Citerne and Alix, who were also employees before being appointed Chief Executive Officers, benefited from retirement severance pay calculated on this basis.

AFEP-MEDEF recommendations

On November 5, 2008, Societe Generale's Board of Directors examined the recommendations defined by the AFEP-MEDEF (French business confederation) regarding the remuneration of Chief Executive Officers and has decided to apply them.

As a result, the Board of Directors has taken the following decisions with regard to the Chief Executive Officers:

- in application of the principle prohibiting executive mandates being held together with an employment contract [2], Frédéric Oudéa, Chief Executive Officer and subsequently Chairman and Chief Executive Officer, resigned from his employment contract on May 6, 2009, which had been suspended until this date. Since the termination of the employment contract will lead to the loss of benefits from the pension plan to which he was entitled as a salaried manager of Societe Generale, he shall receive compensation of EUR 300,000 per year, which shall be subject to income tax and social security contributions. This compensation is paid in addition to his basic salary but is not taken into consideration for the calculation of the performance-linked component.
- the Chairman and Chief Executive Officer's severance pay is capped in accordance with point 20-2-4 of the AFEP-MEDEF Corporate Governance Code;
- supplementary pension plans are managed in accordance with point 20-2-5 of the AFEP-MEDEF Corporate Governance Code (see above);
- additional requirements were set for share purchase or subscription options: for all Chief Executive Officers, the stock options allocated by the Board meeting of March 9, 2009, which were refused by all Chief Executive Officers, were all subject to a performance condition (compared to 60% previously) in accordance with point 20-2-3 of the AFEP-MEDEF Corporate Governance Code (see above).

(1) AFEP-MEDEF Corporate Governance Code (point 20-2-4)
(2) AFEP-MEDEF Corporate Governance Code (point 19)

In addition, the following principles detailed in the AFEP-MEDEF Corporate Governance Code enacted in late 2008, and which are already in place, were reconfirmed:

- contingency of the Chief Executive Officers' performance-linked pay on performance criteria;
- additional pension plans are not reserved only for Chief Executive Officers;
- Chief Executive Officers must hold a portion of the shares allocated until the end of their term of office;
- all discounts on the strike price of options are prohibited.

The standardised presentation of Chief Executive Officers' remuneration, drawn up in accordance with paragraph 21-2 of the AFEP-MEDEF Corporate Governance Code and the December 2008 recommendations of the French Securities Regulator, is presented below. The individual remuneration of each individual Chief Executive Officer is compared to that received for the previous fiscal year and broken down into basic salary and performance-linked pay.

Remuneration of the other members of the Executive Committee who are not Chief Executive Officers

In the case of the Chairman of Crédit du Nord, the Board of Directors of Crédit du Nord, on the proposal of the Compensation Committee, sets his basic salary and performance-linked pay, which is related directly to the company's performance.

The remuneration of the other members of the Executive Committee, which is set by the General Management, also comprises two parts:

- a basic salary, determined according to each member's responsibilities and taking into account market practices;
- performance-linked pay, set at the discretion of the General Management, which depends on both the Group's results and the individual's performance over the previous fiscal year.

In addition to this remuneration, senior managers also benefit from the general incentive schemes established under the company's collective agreements, like all employees. They do not receive any attendance fees for their directorships within or outside the Group, with any such fees being paid to Societe Generale.

Executive Committee members are required to hold 5,000 Societe Generale shares. As long as the minimum number of shares has not been reached, the senior manager must keep the shares acquired from the exercising of options as well as the shares acquired under free share plans.

Shares may be held directly or indirectly through the Company Savings Plan.

Each year, Executive Committee members must provide the Board with the necessary information to ensure that these obligations are met in full.

Since 2009, members of the Group's Management Committee have been required to hold 2,500 Societe Generale shares and are prohibited from hedging their shares or options.

Finally, Executive Committee members have their own company car.

In 2009, remuneration was as follows (in millions of euros):

	Basic salary	Performance-linked pay	Total remuneration
Other members of the Executive Committee at Dec. 31, 2009 (1)	3.16	Undisclosed	Undisclosed

(1) These amounts include the annual salaries of Mrs. Marion-Bouchacourt, Mrs. Mercadal-Delassalles and Messrs. Hauguel, Le Bret, Mattei, Ottenwaelter, Pérétié, Py, Ripoll, Sammarcelli, Suet and Valet.

Stock options and free share plans for employees

General policy

Following the approval of and as part of the authorisations given by the General Meeting in 2005, the Board of Directors may allocate free shares to the Group's employees and Chief Executive Officers on top of any options to purchase or subscribe to Societe Generale shares. Furthermore, since 2005, the attribution of these financial instruments has been booked under personnel expenses in the company's financial statements. At the proposal of the Compensation Committee, the Board has defined the following policy.

The awarding of stock options and free Societe Generale shares is intended to motivate, secure the long-term loyalty of and reward three categories of employee. The first category comprises employees who have made a significant contribution to the Group's results with respect to their responsibilities. The second category is made up of high-potential employees, whose expertise is highly sought-after on the labour market. The third category is aimed at employees whose work has proved extremely valuable to the company. Free shares are also awarded to GIMS and SGCIB personnel as part of the remuneration policy and policy for encouraging staff loyalty.

As the awarding of stock options or free shares to personnel is henceforth booked as an expense for the Company in accordance with IFRS 2, the Board of Directors has defined a policy that factors in said expenses when determining any benefits to be awarded and has decided to combine the two instruments together. The Chief Executive Officers shall only be awarded stock options. The members of the Executive Committee, Management Committee and other senior managers are allocated both stock options and free shares in varying amounts according to their level of responsibility, with the number of options decreasing proportionately. Other non-executive employees shall be allocated free shares only. For the first time in 2009, the allocation of free shares has been extended to non-managers and employees outside France.

Allocations to Chief Executive Officers are entirely contingent on the Group's future performance. For other Group executives, managers and experts, half of allocations are contingent on a performance condition. In accordance with the AFEP-MEDEF's recommendations, conditions linked to the Group's performance are set in advance and stringent.

In general, these stock options are vested for a period of seven years and are exercisable after three years. Moreover, the exercise of said options is subject to the beneficiary holding a valid employment contract on the date when the options are exercised. In view of the tax regime in force in France, beneficiaries resident for tax purposes in France may not transfer the shares received upon exercising their options until the fourth year following the exercise date. In accordance with the AFEP-MEDEF Corporate Governance Code, no discount is applied and allocations are made during the same calendar period [1].

Conditions for acquiring options and monitoring performance conditions

For Chief Executive Officers, specific performance conditions based on relative TSR compared to Societe Generale's peers have been in place since 2007. This condition is based on TSR over three years, i.e. over the 2007- 2009 period for the 2007 plan. The minimum performance condition for the 2007 plan was not achieved and, as a result, all performance-linked options initially allocated to Chief Executive Officers were lost.

For other Group employees, the acquisition of stock options and free shares is subject to the beneficiary's presence within the company at the acquisition date and, since 2006, for certain allocations, to the Group's performance. In light of the financial crisis, the ROE and EPS performance conditions for the 2006, 2007 and 2008 plans were not achieved and the shares and options subject to this condition were therefore not acquired. As such, all performance-linked options and shares initially allocated to the Group's non-executive directors, managers and experts were lost. This represented around half of total allocations made to employees.

2009 Plan

At the proposal of the Compensation Committee, the Board of Directors, at its meeting of January 20, 2009, allocated free shares to certain members of staff in application of resolution sixteen of the General Meeting of May 27, 2008. The allocation has been extended to employees who are non-resident for tax purposes in France, and to non-senior managers. The Board meeting on January 20 also discussed the principles and volumes in respect of a stock option plan, as well as the conditions, notably a performance condition, applicable to certain allocations. The Board came to a decision on the stock option plan on March 9, 2009 in accordance with the principles decided by the Board meeting on January 20.

As regards free shares, 3,074,231 shares were allocated to 4,760 Group employees, representing 0.53% of the share capital. Of the 4,760 beneficiaries, 1,493 (31%) were women, while 78 non-senior managers received an allocation. 622,002 of the 3,074,231 shares were allocated subject to the fulfilment of a minimum profitability condition, namely an arithmetical mean of the Group's earnings per share (EPS) over the fiscal years 2009 to 2011 of more than or equal to EUR 7.50.

There are two vesting periods according to whether the shares are allocated to beneficiaries resident for tax purposes in France or beneficiaries non-resident for tax purposes in France, this aspect being assessed on the allocation date. For beneficiaries resident for tax purposes in France, the allocation of shares shall become definitive after three years, and for beneficiaries non-resident for tax purposes in France, after four years.

The definitive acquisition of shares is subject to the beneficiary possessing a valid employment contract at each of the stages. In accordance with French legislation, the shares may not be transferred for two years following their definitive acquisition. This last measure does not apply to beneficiaries who are non-resident for tax purposes in France.

(1) AFEP-MEDEF Corporate Governance Code (point 20-2-3)

As regards the stock option plan, 881,001 options were allocated to 778 employees, representing 0.15% of the share capital. The strike price of these options was set at EUR 24.45, with no discount on the rounded average market price of the Societe Generale share during the twenty trading days preceding the meeting of the Board of Directors. Of the 778 beneficiaries, 121 (16%) were women, with subsidiary employees accounting for 35% of all beneficiaries. Of the 881,001 stock options, 440,141 were allocated subject to the achievement of minimum profitability targets, namely an arithmetical mean of earnings per share (EPS) for the Societe Generale Group of more than EUR 7.50 for the 2009, 2010 and 2011 fiscal years.

All told, free shares or options were allocated to 4,762 Group senior managers, and 2,122 (45%) of these beneficiaries received awards for the first time.

SOCIETE GENERALE STOCK OPTION PLANS at December 31, 2009

With details of options awarded to Executive Committee members in office at the time of their allocation

Date of award	Strike price	Options vested: Number of beneficiaries	Options vested: Number of options	Options exercisable as of	Shares transferable as of	Expiration date of options
Ordinary options						
16-Jan-02	57.17	1,092	3,614,262	16-Jan-05	16-Jan-06	15-Jan-09
o.w. Executive Committee		*9*	*314,103*			
22-Apr-03	44.81	1,235	4,110,798	22-Apr-06	22-Apr-07	21-Apr-10
o.w. Executive Committee		*9*	*354,832*			
14-Jan-04	60.31	1,550	4,267,021	14-Jan-07	14-Jan-08	13-Jan-11
o.w. Executive Committee		*9*	*544,608*			
13-Jan-05	64.63	1,767	4,656,319	13-Jan-08	13-Jan-09	12-Jan-12
o.w. Executive Committee		*9*	*543,736*			
18-Jan-06	93.03	1,065	1,738,329	18-Jan-09	18-Jan-10	17-Jan-13
o.w. Executive Committee		*9*	*525,383*			
25-Apr-06	107.82	143	154,613	25-Apr-09	25-Apr-09	25-Apr-13
o.w. Executive Committee		*0*	*0*			
19-Jan-07	115.6	1,076	1,216,026	19-Jan-10	19-Jan-11	18-Jan-14
o.w. Executive Committee		*11*	*395,681*			
18-Sep-07	104.17	159	135,729	18-Sep-10	18-Sep-10	17-Sep-14
o.w. Executive Committee		*0*	*0*			
21-Mar-08	63.60	563	1,216,745	21-Mar-11	21-Mar-12	20-Mar-15
o.w. Executive Committee		*10*	*135,014*			
9-Mar-09	23.18	778	464,093	9-Mar-12	9-Mar-13	8-Mar-16
o.w. Executive Committee		*7*	*77,645*			
Conditional EPS options						
21-Mar-08	63.60	1,267	1,041,769	21-Mar-11	21-Mar-12	20-Mar-15
o.w. Executive Committee		*10*	*88,602*			
9-Mar-09	23.18	776	463,334	9-Mar-12	9-Mar-13	8-Mar-16
o.w. Executive Committee		*7*	*77,644*			
Conditional redeemable SN options						
19-Jan-07	115.60	3	202,890	19-Jan-10	19-Jan-11	18-Jan-14
o.w. Chief Executive Officers		*3*	*202,890*			
21-Mar-08	63.60	2	69,614	21-Mar-11	21-Mar-12	20-Mar-15
o.w. Chief Executive Officers		*2*	*69,614*			
9-Mar-09	23.18	5	320,000	9-Mar-12	9-Mar-13	8-Mar-16
o.w. Chief Executive Officers		*5*	*320,000*			
Total:			**23,671,542**			
o.w. Executive Committee			*3,649,752*			

N.B. In 2008 and 2009, awards were made in the form of stock subscription options. From 2002 to 2007 stock purchase options were awarded.
The strike price corresponds to the average market price of the Societe Generale share during the twenty trading days preceding the Board of Directors' meeting at which it was decided to award the options.

(*) Value used to determine the expense recognised under IFRS 2, calculated using a binomial model on the date the stock option is awarded, taking into account trends in exercising options noted at Societe Generale.

Options exercised											
in 2002	**in 2003**	**in 2004**	**in 2005**	**in 2006**	**in 2007**	**in 2008**	**in 2009**	**Options cancelled**	**Options outstanding at end 2009**	**IFRS 2 Unit value (*)**	**Potential dilutive effect**
0	0	180	460,095	1,625,947	451,223	147,835	0	928,982	0	14.93	
0	*0*	*0*	*28,500*	*148,214*	*34,250*	*57,500*	*0*				
	0	0	1,500	1,057,563	1,254,209	124,133	105,906	205,797	1,361,690	11.40	
				24,538	*128,779*	*41,716*	*13,175*				
		0	0	2,000	666,150	59,727	0	131,503	3,407,641	12.86	
		0	*0*	*0*	*0*	*0*	*0*				
			0	4,000	0	49,340	0	244,220	4,358,759	11.05	
			0	*0*	*0*	*0*	*0*				
				2,174	0	0	0	89,690	1,646,465	14.64	
				0	*0*	*0*	*0*				
				0	0	0	0	19,666	134,947	18.39	
				0	*0*	*0*	*0*				
					0	0	0	47,725	1,168,301	22.39	
					0	*0*	*0*				
					0	0	0	14,466	121,263	21.90	
					0	*0*	*0*				
						0	0	33,061	1,183,684	15.71	0.16%
						0	*0*				
							411	1,225	462,457	6.20	0.06%
							0				
						0	0	21,341	1,020,428	15.71	0.14%
						0	*0*				
							0	1,636	461,698	5.88	0.06%
							0				
					0	0	0	0	202,890	11.59	
					0	*0*	*0*				
						0	0	0	69,614	6.02	0.01%
						0	*0*				
								320,000	0		
0	**0**	**180**	**461,595**	**2,691,684**	**2,371,582**	**381,035**	**106,317**	**2,059,312**	**15,599,837**		
0	*0*	*0*	*28,500*	*172,752*	*163,029*	*99,216*	*13,175*				0.43%

SOCIETE GENERALE FREE SHARES
at December 31, 2009

with details of shares awarded to Group senior management in office at the time of their allocation

Shares awarded					Shares acquired						
Date of award	**Number of beneficiaries**	**Number of rights**	**Final acquisition as of**	**Shares transferable as of**	**in 2006**	**in 2007**	**in 2008**	**in 2009**	**Shares cancelled**	**Shares outstanding at end 2009**	**IFRS 2 Unit value (*)**
18-Jan-06	2,058	388,112	31-Mar-08	31-Mar-10	120	0	332,441	70	55,481	0	78.80
18-Jan-06	2,058	386,930	31-Mar-09	31-Mar-11	120	0	69	323,140	63,601	0	74.23
o.w. Executive Committee (on the two dates)	*6*	*9,320*									
Sub-total 2006 plan		**775,042**			240	0	332,510	323,210	119,082	0	
19-Jan-07	2,801	441,035	31-Mar-09	31-Mar-11		235	83	398,326	42,391	0	100.23
19-Jan-07	2,801	462,881	31-Mar-10	31-Mar-12		235	83	145	41,214	421,204	93.94
o.w. Executive Committee (on the two dates)	*9*	*10,769*									
Sub-total 2007 plan		**903,916**				470	166	398,471	83,605	421,204	
Ordinary rights											
21-Mar-08	3,595	1,414,466	31-Mar-10	31-Mar-12			0	269	61,000	1,353,197	50.37
21-Mar-08	3,595	1,413,478	31-Mar-11	31-Mar-13			0	269	60,961	1,352,248	47.04
o.w. Executive Committee (on the two dates)	*11*	*10,484*									
Conditional EPS rights											
21-Mar-08	1,954	158,034	31-Mar-10	31-Mar-12			0	0	1,945	156,089	50.37
21-Mar-08	1,954	157,617	31-Mar-11	31-Mar-13			0	0	1,942	155,675	47.04
o.w. Executive Committee (on the two dates)	*10*	*9,173*									
Sub-total 2008 plan		**3,143,595**					0	538	125,848	3,017,209	
Ordinary rights											
20-Jan-09	4,758	2,502,450	31-Mar-12	31-Mar-14				513	25,119	2,476,818	17.38
o.w. Executive Committee	*7*	*8,070*									
Conditional EPS rights											
20-Jan-09	2,637	653,331	31-Mar-12	31-Mar-14				0	3,661	649,670	17.38
o.w. Executive Committee	*7*	*8,070*									
Sub-total 2009 plan		**3,155,781**						513	28,780	3,126,488	
Total for both plans		**7,978,334**			**240**	**470**	**332,676**	**722,732**	**357,315**	**6,564,901**	
o.w. Executive Committee		*55,886*									

(*) Value used to determine the expense recognised under IFRS 2.

Standard tables in accordance with AMF recommendations(*)

Table 1

SUMMARY OF REMUNERATION AND STOCK OPTIONS AND SHARES ALLOCATED TO EACH CHIEF EXECUTIVE OFFICER (4)

	2008 fiscal year	2009 fiscal year
Mr. **Daniel BOUTON**, Chairman (1)		
Remuneration *due* for the fiscal year *(detailed in table 2)*	495,111	273,665
Value of options allocated during the fiscal year *(detailed in table 4)*	0	0
Value of performance shares allocated during the fiscal year *(detailed in table 6)*	0	0
Total	**495,111**	**273,665**
Mr. **Frédéric OUDEA**, Chairman and Chief Executive Officer (2)		
Remuneration *due* for the fiscal year *(detailed in table 2)*	618,681	1,116,577
Value of options allocated during the fiscal year *(detailed in table 4)*	521,900	0
Value of performance shares allocated during the fiscal year *(detailed in table 6)*	0	0
Total	**1,140,581**	**1,116,577**
Mr. **Didier ALIX**, Deputy Chief Executive Officer		
Remuneration *due* for the fiscal year *(detailed in table 2)*	506,818	NA
Value of options allocated during the fiscal year *(detailed in table 4)*	626,280	0
Value of performance shares allocated during the fiscal year *(detailed in table 6)*	0	0
Total	**1,133,098**	**NA**
Mr. **Séverin CABANNES**, Deputy Chief Executive Officer (3)		
Remuneration *due* for the fiscal year *(detailed in table 2)*	258,038	NA
Value of options allocated during the fiscal year *(detailed in table 4)*	0	0
Value of performance shares allocated during the fiscal year *(detailed in table 6)*	0	0
Total	**258,038**	**NA**
Mr. **Philippe CITERNE**, Deputy Chief Executive Officer		
Remuneration *due* for the fiscal year *(detailed in table 2)*	403,861	751,920
Value of options allocated during the fiscal year *(detailed in table 4)*	0	0
Value of performance shares allocated during the fiscal year *(detailed in table 6)*	0	0
Total	**403,861**	**751,920**

(1) Mr. Daniel Bouton's mandate as Chairman ended on May 24, 2009.

(2) Mr. Frédéric Oudéa's mandate as Deputy Chief Executive Officer commenced on March 14, 2008, as Chief Executive Officer on May 13, 2008 and as Chairman and Chief Executive Officer on May 24, 2009.

(3) Mr. Séverin Cabannes' mandate as Deputy Chief Executive Officer commenced on May 13, 2008.

(4) This represents the remuneration due in respect of mandates exercised during the fiscal year.

(*) In accordance with standard IAS 33, following the detachment of the pre-emptive subscription right from the Societe Generale shares when the capital increases were performed in Q4 2006, Q1 2008 and Q4 2009, the historical per share data have been adjusted for the ratio published by Euronext in order to reflect the attributable portion of the shares after detachment.

Table 2

SUMMARY OF THE REMUNERATION OF EACH CHIEF EXECUTIVE OFFICER (4)

	2008 fiscal year		2009 fiscal year	
	Amounts paid	Amounts due for the fiscal year	Amounts paid	Amounts due for the fiscal year
Mr. **Daniel BOUTON**, Chairman (1)				
– basic salary	350,000	449,935	344,933	245,003
– performance-linked pay (5)	0	0	0	0
– exceptional remuneration	0	0	0	0
– attendance fees	0	45,176	60,606	28,662
– benefits in kind (6)	0	0	0	0
Total	**350,000**	**495,111**	**405,539**	**273,665**
Mr. **Frédéric OUDEA**, Chairman and Chief Executive Officer (2)				
– basic salary	612,742	612,742	850,000	850,000
– performance-linked pay (5)	0	0	0	0
– additional remuneration	0	0	195,000	195,000
– time savings account balance	0	0	66,049	66,049
– attendance fees	0	0	0	0
– benefits in kind (6)	5,939	5,939	5,528	5,528
Total	**618,681**	**618,681**	**1,116,577**	**1,116,577**
Mr. **Didier ALIX**, Deputy Chief Executive Officer				
– basic salary	500,000	500,000	458,337	458,337
– performance-linked pay (5)	500,000	0	0	NA
– exceptional remuneration (7)	100,000	0	0	0
– attendance fees	0	0	0	0
– benefits in kind (6)	6,818	6,818	6,160	6,160
Total	**1,106,818**	**506,818**	**464,497**	**NA (8)**
Mr. **Séverin CABANNES**, Deputy Chief Executive Officer (3)				
– basic salary	251,505	251,505	400,000	400,000
– performance-linked pay (5)	0	0	0	NA
– exceptional remuneration (7)	0	000	0	0
– attendance fees	0	000	0	0
– benefits in kind (6)	6,534	6,534	5,909	5,909
Total	**258,039**	**258,039**	**405,909**	**NA (8)**
Mr. **Philippe CITERNE**, Deputy Chief Executive Officer				
– basic salary	375,000	375,000	250,000	250,000
– performance-linked pay (5)	0	0	0	0
– exceptional remuneration (7)	0	0	0	0
– compensation for non-compete clause	0	0	500,000	500,000
– attendance fees	0	23,143	23,143	0
– benefits in kind (6)	5,718	5,718	1,920	1,920
Total	**380,718**	**403,861**	**775,063**	**751,920**

(1) Mr. Daniel Bouton's mandate as Chairman ended on May 24, 2009.

(2) Mr. Frédéric Oudéa's mandate as Deputy Chief Executive Officer began on March 14, 2008, as Chief Executive Officer on May 13, 2008 and as Chairman and Chief Executive Officer on May 24, 2009.

(3) Mr. Séverin Cabannes' mandate as Deputy Chief Executive Officer began on May 13, 2008.

(4) The remuneration is compensation for the duties of Chief Executive Officer. It is expressed in euros gross before tax. Mr. Oudéa earned EUR 241,291 in 2008 as an employee. Mr. Cabannes earned EUR 412,111 in 2008 as an employee. Messrs. Alix and Citerne received retirement severance pay in accordance with their employment contracts.

(5) The criteria used to calculate this remuneration are detailed in the chapter on the remuneration of Chief Executive Officers. Performance-linked pay for the 2009 fiscal year for Chief Executive Officers will be set by the Board in April 2010. Mr. Frédéric Oudéa has announced that he will be waiving any variable remuneration for 2009.

(6) This relates to the availability of a company car.

(7) This bonus of EUR 100,000 was awarded to Mr. Alix by the Board meeting on April 14, 2008 for the excellent performances by retail banking which he supervised in 2007.

(8) Performance-linked amounts in respect of the 2009 fiscal year shall be set by the Board in April 2010 after assessing Societe Generale's performance in relation to its peers and the appraisal of the Chairman and Chief Executive Officer and Deputy Chief Executive Officers based on the objectives set by the Board.

Table 3

TABLE OF ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED BY DIRECTORS

DIRECTORS	Amounts paid during the 2008 fiscal year for the 2007 fiscal year	Amounts paid during the 2009 fiscal year for the 2008 fiscal year	Interim amount paid in 2009 for the 2009 fiscal year
Jean AZEMA			
Attendance fees [(1)]	24,925	34,178	12,151
Other remuneration	0	0	0
Daniel BOUTON			
Attendance fees	-	17,754	15,430
Other remuneration	0	0	0
Robert CASTAIGNE			
Attendance fees	-	-	40,542
Other remuneration	-	-	0
Michel CICUREL			
Attendance fees	59,785	43,604	19,028
Other remuneration	0	0	0
Elie COHEN (succession)			
Attendance fees	77,680	56,556	-
Other remuneration	0	0	-
Robert DAY			
Attendance fees	24,925	27,894	11,169
Other remuneration	0	0	0
Patrick DELICOURT			
Attendance fees [(3)]	-	12,490	15,098
Other remuneration	-	0	0
Jean-Martin FOLZ			
Attendance fees	21,136	64,036	26,267
Other remuneration	0	0	0
Antoine JEANCOURT-GALIGNANI			
Attendance fees	67,280	44,716	-
Other remuneration	0	0	-
Elisabeth LULIN			
Attendance fees	77,680	83,683	42,348
Other remuneration	0	0	0
Gianemilio OSCULATI			
Attendance fees	80,585	75,828	42,348
Other remuneration	0	0	0
Philippe PRUVOST			
Attendance fees [(2)]	30,735	34,178	7,022
Other remuneration	0	0	0
Nathalie RACHOU			
Attendance fees	-	23,466	43,330
Other remuneration	-	0	0

DIRECTORS	Amounts paid during the 2008 fiscal year for the 2007 fiscal year	Amounts paid during the 2009 fiscal year for the 2008 fiscal year	Interim amount paid in 2009 for the 2009 fiscal year
Gérard REVOLTE			
Attendance fees [(3)]	36,545	18,547	-
Other remuneration	0	0	0
Patrick RICARD			
Attendance fees	56,880	40,462	12,859
Other remuneration	0	0	0
Luc VANDEVELDE			
Attendance fees	39,450	56,172	20,993
Other remuneration	0	0	0
Anthony WYAND			
Attendance fees	88,080	95,868	69,006
Other remuneration	0	0	0
Non-voting director			
Kenji MATSUO			
Attendance fees [(4)]	13,305	10,613	-
Other remuneration	0	0	0

(1) Paid to Groupama Vie

(2) Paid to the Societe Generale SNB trade union.

(3) Paid to the Societe Generale CFDT trade union.

(4) Paid to Meiji Yasuda Life Insurance

Table 4

OPTIONS TO SUBSCRIBE TO OR PURCHASE SHARES AWARDED DURING THE FISCAL YEAR TO EACH CHIEF EXECUTIVE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

The Chief Executive Officers waived the options awarded to them by the Board of Directors on March 9, 2009.

Table 5

OPTIONS TO SUBSCRIBE TO OR PURCHASE SHARES EXERCISED DURING THE FISCAL YEAR

Name of the Chief Executive Officer	Date of plan	Number of options exercised during the fiscal year	Strike price
Daniel Bouton	Apr. 22, 2003	8,175	EUR 47.57
Frédéric Oudéa		No exercises in 2009	
Philippe Citerne		No exercises in 2009	
Didier Alix		No exercises in 2009	
Séverin Cabannes		No exercises in 2009	
Total		**8,175**	

Table 6

PERFORMANCE SHARES ALLOCATED TO EACH CHIEF EXECUTIVE OFFICER (1)

N/A

Table 7

PERFORMANCE SHARES DEFINITIVELY ACQUIRED DURING THE FISCAL YEAR FOR EACH CHIEF EXECUTIVE OFFICER (1)

	Date of plan	Number of shares definitively acquired during the fiscal year
Daniel Bouton		N/A
Frédéric Oudéa	Jan. 18, 2006	260
Frédéric Oudéa	Jan. 19, 2007	241
Philippe Citerne		N/A
Didier Alix	Jan. 18, 2006	540
Séverin Cabannes	Jan. 19, 2007	1,166
Total		**2,207**

(1) Performance shares are free shares allocated to employees before becoming Chief Executive Officers in accordance with articles L.225-197-1 et seq. of the French commercial code, and are subject to the additional requirements provided for by the AFEP-MEDEF recommendations of October 2008. The shares acquired in 2009 were allocated to beneficiaries in relation to their salaried employment before they became Chief Executive Officers.

Table 8

RECORD OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED
INFORMATION ON SUBSCRIPTION OR PURCHASE OPTIONS*

Date of General Meeting	May 30, 2006	May 30, 2006	Apr. 29, 2004	Apr. 29, 2004	Apr. 23, 2002	Apr. 23, 2002	May 13, 1997
Date of Board Meeting	Mar. 21, 2008	Jan. 19, 2007	Jan. 18, 2006	Jan. 13, 2005	Jan. 14, 2004	Apr. 22, 2003	Jan. 16, 2002
Total number of shares (1) available for subscription or purchase	2,328,296	1,418,954	1,738,367	4,656,319	4,270,014	4,110,784	3,614,262
of which the number available for subscription or purchase by Chief Executive Officers (2)							
Chief Executive Officer 1: Daniel Bouton	0	169,075	136,291	139,268	139,268	115,532	95,482
Chief Executive Officer 2: Frédéric Oudéa	52,739	14,137	16,171	24,954	20,892	16,342	10,086
Chief Executive Officer 3: Philippe Citerne	0	101,445	74,960	76,599	76,599	66,425	50,339
Chief Executive Officer 4: Didier Alix	63,286	67,631	33,577	49,326	52,228	38,227	28,000
Chief Executive Officer 5: Séverin Cabannes	17,030						
Starting date for exercising options	Mar. 21, 2011	Jan. 19, 2010	Jan. 18, 2009	Jan. 13, 2008	Jan. 14, 2007	Apr. 22, 2006	Jan. 16, 2005
Expiration date	Mar. 20, 2015	Jan. 18, 2014	Jan. 17, 2013	Jan. 12, 2012	Jan. 13, 2011	Apr. 22, 2014	Jan. 15, 2009
Subscription or purchase price (3)	63.60	115.60	93.03	64.63	60.31	44.81	57.17
Exercise procedures (where the plan includes several tranches)							
Number of shares subscribed at Dec. 31, 2009	0	0	2,174	53,340	727,877	2,543,311	2,685,279
Total number of cancelled or lapsed subscription or purchase options	54,570	47,763	89,728	244,220	134,496	205,783	928,982
Subscription or purchase options outstanding at end of fiscal year	2,273,726	1,371,191	1,646,465	4,358,759	3,407,641	1,361,690	0

(1) The exercise of an option entitles the beneficiary to one SG share. This table takes account of adjustments following capital increases. This line does not take into account the options exercised since the attribution date.

(2) Mr. Oudéa and Mr. Cabannes were appointed Chief Executive Officers in 2008.

(3) The subscription or purchase price is equal to the rounded average market price of the Societe Generale share during the twenty trading days preceding the meeting of the Board of Directors.

(*) The table only covers the plans under which the Chief Executive Officers have been granted options.

Table 9

SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED TO THE TOP TEN EMPLOYEES WHO ARE NON-CHIEF EXECUTIVE OFFICERS AND OPTIONS EXERCISED BY THE LATTER

	Total number of options allocated/shares subscribed or purchased	Weighted average price
Options awarded, during the fiscal year, by the issuer and any company included in the scope for the allocation of options, to the ten employees of the issuer and any company included in this scope, whose number of options awarded is highest	213,666	23.18
Options held in respect of the issuer and the companies referred to previously and exercised during the fiscal year by the ten employees of the issuer and those companies, whose number of options purchased or subscribed is highest	70,844	46.11

Table 10

POSITION OF CHIEF EXECUTIVE OFFICERS

	Mandate dates		Employment contract (1)		Additional pension plan (2)		Compensation or benefits due or likely to be due as a result of leaving office or changing positions		Compensation relating to a non-compete clause (3)	
	start	end	yes	no	yes	no	yes	no	yes	no
Daniel Bouton	1993	2009		X	X			X		X
Frédéric Oudéa Chairman and Chief Executive Officer	2008			X		X	X		X	
Didier Alix Deputy Chief Executive Officer	2006	2009	X		X			X		X
Séverin Cabannes Deputy Chief Executive Officer	2008		X		X			X		X
Philippe Citerne Deputy Chief Executive Officer	1997	2009	X		X			X	X	

(1) As a mandate as Chief Executive Officer may not be held together with an employment contract, the only persons concerned by the AFEP-MEDEF recommendations are the Chairman of the Board of Directors, the Chairman and Chief Executive Officer and Chief Executive Officer in companies with a Board of Directors.

(2) Details of additional pension plans can be found on pages 93 and 94. Mr. Daniel Bouton stopped acquiring pension rights on May 12, 2008.

(3) For Mr. Frédéric Oudéa, details of non-compete compensation can be found on page 94. For Mr. Philippe Citerne, details of non-compete compensation can be found on page 46 of the second update of the 2009 Registration Document.

TRANSACTIONS CARRIED OUT BY CHIEF EXECUTIVE OFFICERS AND DIRECTORS IN SOCIETE GENERALE SHARES

Summary statement published in compliance with article 223-26 of the general regulations of the AMF.

Frédéric OUDEA, Chairman and Chief Executive Officer, performed 2 transactions on the following dates:

	Subscription to shares/other financial instruments
	June 19, 2009
	Oct. 14, 2009

Anthony WYAND, Vice-Chairman, performed 1 transaction on the following date:

	Subscription to shares/other financial instruments
	Oct. 19, 2009

Didier ALIX, Deputy Chief Executive Officer until December 31, 2009, performed 2 transactions on the following dates:

	Subscription to shares/other financial instruments
	June 19, 2009
	Oct. 15, 2009

Related parties linked to Didier ALIX, Deputy Chief Executive Officer until December 31, 2009, performed 1 transaction on the following date:

	Subscription to shares/other financial instruments
	June 4, 2009

Séverin CABANNES, Deputy Chief Executive Officer, performed 1 transaction on the following date:

	Subscription to shares/other financial instruments
	Oct. 15, 2009

Michel CICUREL, Director, performed 2 transactions on the following dates:

	Subscription to shares/other financial instruments
	Oct. 16, 2009
	Oct. 16, 2009

Robert CASTAIGNE, Director, performed 2 transactions on the following dates:

	Subscription to shares/other financial instruments
	June 10, 2009
	Oct. 20, 2009

Robert A. DAY, Director until December 31, 2009, performed 6 transactions on the following dates:

Disposal of shares	Purchase/Subscription of shares
Oct. 14, 2009	July 23, 2007
	June 30, 2008
	Mar. 19, 2009
	June 19, 2009
	July 16, 2009

Jean-Martin FOLZ, Director, performed 1 transaction on the following date:

Subscription to shares/other financial instruments
Oct. 29, 2009

Elisabeth LULIN, Director, performed 1 transaction on the following date:

Subscription to shares/other financial instruments
Oct. 16, 2009

Gianemilio OSCULATI, Director, performed 1 transaction on the following date:

Subscription to shares/other financial instruments
Oct. 14, 2009

Nathalie RACHOU, Director, performed 1 transaction on the following date:

Subscription to shares/other financial instruments
Oct. 12, 2009

REPORT OF THE CHAIRMAN ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This report has been prepared in compliance with article L. 225-37 of the French Commercial Code(1). It provides a summary of the internal controls carried out by the consolidated Societe Generale Group and is in no way intended to give a detailed description of the internal control procedures implemented by each of the Group's activities and subsidiaries. The Chairman of each French limited liability company carrying out a public offering, and that is a subsidiary of the Group, is required to draft a specific report.

Given the extent and diversity of the risks inherent in banking, internal control is a vital instrument in risk management policy that plays an important role in ensuring the sustainability of activities. It forms part of a strict regulatory framework defined at a national level, and is also the focus of various projects at an international level (Basel Committee, European Union). Internal control concerns all areas of the Group. Indeed, while the primary responsibility therein lies with the operational staff, a number of central departments are also involved, notably the Risk Division, the Corporate Secretariat (notably in charge of Compliance), all of the Group's finance departments, together with the General Inspection and Audit Departments. These entities all contributed to the production of this report. The report was approved by the Board of Directors after being examined by the Audit, Internal Control and Risk Committee.

Banking activities are exposed to various types of risks

Given the diversity and evolution of the Group's activities, risk management involves the following main categories:

- **credit risk** (including country risk): risk of loss arising from the inability of the bank's customers, sovereign issuers or other counterparties to meet their commitments;
- **market risk:** risk of loss resulting from changes in market prices, volatility and correlations;
- **structural interest rate and exchange rate risks:** risk of loss or of residual depreciation in the bank's balance sheet arising from variations in interest or exchange rates;
- **liquidity risk:** risk of the Group not being able to meet its commitments;
- **operational risks** including legal, compliance, accounting, environmental and reputational risks: risk of loss or sanction due to failures in procedures and internal systems, human error or external events.

Internal control is part of a strict regulatory framework applicable to all banking establishments

The conditions for conducting internal controls in banking establishments are defined in the amended regulation No. 97-02 of the French Banking and Financial Regulation Committee, which is updated regularly. This text, which applies to all credit institutions and investment companies, defines the concept of internal control, together with a number of specific requirements relating to the measurement and limitation of the various risks inherent in the activities of the companies in question, and the procedures under which the deliberating body must assess and evaluate the quality of the internal controls carried out.

In June 2004, the Basel Committee defined the four principles – independence, universality, impartiality, and sufficient resources – which must form the basis of the internal audits carried out by credit institutions.

At Societe Generale, these principles have been applied primarily through various directives, one of which establishes the general framework for the Group's internal control, another which constitutes the Group Audit Charter, while the others relate to the work of the Risk Division, the management of credit risks, market risks, operational risks, structural risks (interest rate, exchange rate, liquidity) and the management of compliance risks.

(1) The Corporate Governance section of this report is on pages 81 to 87.

Internal control covers all resources that enable the Group's General Management to ascertain whether the transactions carried out and the organisation and procedures in place within the Company are compliant with the legal and regulatory provisions in force, professional and ethical practices, internal regulations and the policies defined by the Company's executive body. Internal control is designed to:

- detect and measure the risks borne by the Company, and ensure they are adequately controlled;
- guarantee the reliability, exhaustiveness and accuracy of financial and management information;
- verify the integrity and availability of information and communication systems.

The Societe Generale Group's internal control system implements five key principles:

- **the exhaustiveness of the scope** of controls, which cover all types of risks and are applicable to all Group entities;
- **the separation of roles and tasks** which imply a clear division between permanent and periodic control structures; setting up of watertight walls also applies between front and back office businesses, between transaction origination, accounting and settlement, etc.
- **staff responsibilities** in terms of controlling the risks that they take and the transactions they process;
- **the balance of permanent control approaches** which, at the Level 1, are based on a multi-risk, hierarchical operational supervision approach and targeted controls and, at Level 2, on the interventions by functional departments specialised in a specific type of risk;
- **independent periodic controls.**

The players involved in risk management and control

The risk management organisation and procedures are defined at the highest management level

Group risk management is governed by two main bodies: the Board of Directors and, at the General management level, the Risk Committee.

The procedures for managing, preventing and evaluating risks are regularly analysed in-depth by the Board of Directors and, in particular, its **Audit, Internal Control and Risk Committee**.

THE ROLE OF THE BOARD OF DIRECTORS' AUDIT, INTERNAL CONTROL AND RISK COMMITTEE (1)

This Committee's mission is to monitor issues concerning the production and control of accounting and financial information, and to monitor the efficiency of the internal control and risk assessment, monitoring and management systems.

The Audit, Internal Control and Risk Committee is tasked in particular with:

- ensuring monitoring of the process for drawing up financial information, particularly examining the quality and reliability of the systems in place and making suggestions for their improvement;
- analysing the draft financial statements to be submitted to the Board in order in particular to verify the clarity of the information provided and to offer an assessment of the relevance and consistency of the accounting methods used to draw up parent company and consolidated financial statements;
- ensuring the independence of Statutory Auditors, in particular by reviewing the breakdown of the fees paid by the Group to them as well as to the network to which they may belong and through prior approval of all assignments that do not fall within the framework of a statutory audit of accounts, but which may be the consequence of, or a supplement to, the same, all other assignments being prohibited;
- implementing the procedure for selecting the Statutory Auditors and submitting an opinion to the Board of Directors concerning the appointment or renewal of such as well as their remuneration;
- examining the work programme of the Statutory Auditors and more generally ensuring the supervision of account monitoring by the Statutory Auditors;
- offering an assessment on the quality of internal controls, in particular the consistency of risk assessment, monitoring and management systems and proposing additional actions accordingly where appropriate.

To this end, the Committee shall in particular:

- review the Group's internal audit programme and the annual report on internal control drawn up in accordance with banking regulations, and formulate an opinion on the organisation and operation of the internal audit departments;

(1) The Board of Directors' internal rules were amended on January 12, 2010. They are available in the Registration Document. See the 2009 Registration Document for the previous version.

- review the follow-up letters sent by the French Banking Commission (*Commission bancaire*) and issue an opinion on draft responses to these letters;
- examine the market risk and structural interest rate risk control procedures and be consulted about setting risk limits;
- formulate an opinion on the Group's global provisioning policy, as well as on specific provisions relating to large sums;
- examine the annual risk assessment and control procedures report in accordance with the French banking regulations;
- review the policy concerning risk management and the monitoring of off-balance sheet commitments, in particular in the light of memoranda drafted to this end by the Finance Division, the Risk Division and the Statutory Auditors.

Under conditions it shall establish, the Committee may interview the Company's Executive Officers, the Statutory Auditors and the managers in charge of drawing up financial statements, internal control, risk management, compliance and internal audits. The Statutory Auditors are invited to the Audit, Internal Control and Risk Committee meeting, unless the Committee decides otherwise.

The **Risk Committee** is chaired by the General Management and meets at least once a month with the Executive Committee. The object of these meetings is to define the framework required to manage risk, review changes in the characteristics and risks of Group portfolios and decide on any necessary strategic changes. The Group also has a Major Risks Committee, which focuses on reviewing areas of substantial risk exposure (to individual counterparties or segments of a portfolio).

Under the authority of the General Management, the Group's central departments, which are independent from the operating departments, are dedicated to the management and permanent control of risks

The central departments provide the Group's Executive Committee with all the information needed to assume its role of managing the Group's strategy, under the authority of the Chief Executive Officer.

With the exception of the business divisions' Finance Departments, all these departments report directly to the Group's General Management or to the Corporate Secretariat (which in turn reports directly to the General Management), also responsible for compliance within the Group.

- **the Risk Division,** which is responsible for identifying and monitoring all risks (credit, market, operational) borne by the Group;
- **the Group Finance Division,** which, in addition to its financial management responsibilities, also carries out extensive accounting and finance controls (structural interest rate, exchange rate and liquidity risks);
- **the Finance Departments of the business lines,** which are hierarchically attached to the managers of the business divisions and functionally attached to the Group Finance Division. They make sure that accounts are prepared correctly at local level and control the quality of the information in the consolidated financial reports submitted to the Group;
- **the Group Compliance Department,** which ensures that all compliance rules and principles applicable to the Group's banking and investment activities are respected by staff;
- **the Group Legal Department,** which monitors the legal security and compliance of the Group's activities in collaboration with the legal departments of its subsidiaries;
- **the Group Tax Department,** which monitors compliance with all applicable tax laws;
- **the Group Information Systems Division,** which is responsible for information system security.

The permanent supervision of their activities by operational staff forms the cornerstone of the permanent control process

The Operational Risk Department of the Risk Division is responsible for coordinating permanent supervision procedures and consolidating the summary reports drafted by the various Group entities, in order to reinforce the consistency of this system at Group level.

THE FIGHT AGAINST FRAUD

Within the permanent supervision structure, controls dedicated to preventing and detecting fraud have been implemented at SG CIB since 2008, putting particular focus on this area as part of the Fighting Back programme. The implementation of new front and back office controls which, more specifically, aim to justify "atypical" market transactions is the priority for this programme, which has been supplemented by permanent initiatives to improve IT system security and access monitoring.

The new Security and Anti-Fraud Expertise (SAFE) department created in late 2008 is the reference participant and coordinator of all anti-fraud initiatives within Corporate and Investment Banking. Its task in this area consists in promoting increased awareness among teams which are at risk of fraud, leading and promoting initiatives to identify and mitigate this risk and, above all, developing a solid and responsive risk detection and control system. This system is based around two key principles: triggering "alerts" as soon as a certain number of sensitive controls indicate "atypical" situations which are not immediately justified; centralising all alerts and anomalies triggered from the bank's daily controls at the SAFE "control tower" in order to rapidly detect whether alerts are concentrated within a specific activity and immediately launch a more in-depth investigation.

In addition to the work being done at SG CIB, internal and external initiatives aimed at detecting and preventing fraud have also been launched within the Group's other divisions and central departments. For example, ambitious programmes aimed at improving processes which could potentially be subject to risks of fraud have been initiated in the Private Banking, Global Investment Management and Services division, including the VAUBAN project at SG Securities Services (cash flow security in particular) and the Immune project at Societe Generale Private Banking. Within the Group's other divisions, anti-fraud action plans involving external specialised financing participants have been implemented within Specialised Financing, and in Retail Banking, fraud scenarios have been studied by the central unit which is also responsible for combating money laundering.

These targeted approaches are in addition to the ongoing task of managing and preventing the risk of fraud entrusted to the Operational Risk Structure, comprised of the various divisional and business Operational Risk Managers, who carry out initiatives to increase employee awareness of this issue through e-learning and other training programmes.

Lastly, note that a Group-level Unit for the coordination of the fight against fraud was created in late 2009. Reporting to the Chief Operational Risk Officer, its main purpose will be to create a cross-business centre of expertise in addition to entity-level systems, in order to facilitate the propagation of consistent best practices by performing internal and external monitoring (alerts), working to identify new frauds and producing an exhaustive and up-to-date picture of the Group's fraud risk map.

The Internal Audit Department's main role is to periodically assess the efficiency of the internal control system employed by the entity to which it is attached

All Group activities and entities have an Internal Audit Department, which is authorised to inspect all aspects of their operations. Given the risks at stake, each department is provided with the requisite resources, from both a qualitative and quantitative point of view, to carry out its functions effectively.

The system is made up of:

- **the Internal Audit Departments,** which are hierarchically attached to the managers of the business divisions and functionally attached to the General Inspection Department;
- **the General Inspection Department,** which is hierarchically attached to the General Management.

Managing and assessing risks

The Board of Directors and the Audit, Internal Control and Risk Committee

First and foremost, the **Board of Directors** defines the Company's strategy by assuming and controlling risks, and ensures that it is applied. In particular, the Board of Directors ensures the adequacy of the Group's risk management infrastructures, controls the overall risk exposure of the Group's activities and approves risk limits for market risks. Presentations on the main aspects of, and notable changes to, the Group's risk strategy, as well as on the overall risk management structure, are made to the Board by the General Management at least once a year, or more frequently, as circumstances require.

Within the Board of Directors, the **Audit, Internal Control and Risk Committee** is responsible for examining the consistency of the internal framework for monitoring risks and ensuring compliance with the framework that has been established and with existing laws and regulations. This Committee, which benefits from specific presentations from the competent senior management, examines the control procedures for certain market risks and is consulted on the setting of risk limits. It also issues an opinion on the Group's overall provisioning policy as well as on large specific provisions. Lastly, it examines the annual risk assessment and control procedures report which is submitted to the Board and the French Banking Commission *(Commission bancaire)*.

Managing the risks related to the growth of activities

A FORMALISED ACQUISITION PROCESS

In light of the risks inherent in the acquisition of new entities, the Group has implemented a clear set of rules that is updated on a regular basis.

Acquisition projects are analysed thoroughly to assess their potential for value creation. Group internal rules specify that the following aspects must be examined in depth:

- the various risks inherent in the project;
- the reliability of accounting and management data;

- internal control procedures;
- the soundness of the company's financial position;
- how realistic the development prospects are, in terms of both earnings growth and income or cost synergies;
- the conditions for integration and the follow-up of this integration.

This pre-acquisition evaluation is conducted by the businesses with the help of specialists where required (representatives of the business lines, the Risk Division, the General Inspection Department, the Accounting Department, the Compliance Department, the Legal Department, etc.).

The project is then submitted to the Group Finance Division for approval and, in the case of larger acquisitions, to the Executive Committee. Major acquisitions must also be approved in advance by the Board of Directors and the General Management.

Once acquired, the entity is integrated into the relevant business division of the Group. A diagnosis is carried out of the acquired entity's internal control system, in particular its risk management, the production of accounting and financial data and, depending on the activities of the entity in question, its compliance procedures. Measures are then taken to bring the entity into line with Group standards as quickly as possible.

In addition, the Group Audit, Internal Control and Risk Committee and the Board of Directors monitor strategic acquisitions (the acquisitions made in 2008 were reviewed by the Committee during its meeting on May 19, 2009). A development plan is thus drawn up upon the acquisition of a new entity and then reviewed some two years later.

NEW PRODUCT PROCEDURES AND COMMITTEES

Each department is responsible for ensuring that all products and activities which are new or under development are submitted to the New Product Committee. This New Product Committee, which is jointly managed with the Risk Division, aims to ensure that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subjected to adequate procedures and controls, using the appropriate information systems and processing chains.

The Group Risk Division

Reporting to the General Management and completely separate from the business entities, the Group Risk Division is in charge of credit, market and operational risks. Its role is to contribute to the development and profitability of the Group by ensuring that the risk management system is adequate and efficient and overseeing all transactions carried out within the Group.

Accordingly, the Risk Division is responsible for:

- identifying the financial (credit and market risks) and operational risks borne by the Group;
- defining and validating the methods and procedures for analysing, measuring, approving and monitoring risks;
- assessing the risks taken by the Group by giving its opinion on the transactions proposed by sales managers and analysing portfolios;
- ensuring that IT systems and risk measurement tools are adequate;
- managing anticipated levels of risk provisioning for the Group.

The remuneration of Risk Division staff is not based on the performances of the activities for which they provide risk management, in line with international financial community policy.

PROCEDURES FOR CREDIT RISKS:

- based on recommendations from the Risk Division, the Risk Committee sets specific concentration limits it deems appropriate for different countries, geographic areas, sectors, products, client types, etc.;
- all requests for authorisation received from the business lines regarding a particular client or client group are directed to a specific sales department that has in-depth knowledge of the client;
- the business lines and Risk Division submit all commitment files for analysis and approval to the team with the most appropriate area of expertise to deal with the type of risk incurred;
- the most fragile counterparties and/or those most sensitive to the crisis have been subject to upstream preventative measures and more stringent daily management (placed under watch, authorisations adjusted, ratings downgraded, regular information to the Risk Committee).

PROCEDURES FOR MARKET RISKS:

- the Board of Directors approves the main limits defined by the Risk Committee based on the Risk Division's recommendations;
- the models are being constantly improved and are regularly enhanced, notably in order to taken into account new risk factors.

PROCEDURES FOR OPERATIONAL RISKS:

Operational risks are managed by the operational risk structure, which comprises the Operational Risk Department (attached to the Risk Division) and teams in charge of operational risk management and control within the business divisions and central departments. Its main role is to:

- define and implement the operational risk management strategy;

- analyse the environment in terms of operational risks and related controls in order to evaluate its development and the consequences on the Group's risk profile;
- promote a Group-wide operational risk management culture and encourage best practices.

As part of its functional supervision of the whole of this structure, the Operational Risk Department ensures the cross-business monitoring and management of these risks within the Group and is responsible for all reporting to the General Management, Board of Directors and the banking supervisory authorities. It also endeavours to improve the consistency and integrity of the system.

BUSINESS CONTINUITY AND CRISIS MANAGEMENT

The **Business Continuity Plan** (BCP) structure is attached to the Operational Risk Department. It is committed to improving the Group's business continuity plans, notably by testing them on a regular basis.

A **Crisis Management** structure, which is separate from the BCP structure, strengthens the incorporation of this specific issue within the Group and the implementation of appropriate tools and measures.

Risk quantification procedures and methodologies

The **AIRB (*Advanced Internal Ratings Based Approach)*** method and the **AMA (*Advanced Measurement Approach*)** have been used since the beginning of 2008 for calculating regulatory capital requirements for credit and operational risk. The system for monitoring rating models is operational, in line with Basel II requirements.

In terms of credit risk, the Group uses the Probability of Default (PD) and Loss Given Default (LGD) models for its various portfolios. In accordance with the regulations, all credit models are reviewed annually by the modelling entities and are checked and validated by an independent entity. The conclusions from these reviews are then submitted to a Model Committee and an Expert Committee for approval, which may lead, when necessary, to models being revised.

There were no major changes to this system in 2009, with the exception of the following two developments:

- the Bank implemented internal Credit Conversion Factor (CCF) models enabling exposure at default to be estimated for undrawn credit facilities;
- in addition, the Bank received authorisation from the regulator to use the Internal Assessment Approach (IAA) when calculating regulatory capital requirements on ABCP conduits.

Societe Generale intends to gradually transition to the AIRB its activities and exposures which are currently assessed using the standard method and a roll-out plan for this transition has been implemented.

In terms of operational risk, the system is in the operational stage. The AMA model was adapted in order to take into account, when estimating risk, the extreme loss generated in January 2008 following the fraud suffered by the Group. The integration of the AMA model into the system for collecting internal losses and scenario analyses means that the Risk Committee can be presented with regular simulations for the calculation of regulatory capital requirements so as to monitor the main changes in Group capital. This model did not undergo any changes in 2009 and a backtesting system was added.

In terms of counterparty risk on capital market products, since 2007, the Group has been using methods based on maximum risk scenarios, such as the Credit VaR at 99%, calculated using statistical methods, and stress tests.

With respect to market risk, the risk measurement model used has been approved by the French Banking Commission (*Commission bancaire*) for nearly all transaction types. Moving to the Basel II environment has not led to any major changes regarding the calculation of capital requirements with respect to market risk. Moreover, during backtesting in 2008, the result exceeded the VaR amount on several occasions due to the exceptional market conditions throughout the year. An action plan aiming to improve the VaR calculation method is currently underway and will be completed in 2011.

Lastly, the Group has implemented a project to prepare for changes in regulations governing the capital requirements for trading portfolios.

In accordance with the requirements of Pillar II, the Group is continuing to improve its **stress test system**, which is based on two key elements:

- broad-based stress tests which include the Group's overall risk profile. For each scenario, losses are estimated over a three-year horizon for credit, market and operational risks and then submitted to the Risk Committee for validation;
- specific stress tests focusing on a few chosen sectors (for example, real estate, securitisation, country risk, etc.).

The stress tests, which enable the Group's resilience to various macroeconomic scenarios to be measured, are a key component of the Group's risk management. They may result in limits being set and provide clarification on potential losses as part of the budget process.

In 2009, the Risk Division, working with the Finance Division, began the process of formalising the Group's risk appetite. This process, based on assessing the sensitivity of the Group businesses' profitability to stress tests, is designed to measure the "risk-profitability" profile of the Group's main entities with a view to capital allocation.

Lastly, its **information systems are regularly upgraded** to accommodate changes in the products processed and the associated risk management techniques, both at local level (within the banking entities) and within the central Risk Division.

Structural risk management

With regard to structural interest rate, exchange rate and liquidity risks, the balance sheet management department within the Group Finance Division is responsible for:

- identifying structural risks (interest rate, exchange rate, liquidity) borne by the Group;
- defining methods and procedures for analysing, measuring and monitoring risks;
- proposing risk limits;
- validating the models and methods used by the entities;
- consolidating and reporting on structural risk.

Structural risks are managed within each entity by the Finance Department, responsible for analysing structural risks and drafting risk reports. The Finance Department is responsible for respecting Group standards and limits allocated to the entity.

The Finance Committee, a General Management body, validates the structural risk monitoring and control system and reviews changes in the Group's structural risks through reports consolidated by the Finance Division.

In order to prepare for the changes resulting from regulatory developments, the Group has implemented a "Liquidity" project. An initial phase, which aims to reinforce the consideration of liquidity in the Group's strategic management, and more specifically in the budget process, was completed in August 2009. The second phase of the project, which began in September 2009, involves the operational roll-out of the target management system, taking the regulatory changes into account. The definition of the road map for this second phase was completed in December 2009.

Internal control

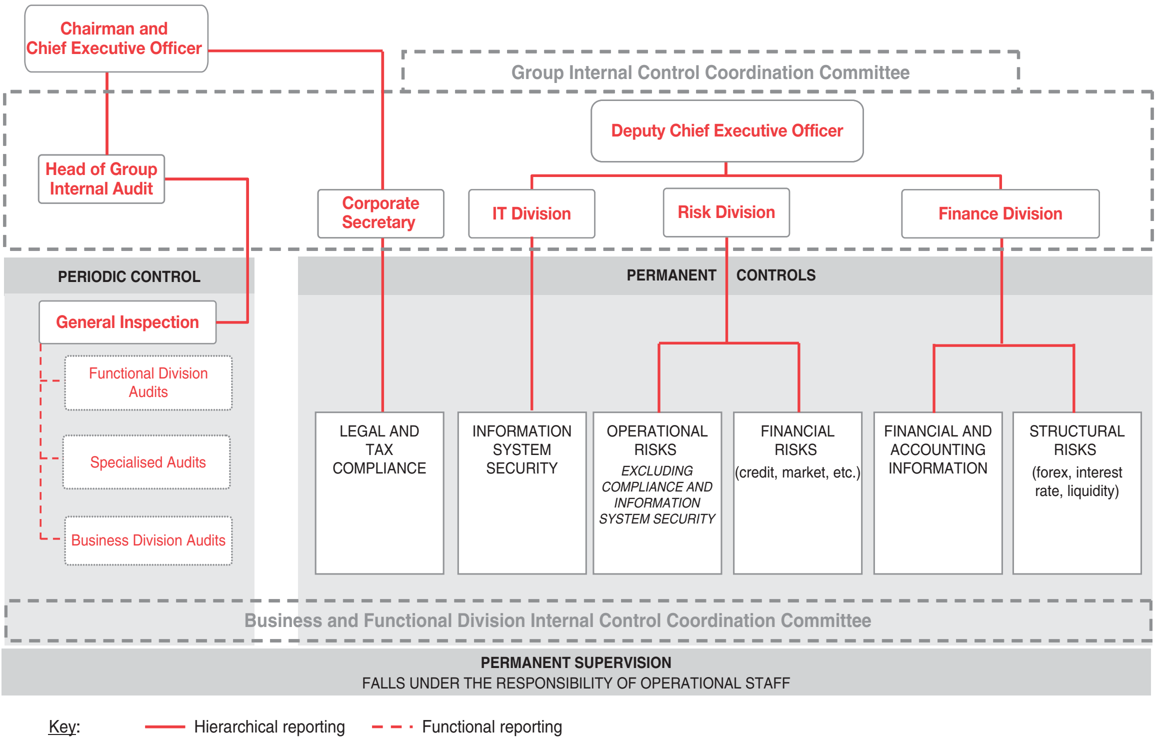
Coordinating the control system at Group level and rolling it out in each Division and Central Department

In accordance with the provisions of amended regulation No. 97-02 of the French Banking and Financial Regulation Committee (CRBF), the internal control system includes both permanent and periodic controls.

A Deputy Chief Executive Officer is responsible for ensuring the overall consistency and efficiency of the internal control system. He chairs the **Internal Control Coordination Committee (Group CCCI)** which is attended by the Corporate Secretary, the Chief Risk Officer, the Chief Financial Officer, the Group Chief Information Officer, the Head of Group Internal Audit and the Head of Internal Control Coordination. The Committee met eight times in 2009.

Following a decision by the Group's Executive Committee, all of the Group's business divisions and central departments have an Internal Control Coordination Committee. Chaired by the head of the business or functional division, these Committees bring together the competent heads of periodic and permanent control for the business or functional division, as well as the Head of Group Internal Control Coordination and the heads of the Group-level control structures. The structure implemented at Group level to coordinate the actions of participants in internal control is rolled out in all divisions.

The permanent and periodic control systems as well as the roles of the various participants are covered in other sections of this report.



Permanent control

Permanent control comprises:

- **permanent supervision,** which is the responsibility of operational staff and their managers, and the coordination of which is performed by the Operational Risk Department of the Risk Division. The permanent supervision system itself is supplemented by numerous other operational controls (for example, automated controls in IT processing chains, organisational controls implementing the separation of functions within the organisation, etc.);
- **Level 2 controls performed by departments specialised** in the prevention of the major risk groups;
- **governance specific to certain types of risks**, which notably draws on dedicated Group-level committees, enabling regular reviews at the appropriate managerial level to be carried out.

THE FIRST LEVEL OF RESPONSIBILITY FOR PERMANENT CONTROL LIES WITH THE GROUP'S OPERATIONAL STAFF

The permanent supervision of activities by operational staff themselves forms the cornerstone of the permanent control process. This is defined as all of the measures taken on a permanent basis to ensure the compliance, security and validity of transactions performed at operational level. It comprises two elements:

- **day-to-day security: all operational staff** are required to permanently comply with the applicable rules and procedures governing all transactions carried out;
- **formal supervision: the management is required to make regular checks** using written procedures to verify that staff are complying with the rules and procedures for processing transactions and for ensuring effective day-to-day security.

To achieve this, operational methods are formally defined and communicated to all staff. In addition, permanent supervision procedures are adapted to each Group entity according to their specific activities.

Crédit du Nord completes its system with Level 2 permanent controls, carried out by staff with that exclusive responsibility, and which are aimed at ensuring that all regulations in effect under the permanent supervision system are applied.

AT THE SAME TIME, THE FUNCTIONAL DIVISIONS CONTRIBUTE TO THE PERMANENT CONTROL OF THE GROUP'S TRANSACTIONS

- **The Risk Division, with contacts in the Group's business divisions and subsidiaries, is responsible for implementing the credit, market and operational risk control system and ensuring risks are monitored in a consistent fashion across the Group.**

According to the last census (in the 1st quarter of 2009), the Societe Generale Group's Risk structure was staffed by more than 4,500 employees dedicated to risk management and permanent control (including 828 at the end of December 2009 within the Group Risk Division).

In light of the financial crisis and in order to conform to the changes within the Group, it was decided to restructure the Risk Division as of January 1, 2009. The main objectives of this restructuring are:

- to increase the independence of the International Retail Banking Risk structure through a hierarchical attachment to the Group Risk Division;
- to unite the teams in charge of market transaction risk, including asset management;
- to reinforce the prevention and monitoring of operational risks;
- to strengthen expertise in specific risks such as individual and professional customer and real estate risk;
- to strengthen the measurement and analysis of the Group's overall risk portfolio, by bringing together the modelling and portfolio analysis teams, as well as improving alert systems and procedures.

Based on the monitoring framework defined by the Risk Committee, a set of specific procedures has been compiled for each type of risk.

In the case of credit risk:

In terms of credit risk, the Risk Division is in charge of:

- setting global and individual credit limits by customer, customer group or transaction type;
- authorising transaction files submitted by the sales departments;
- validating credit score or internal customer rating criteria;
- monitoring and surveillance of large exposures and various credit portfolios;
- reviewing specific and general provisioning policies.

In the case of counterparty risks and in response to the financial crisis, the Group has implemented, as from end-2007, an enhanced supervision system for the management of its limits and exposures to financial institutions and improved its monitoring of sensitive counterparties.

In the case of market risk:

At the proposal of the market risk department, the Group's Risk Committee sets the levels of authorised risk by type of activity and makes the main decisions concerning the Group's risk management. Within each entity that incurs market risk, risk managers are appointed to implement Level 1 risk controls. The main tasks of these managers, carried out independently from the front offices, include:

- the ongoing analysis of exposure and results, in collaboration with the front offices;
- the verification of the market parameters used to calculate risks and results;
- the daily calculation of market risks, based on a formal and secure procedure;
- the daily monitoring of the limits set for each activity, and constant control that appropriate limits have been set for each activity.

In the major trading rooms in France and abroad, these specialised market risk managers report directly to the Risk Division.

A daily report on the use of global VaR limits, stress tests and general sensitivity to interest rates is submitted to the General Management and the managers of the business lines, in addition to a monthly report which recaps any key events in the area of market risk management and the use of the limits set by the General Management and the Board of Directors.

These procedures are regularly adapted to accommodate changes in regulations, the rapid growth of increasingly sophisticated businesses and new risk factors.

In the case of operational risk:

Procedures and tools have been rolled out within the Group in order to identify, evaluate (both quantitatively and qualitatively) and manage its operational risk. The following systems enable the Group's different entities to define and implement the necessary initiatives in order to control operational risk:

- Risk and Control Self-Assessment, the aim of which is to identify and measure the Group's exposure to the different categories of operational risk in order to accurately map the levels of intrinsic and residual risk (i.e. having taken into account the quality of risk prevention and control systems);
- Key Risk Indicators or KRIs, which provide upstream alerts as to the risks of operational losses;
- scenario analyses, which consist in estimating infrequent but severe potential losses to which the Group could be exposed;
- data collection and analysis of internal losses and losses incurred in the banking industry following the materialisation of operational risks.

- **A Head of Risk Management and Information Systems Security coordinates the risk control related to information systems at Group level.**

Fully conscious of the increasing exposure of its information systems to external risks as a result of the growing number of sales channels such as the Internet, Societe Generale has maintained and reinforced its different organisational, monitoring and communication initiatives relating to information systems risks and security. **The risk management and IT security system is coordinated at Group level by the Head of Risk Management and Information System Security,** and has been rolled out within the Group's different business divisions. At operating level, the Group uses a central unit that manages alerts and monitors security levels using a multitude of both internal and external sources for information and supervision purposes.

The security network is regularly updated to keep abreast of technological developments and the appearance of new threats or risks. It is governed by the "Strategic Security Initiatives" validated by the General Management and all businesses which are part of the Central Department Supervision Committee.

The need to adapt the information system security network to the risks inherent to banking activity has been taken into account, especially within the framework of operational risk management. A four-year security action plan, covering major security initiatives, was approved in July 2008 and is monitored on a biannual basis by the Group's Executive Committee. Moreover, employees are regularly informed of and trained in the procedures and approach to adopt in order to deal with risks linked to the use of IT systems.

- **Within the Group Finance Division, the Balance Sheet Management Department is responsible for defining Group standards governing structural rate risks (maturity standards, risk monitoring indicators and tools) to be applied by all entities included in the Group's scope of consolidation.**

The organisational structure for Level 1 and Level 2 controls was formally defined jointly by the Balance Sheet Management Department and the Finance Departments of the business divisions. These documents describe the responsibilities of different players for a given process.

The entities' Finance Departments are responsible for controlling structural risk. Structural risk managers are in charge of drafting quarterly reports and carry out Level 1 controls before publishing them.

The Balance Sheet Management Department performs second-level structural risk controls at entities, and consolidates Group entity positions.

- **The Group's Corporate Secretary is responsible for the consistency and efficiency of the Group's compliance control system.**

He is assisted in this role by a **Group compliance committee** which meets once a month, and notably comprises the heads of compliance appointed within each business division, who carry out similar functions at local level via a co-ordinated network and organisational structure. Clear roles and responsibilities have also been defined for the Group's subsidiaries, branches or major entities.

The compliance of the Group's operations is monitored on a regular basis within this structure by the heads of compliance, with the support of:

- **the Compliance Department,** which verifies that all compliance rules and principles applicable to the Group's banking and investment services activities are observed, and that all staff respect codes of good conduct and individual compliance;
- **the Legal and Tax Departments,** which monitor all fiscal and legal aspects, including legal compliance, of the Group's activities.

These central departments report to the Group's Corporate Secretary. They are represented by local staff within each operational entity and, in certain subsidiaries and offices, by departments exercising the same type of function. The central teams are responsible for compliance monitoring and training as well as for the distribution of relevant information throughout the Group.

In order to improve this system, existing procedures were extended in 2009 to meet stricter compliance requirements for new products and services, control of reputational risks, and the reporting and resolution of any anomalies.

Finally, Societe Generale continues to make targeted efforts to raise awareness among staff and provide training in the prevention of compliance risks, both at a central level and throughout the Group's business divisions.

The Internal Audit Departments cover all entities within the Group

The Internal Audit is a system designed primarily to periodically evaluate the efficiency of the internal controls employed by the entity to which it is attached. All Group activities and entities have an Internal Audit Department, which is authorised to inspect all aspects of their operations. Given the risks at stake, each department is provided with the requisite resources, from both a qualitative and quantitative point of view, to carry out its functions effectively.

The system is made up of:

- **the Internal Audit Departments,** which are hierarchically attached to the managers of the business divisions and functionally attached to the General Inspection Department;
- **the General Inspection,** which is hierarchically attached to the General Management.

KEY FIGURES (1)

The Group's Internal Audit Departments comprise some 1,425 members of staff.

The Group employs more than 1,220 auditors, 77% of whom are employed in Retail Banking, 11% in Corporate and Investment Banking, and 7% in Private Banking, Global Investment Management and Services, the remainder being responsible for specialised audit assignments (accounting, legal, etc.).

The General Inspection Department, for its part, employs 169 members of staff including 128 inspectors and controllers.

Each Group business division has its own Internal Audit Department and Head of Audit, who reports directly to the division manager. The chief auditor has hierarchical and functional authority over all the auditors in the business division.

The system also includes an Audit Department for the Central Departments, which reports to the Group's Corporate Secretary.

Each Internal Audit Department regularly identifies the areas of risk to which its business division is exposed. It then defines an annual schedule of audits to make sure that the exposure is covered in full. As such, the groups within Societe Generale's retail banking network are audited on average every two years, while in the Corporate and Investment Banking Division, the highest-risk entities are audited around once a year.

In the course of their assignments, the auditors carry out controls to check the security, compliance and efficiency of the division's activities, and evaluate the quality of the permanent supervision system in place. They then put forward recommendations based on their findings, and follow these up to check they are implemented correctly. Any problems noted or recommendations put forward are entered into the recommendation monitoring system managed by the Audit Departments and General Inspection.

This system is reinforced with specialised audits in areas requiring specific expertise: accounting audit, legal audit, counterparty risk audit and modelled risk audit created in 2009. The head of the Functional Division in question takes responsibility for these specialised audits, and is thus able to directly monitor their compliance with Group principles and procedures by ensuring that they effectively cover all operational activities and that the auditors in question have access to all relevant information. The specialised audits can also complement the divisional audits in specific areas.

The General Inspection Department carries out around 100 assignments each year and verifies the overall quality of the internal control system

The General Inspection Department audits the business activities and operations of all entities within the Group, and reports its findings, conclusions and recommendations to the General Management. The department's activity is defined by an annual audit plan validated by the General Management, and covers all Group entities without exception. In the course of its assignments, it makes a certain number of recommendations, the implementation of which is monitored on a quarterly basis by the Group Executive Committee.

Furthermore, the Head of Group Internal Audit is responsible for ensuring that the internal control system implemented across Societe Generale and its subsidiaries is both consistent and effective.

(1) Average headcount in 2009

To do this, the General Inspection Department:

- audits the central departments or the departments within the divisions that are dedicated to internal control and, through these checks, evaluates the efficiency of the permanent control system;
- assesses the quality of the work carried out by the Audit Departments. To this end, it is furnished with copies of all reports submitted by the auditors and appraises their quality. It also conducts specific inspections of the Group audit departments themselves and assesses the quality of the work carried out by these departments in the entities concerned;
- validates the audit plans submitted by the Audit Departments;

The Head of Group Internal Audit also exercises functional control over the head of Audit for each business division or central department and over the specialised audit managers. He manages all audit-related activities (consistency of recommendations and methods, implementation of shared tools). To this end, he notably participates in Audit Committee meetings within each Group business division and main subsidiary.

AUDIT COMMITTEES

The Audit Committees are a forum for dialogue between representatives of the business division or main Group subsidiary audit departments and their respective hierarchical and functional managers. They play a vital role in the internal control system. They assess the operation and activities of the system at least on an annual basis and notably address issues such as the assignments carried out over the course of the year and the forthcoming audit plan, the implementation by the audit department of the General Inspection Department's recommendations and, where applicable, those of the supervisory authorities and external auditors.

As part of his role, the Head of Group Internal Audit is required to meet regularly with the Audit, Internal Control and Risk Committee of the Board of Directors. During these meetings, he presents the periodic control section of the annual report on the internal control system, as specified in article 42 of amended CRBF regulation No. 97/02, as well as the most important recommendations which are behind schedule. The Audit, Internal Control and Risk Committee examines the Group annual internal audit plan and comments on the organisation and functioning of the periodic controls.

The Head of Group Internal Audit also maintains regular, organised contact with the Statutory Auditors and representatives of the supervisory authorities. Lastly, the General Inspection Department works in conjunction with the Internal Audit Departments to ensure that the recommendations made by the supervisory authorities are implemented.

Control of the production and publication of financial and management information

The players involved

The players involved in the production of financial data are as follows:

- the Board of Directors' Audit, Internal Control and Risk Committee has the task of examining the draft accounts which are to be submitted to the Board, as well as verifying the conditions under which they were prepared and ensuring not only the relevance but also the consistency of the accounting principles and methods applied. The Statutory Auditors meet with the Audit, Internal Control and Risk Committee during the course of their assignment;
- the Group Finance Division gathers all accounting and management data compiled by the subsidiaries and business divisions in a series of standardised reports. It consolidates and controls this information so that it can be used in the overall management of the Group and disclosed to third parties (supervisory bodies, investors, etc.);
- the subsidiary and business division Finance Departments carry out Level 2 controls on the accounting data and entries booked by the back offices and on the management data submitted by the front offices. They compile the financial statements and regulatory information required at local level and submit reports (accounting data, management control, regulatory reports, etc.) to the Group Finance Division; within the Finance Department of Corporate and Investment Banking, the Product Control Group (PCG) created in November 2008 is now more specifically responsible for guaranteeing the production and independent validation of Corporate and Investment Banking's income statement and balance sheet;
- the middle office in the Corporate and Investment Banking division validates the valuations of financial instruments. It also reconciles the economic results produced by the front office with the accounting results produced by the back office;
- the back office is responsible for all support functions relating to transactions carried out by the front offices. It checks that financial transactions are economically justified, records transactions in the accounts and manages means of payment.

Above and beyond its role of consolidating the Group's accounting and financial information, the Group Finance Division is also entrusted with large-scale audit assignments: it monitors the financial aspects of the Group's capital transactions and its financial structure, manages its assets and liabilities, and consequently defines, manages and controls the Group's financial position and structural risks. Furthermore, it ensures that the regulatory financial ratios are respected, defines accounting standards, frameworks, principles and procedures for the Group, ensures they are observed and verifies that all financial and accounting data published by the Group is reliable.

Accounting standards

Local accounts are drawn up in accordance with local accounting standards, and the consolidated Group accounts are compiled in accordance with the standards defined by the Group Finance Division, which are based on IFRS as adopted by the European Union. The Group Finance Division has its own standards unit, which monitors the applicable regulations and drafts new internal standards to comply with any changes in the regulatory framework.

Procedures for producing financial and accounting data

Each entity within the Group compiles its own accounting and management statements on a monthly basis. The information is then consolidated each month at Group level and published for the markets on a quarterly basis. The business division Finance Departments also submit analytical reviews and notes validating their accounting data to the Group Finance Division to allow it to compile the consolidated financial statements and management and regulatory reports for the Group General Management and interested third parties.

In practice, procedures have been tailored to the growing complexity of products and regulations. Moreover, specific action plans can be implemented where necessary. Indeed, in order to handle the strong growth in the volume of equity derivative transactions and the increasingly complex nature of the products on offer, Societe Generale Group has heavily invested in the major overhaul of its transaction processing system, which is being rolled out until 2010. The creation of the Product Control Group (PCG) department within the Corporate and Investment Banking Finance Department in November 2008 is an integral part of this action plan and contributes to strengthening controls, auditability and the accounting quality of the income statement and balance sheet of this division which will be made possible by these investments.

Internal control procedures governing the production of accounting and financial data

ACCOUNTING DATA ARE COMPILED INDEPENDENTLY FROM THE FRONT OFFICES

Accounting data are compiled by the back and middle offices independently from the sales teams, thereby guaranteeing that information is both reliable and objective. These teams carry out a series of controls defined by Group procedures on the financial and accounting data:

- daily verification of the economic justification of the reported information;
- reconciliation, within the specified deadlines, of accounting and management data using specific procedures.

Given the increasing complexity of the Group's financial activities and organisation, staff training and IT tools are reviewed on a permanent basis to check that the production and verification of financial and management accounting data are effective and reliable.

SCOPE OF CONTROL

In practice, the internal control procedures implemented by the various businesses are designed to guarantee the quality of the financial and accounting information, and notably to:

- ensure that the transactions entered in the Group's accounts are exhaustive and accurate;
- validate the valuation methods used for certain transactions;
- ensure that transactions are correctly assigned to the corresponding fiscal period and recorded in the accounts in accordance with the applicable accounting regulations, and that the accounting aggregates used to compile the Group accounts are compliant with the regulations in force;
- ensure the inclusion of all entities that must be consolidated in accordance with Group regulations;
- check that the operational risks associated with the production and transmission of accounting data through the IT system are correctly controlled, that the necessary adjustments are made accurately, that the reconciliation of accounting and management data is satisfactory, and that the flows of cash payments and other items generated by transactions are exhaustive and adequate.

LEVEL 2 CONTROL BY THE FINANCE DEPARTMENTS OF THE BUSINESS DIVISIONS

The local and business division Finance Departments manage the transmission of accounting and financial data and carry out Level 2 controls. Financial data are transmitted via computerised accounting systems, which trace all events that generate an accounting entry (audit trail).

The local Finance Departments, which are in charge of local accounts and reporting, harmonise this data with Group standards if necessary. They monitor whether the information is reliable and consistent with the various accounting frameworks defined for the Group.

The Finance Departments of the business divisions control the consistency of the data produced by the entities and, in conjunction with the Group Finance Division, resolve any issues in the interpretation of accounting, regulatory or management data. A quarterly analytical report on the supervision carried out is produced and submitted by the business division's Finance Department to the Group Finance Division.

SUPERVISION BY THE GROUP FINANCE DIVISION

Once the accounts produced by the various entities have been restated according to Group standards, they are entered into a central database and processed to produce the consolidated accounts.

The department in charge of consolidation checks that the consolidation scope is compliant with the applicable accounting standards and controls a number of aspects of the data received for consolidation: validation of the aggregates produced with the collected data, verification of recurrent and non-recurrent consolidation entries, exhaustive treatment of critical points in the consolidation process, and processing of any residual differences in reciprocal/intercompany accounts. Ultimately, the department checks the overall consolidation process by carrying out analytical reviews of the summary data and checking the consistency of the main aggregates in the financial statements. Changes in shareholders' equity, goodwill, provisions and any deferred taxes consolidated in the fiscal year in question are also analysed.

In order to perfect the existing system, an accounting control harmonisation programme, including a standardised internal certification process, inspired by the "SOX" approach, is currently being rolled out. The operational roll-out of this additional system will be spread over the 2010-2012 period.

The accounting audit system

CONTROLS BY ALL OPERATIONAL STAFF INVOLVED IN THE PRODUCTION OF ACCOUNTING, FINANCIAL AND MANAGEMENT DATA

The operational staff monitor their activities via a permanent supervision process, under the direct responsibility of their management teams, verifying the quality of the controls carried out on accounting data and the associated accounting treatment.

CONTROLS CARRIED OUT BY THE AUDIT DEPARTMENTS OF THE BUSINESS DIVISIONS AND THE ACCOUNTING AUDIT TEAM, ATTACHED HIERARCHICALLY TO THE GROUP ACCOUNTING DIVISION, WITHIN THE GROUP FINANCE DIVISION

In the course of their assignments, the Audit Departments of the business divisions verify the quality of the financial and management accounting data produced by the audited entities. They check certain accounts, assess the reconciliations between financial and management accounting data, and the quality of the permanent supervision procedures for the production and control of accounting data. They also identify any areas where manual processing may be required to make up for gaps in the IT tools and which therefore need to be closely checked. The departments then issue recommendations to the people involved in the production and control of accounting, financial and management data in order to improve this process through more specific initiatives aimed at particular entities or activities.

The accounting audit team is entrusted with the following tasks:

- audits of any areas where financial information is deemed to be most sensitive, to verify that accounting standards are correctly applied;
- provision of technical and methodological expertise to the general Audit Departments of the business divisions or to the General Inspection Department;
- preventive intervention within entities that are to be integrated into the Group in the near future, in order to evaluate the impact of the application of Group accounting standards;
- maintenance of links with the Group Statutory Auditors and monitoring of their recommendations with the other Internal Audit Services.

Through its work, this specific control team, made up of experienced professionals notably from audit firms, helps to tighten the security of the internal control procedures used in the production of consolidated accounting information.

CONTROLS CARRIED OUT BY THE GENERAL INSPECTION DEPARTMENT

At the third level of control, the Group General Inspection Department generally carries out accounting audits as part of its assignments, but also conducts specific audits to check the quality of the controls carried out by the staff responsible for producing accounting, financial and management data. As an example, in 2009, the General Inspection Department conducted an audit of SG CIB's off-balance sheet management.

Highlights of the year and developments underway

Progress of the Fighting Back programme

The roll-out of the Fighting Back programme at Corporate and Investment Banking continued in 2009 in accordance with the commitments made and the initial schedule, which included a "Remediation" aspect to be implemented immediately, and a "Transformation" aspect which included more structural measures. In particular, in terms of geographic and business coverage, the roll-out of new controls aimed at preventing and detecting rogue trading risk was completed in mid-2009. Created at the end of 2008, the two new departments, SAFE (Security & Anti-Fraud Expertise), which is dedicated to transaction security and fraud prevention, and PCG (Product Control Group) are now operational.

FIGHTING BACK CONTROLS

As part of the "Remediation" aspect of the Fighting Back plan, the following controls, whose soundness has been validated by Pricewaterhouse Coopers, have been implemented for all trading activities in both French and international entities:

1. Large transactions
2. Futures and nominal amount limits
3. Deferred transactions
4. Transactions with internal or intercompany counterparties
5. Cancelled or amended transactions
6. Brokerage fees and mark-ups
7. Application of the compulsory vacation policy
8. Margin calls/futures monitoring
9. Technical counterparties
10. Off-market prices
11. Large payments
12. Cash levels
13. Non-transactional flows
14. Nostri accounts
15. Unsettled securities loans/borrowings
16. Delayed data entry
17. Buffer bases

Controls are carried out at transaction or desk level, and in all cases, the trader or desk manager involved can be identified. Alerts or anomalies detected are in particular sent to the trader's supervisor or the desk manager concerned.

The Group's internal audit bodies carry out various assignments within the scope of Corporate and Investment Banking's market activities, which notably aim to ensure the effective application of these control strengthening measures. More specifically, in early 2009, the General Inspection Department audited the action plan with the aim of verifying its relevance and exhaustive nature with regard to the weaknesses identified during the inquiry into the fraud. At the end of 2009, a new audit was carried out, this time to ensure that the initiatives had been fully implemented. SGCIB's audit department plans to carry out a series of flash audits in 2010 once the General Inspection's assignment has been completed.

Three key project series in the "Transformation" aspect of the Fighting back programme are already underway as of the end of 2009 and will be completed in 2010 in accordance with the initial action plan:

1. the FOCUS 2010 project to improve information system security: substantial progress was made in 2009 in the different aspects of this project, notably the management of user IDs and system access, application security and technical access management, workstation security and remote access, user access monitoring and data and infrastructure security. In addition to the original scope of this project, SGCIB also launched an additional project in early 2009 to roll out a "strong authentication" system in line with the best market practices that are being introduced at investment banks;
2. implementation of a standardised process for explaining daily gains and losses from market activities;
3. initiatives to improve the quality and integrity of customer and accounting repositories.

As of the end of December 2009, EUR 130 million of the EUR 150 million budget for 2008-2010, which was estimated in mid-2008, had been spent.

Strengthening permanent control

During 2009, the Internal Control Coordination Committee system was rolled out to all Group entities. From the fourth quarter of 2008, when the system was initially implemented, to the end of 2009, 65 Internal Control Coordination Committee meetings were held within the Group's Divisions and Central Departments. These committees played their role in providing overall analysis of risks and control systems, detecting weaknesses and defining corrective actions. They contributed to effective report structuring and improving risk control by the operational management.

System for identifying and communicating about significant incidents

The process for reporting and resolving significant incidents detected within the Group was defined and standardised in 2009. It aims to provide executive bodies and the Board of Directors with relevant information on these incidents within an appropriate timeframe.

The process for reporting incidents takes into account their degree of significance, which is assessed based on their importance relative to each internal reporting level. The Group Head of Compliance and the Chief Operational Risk Officer must be **immediately informed** of incidents that are deemed to be significant at Business Division and Central Department levels. Frauds and other operational risk incidents with a financial impact of more than EUR 150 million, as well as any other incident, notably of a compliance nature, liable to have a negative impact on the Group's reputation, must also be immediately reported to the Executive Committee, the Audit, Internal Control and Risk Committee and the General Secretariat of the French Banking Commission (*Secrétariat Général de la Commission Bancaire*).

Significant anomalies, including incidents, must also be **declared periodically** to the Group Compliance Committee and the Operational Risk Committee when cases of fraud or other operational risk incidents have a negative impact of EUR 10 million or more. Highly significant incidents, as well as frauds of more than EUR 50 million are reported to the Group Internal Control Coordination Committee, the Audit, Internal Control and Risk Committee and the General Secretariat of the French Banking Commission (*Secrétariat Général de la Commission Bancaire*).

Reputational risk

A Group directive on controlling reputational risk was distributed in December 2009, with the aim of increasing employee awareness about the nature and scope of this risk. It sets out applicable regulations and procedures for the Group in terms of detecting, evaluating and preventing reputational risk, and controlling the possible consequences in the event that this risk occurs.

STATUTORY AUDITORS

The financial statements of Societe Generale are certified jointly by Ernst & Young Audit, represented by Mr. Philippe Peuch-Lestrade, and Deloitte et Associés (Deloitte Touche Tohmatsu until October 2004), represented by Messrs. Jean-Marc Mickeler and Damien Leurent, who replaced Mr. José Luis Garcia. Their mandates end upon the closing of the 2011 accounts.

At the proposal of the Board of Directors, the mandates of Ernst & Young and Deloitte et Associés were renewed by the General Meeting called in 2006 to approve the 2005 financial statements.

As of 2001, in order to reinforce the independence of the company's Statutory Auditors, the Board decided to limit the fees paid to the networks of the Statutory Auditors for non-audit work.

In 2002, the Board adopted stricter rules distinguishing between the various types of assignment that may be entrusted to external auditors and the networks to which they belong.

The French Financial Security Act of August 1, 2003 prohibits Statutory Auditors from providing services other than audit services to all Group companies and restricts the services that can be provided by the networks to which the Statutory Auditors belong. The code of compliance approved in 2005 governing all Statutory Auditors stipulates the restrictions that apply to the services provided by members of their networks to Group companies that they do not audit.

The Board meeting held in November 2003 noted these changes and adopted the new rules governing the relations between Group companies and Ernst & Young Audit, Deloitte et Associés and their respective networks, which were subsequently amended in May 2006 in order to take into account the code of compliance. These rules are more stringent than the law in that they state that the Statutory Auditors may only provide services that are not directly linked to their audit assignments to Group subsidiaries outside of France and with the prior authorisation of the Audit, Internal Control and Risk Committee.

The Statutory Auditors declare the fees earned for their work each year. A report is submitted to the Audit, Internal Control and Risk Committee each year on the way in which the aforementioned rules are applied, with details of the fees paid per assignment to the networks to which the Statutory Auditors belong.

FEES PAID TO STATUTORY AUDITORS IN 2009

	Ernst & Young Audit				Deloitte & Associés			
	Amount (excl. taxes)		%		Amount (excl. taxes)		%	
(in thousands of euros)	2009	2008	2009	2008	2009	2008	2009	2008
Audit								
Statutory audit, certification, examination of parent company and consolidated accounts								
Issuer	4,683	4,700			5,137	6,222		
Fully consolidated subsidiaries	10,819	10,039			10,208	9,948		
Related assignments								
Issuer	260	456			90	502		
Fully consolidated subsidiaries	2,695	1,183			5,590	1,316		
Sub-total	18,457	16,377	99.88%	99.83%	21,025	17,989	97.37%	99.60%
Other services provided by the networks to fully consolidated subsidiaries								
Legal, fiscal, social	20	24			560	33		
Other (specify if > 10% of audit fees)	3	4			8	41		
Sub-total	23	28	0.12%	0.17%	568	73	2.63%	0.40%
Total	**18,479**	**16,405**	**100.00%**	**100.00%**	**21,593**	**18,062**	**100.00%**	**100.00%**

In accordance with article 222-8 of the AMF's General Regulations, this table only includes fully consolidated subsidiaries, therefore excluding companies consolidated on a proportional basis or accounted for by the equity method.

STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN ON INTERNAL CONTROL AND RISK MANAGEMENT

Societe Generale – Year ended December 31, 2009

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory Auditors' Report, prepared in accordance with article L. 225-235 of the French commercial code (*Code de commerce*), on the report prepared by the Chairman of the Board of Directors of Societe Generale.

To the shareholders,

In our capacity as Statutory Auditors of Societe Generale and in accordance with article L. 225-235 of the French commercial code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French commercial code (*Code de commerce*) for the year ended December 31, 2009.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide other information required by article L. 225-37 of the French commercial code (*Code de commerce*) relating to matters such as Corporate Governance.

Our role is to:

- report on information contained in the Chairman's report in respect of internal control procedures relating to the preparation and processing of accounting and financial information,
- confirm that the report also includes other information required by article L. 225-37 of the French commercial code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of internal control procedures relating to the preparation and processing of accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors or Supervisory Board in accordance with article L. 225-37 of the French commercial code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains other information required by article L. 225-37 of the French commercial code (*Code de commerce*).

Neuilly-sur-Seine and Paris-La Défense, March 4, 2010

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES
Represented by
Damien Leurent Jean-Marc Mickeler

ERNST & YOUNG Audit
Represented by
Philippe Peuch-Lestrade

SPECIAL REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Societe Generale – Year ended December 31, 2009

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Special Report of the Statutory Auditors on Related Party Agreements and Commitments

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

Agreements and commitments authorised in 2009 and agreements and commitments authorised on January 12, 2010

In accordance with Article L.225-40 of the French commercial code (*Code de commerce*), we have been advised of certain related party agreements and commitments which were authorised by your Board of Directors.

We are not required to ascertain the existence of any other agreements and commitments but to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us. We are not required to comment as to whether they are beneficial or appropriate. It is your responsibility, in accordance with Article R.225-31 of the French commercial code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1. With Mr. Philippe Citerne

Nature and purpose:

Non-compete clause for Mr. Philippe Citerne.

Terms and conditions:

Mr. Philippe Citerne is no longer a Deputy Chief Executive Officer of Societe Generale since May 1, 2009.

According to the agreement authorised by your Board of Directors on April 23, 2009, Mr. Philippe Citerne is bound for an eighteen month period by a non-compete clause in relation to a listed bank or insurance company in or outside France, or to a non-listed bank in France. In exchange, he is entitled, during the same period to a gross compensation to be paid monthly, equal to his basic salary as Deputy Chief Executive Officer, leading to a total of 1,125,000 euros for eighteen months.

Your Company paid 500,000 euros for year 2009.

2. With Mr. Frédéric Oudéa

Nature and purpose:

Severance pay for Mr. Frédéric Oudéa.

Terms and conditions:

Your Board of Directors renewed on May 24, 2009 its authorisation regarding the severance pay for Mr. Frédéric Oudéa, which had been authorised by the Board of Directors on November 5, 2008.

Such commitment will not be applicable in the event that the departure results of failure or resignation, and is subject to fulfillment of the following performance conditions:

- in the event of departure before January 2010, the average Group after tax ROE should exceed 6%, assessed on the last four published quarterly results;
- in the event of departure starting January 2010, the average Group after tax ROE calculated on the basis of the two fiscal years preceding the departure should be in excess of the one achieved by the lowest quartile of your Company's peers (the benchmark sample being identical to the benchmark defined for the calculation of the performance-linked component).

The compensation will be equal to the difference between two years' remuneration (basic and performance-linked) – or, in the event of departure before 2010, three years' basic salary without being able to exceed the ceiling of two years' basic and performance-linked pay – and, where necessary, any other compensation due by virtue of the termination in the function.

It should be noted that, for the term of the agreement signed with the French State's program to strengthen banks' equity, the severance pay and the non-compete engagement will not be payable if the Company's situation forces it to make large-scale redundancies. This additional condition ended on November 4, 2009, when the undated deeply subordinated notes and preference shares subscribed by the SPPE French government shareholding company were reimbursed and repurchased respectively.

3. With Messrs. Jean-François Sammarcelli and Bernardo Sanchez Incera

Nature and purpose:

Supplementary pension plan for Messrs. Jean-François Sammarcelli and Bernardo Sanchez Incera.

Terms and conditions:

Your Board of Directors authorised on January 12, 2010 two supplementary pension plans.

Under these plans, Messrs. Jean-François Sammarcelli and Bernardo Sanchez Incera retain the benefits of the supplementary pension allocation plan for senior executives which applied to them as employees prior to their initial appointment as Deputy Chief Executive Officers.

Mr. Jean-François Sammarcelli is under the plan set up on January 1, 1986, which is described in paragraph 2 below. It should be noted however that the base remuneration is his last basic salary as employee.

Mr. Bernardo Sanchez Incera is under the plan set up in 1991, which is described in paragraph 4 below.

Agreements and commitments authorised in previous years and which remain current during the year

In addition, in accordance with the French commercial code (*Code de commerce*), we have been advised that the following agreements and commitments which were approved in prior years remained current during the year.

1. With Groupama S.A.

Nature, purpose, terms and conditions:

SG Financial Services Holding has provided a guarantee on behalf of Societe Generale Group whereby Societe Generale Group, with the exception of Crédit du Nord:

- shall not undertake, in metropolitan France, to acquire a strategic holding in a retail bank via a partnership with an insurance company,
- shall continue to provide services at market terms to Groupama Banque for a period of at least one year in the event the Group should cease to be a shareholder of Groupama Banque.

This agreement ended on September 29, 2009 when SG Financial Services Holding sold its full share in Groupama Banque.

2. With Messrs. Daniel Bouton, Philippe Citerne and Didier Alix

Nature, purpose, terms and conditions:

As Chairman and Deputy Chief Executive Officers until May 6, 2009, April 30, 2009 and November 30, 2009 respectively, Messrs. Daniel Bouton, Philippe Citerne and Didier Alix are under the supplementary pension plan for senior executives set up on January 1, 1986. This plan entitles its beneficiaries to a total amount of pension payments equal to a percentage of the base remuneration, calculated according to the number of years of service, capped at a maximum of 70% of this remuneration for a settlement at the age of 60. The additional allocation to be paid by your Company is increased for beneficiaries who have brought up at least three children, as well as for those retiring after 60. The base remuneration is the basic salary increased by a variable part expressed as 5% of the basic fixed salary. The cost for your Company is equal to the difference between the total pension as defined above and all other retirement pensions or similar pensions received in consideration of salaried activities. This pension is maintained for 60% of its value to the surviving spouse.

It should be noted that

- Mr. Daniel Bouton is no longer entitled to new rights to the supplementary pension plan starting May 12, 2008. His rights were set at that date and shall be liquidated when he will claim his right to the French Social Security pension.
- Messrs. Philippe Citerne and Didier Alix claimed their pension entitlements on May 1, 2009 and December 1, 2009 respectively. Gross pension amounts paid to Messrs. Philippe Citerne and Didier Alix starting such dates and for year 2009 were 228,504.67 euros and 29,993.01 euros respectively.

3. With Rosbank

Nature and purpose:

Set-up of a subordinated loan for an amount of 3,900,000,000 roubles with a 7 years maturity and a 8% annual fixed rate, and purchase, as of September 20, 2007, of a subordinated loan for 750,000,000 roubles granted by Générbanque to Rosbank on May 18, 2007.

Terms and conditions:

As of December 31, 2009, the interest income recorded for these loans amounted to 311,984,254 roubles and 59,997,352 roubles respectively. The respective outstanding balances amounted to 3,915,386,301 roubles and 751,808,219 roubles.

4. With Messrs. Frédéric Oudéa and Séverin Cabannes

Nature and purpose:

Supplementary pension plan for Messrs. Frédéric Oudéa and Séverin Cabannes.

Terms and conditions:

Under this commitment, Mr. Cabannes retains the benefits of the supplementary pension allocation plan for senior managers which applied to him as employee prior to his initial appointment as Deputy Chief Executive Officer. This supplementary plan was introduced in 1991. It provides beneficiaries, upon the liquidation of their French Social Security pension, with a total pension equal to the product of the followings:

- The average, over the last ten years of the career, of the proportion of basic salaries exceeding "Tranche B" of the AGIRC pension increased by a variable part limited to 5% of the basic fixed salary.
- The rate equal to the ratio between a number of annuities corresponding to the years of professional services within your Company and 60.

The AGIRC "Tranche C" pension vested in respect of his professional services within your Company is deducted from this total pension. The additional allocation to be paid by your Company is increased for beneficiaries who have brought up at least three children, as well as for those retiring after 60. It may not be less than a third of the full rate service value of the AGIRC "Tranche B" points vested by the manager since his appointment in the "Outside Classification" category of your Company.

Mr. Frédéric Oudéa, who benefited from such commitment, terminated on May 6, 2009 his employment contract, which had been suspended since March 14, 2008. As a consequence, such commitment came to an end.

5. With Mr. Frédéric Oudéa

Nature and purpose:

Non-compete clause for Mr. Frédéric Oudéa.

Terms and conditions:

Mr. Frédéric Oudéa would be bound for one year by a non-compete clause in relation to a listed bank or insurance Company in or outside France, or to a non-listed bank in France. In exchange, he would be entitled, during the same period to a compensation to be paid on a monthly basis, equal to his basic salary. Parties will however have a right to waive such clause.

Neuilly-sur-Seine and Paris-La Défense, March 4, 2010

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Represented by	Represented by
Damien Leurent Jean-Marc Mickeler	Philippe Peuch-Lestrade

6 HUMAN RESOURCES[1]

(1) Historical data should be used with caution as the scopes concerned and the dates of calculation may vary from one financial year to the next. Similarly, care should be taken with averages as they constitute aggregate figures for a broad scope, and figures for individual geographic areas, countries or activities may vary widely.

The Societe Generale Group employed 156,681 staff in 83 countries at the end of 2009. In this diverse environment, which brings together very different businesses, people and cultures, the aim of human resources management is to support the Group's main challenges, which are:

- to strengthen its appeal as an employer, in order to attract, integrate and retain current and future staff;
- to promote employee development thanks to the implementation of new Group-wide HR initiatives;
- to recognise and encourage staff diversity and dynamism;
- to facilitate the transformation of the Group's managerial culture by promoting responsible behaviour which creates value;
- to involve employees in the Group's development plans by implementing a system designed to increase awareness of employee expectations and their perception of the changes within the Group.

Regarding this last point, for the first time in its history, Societe Generale launched a global internal survey. 83,000 employees in 39 countries were asked to complete an anonymous online survey, carried out by a recognised outside service provider. More than 49,000 employees completed the survey.

These Human Resources initiatives also aim to foster cross-business co-operation, synergies and the pooling of the various divisions' practices and expertise.

EMPLOYMENT

Total headcount

At the end of 2009, the Group employed a total of 156,681 staff, representing a 4% decrease on 2008.

	2009	2008	2007	2006	2005	2004
Group headcount (at end of period, excluding temporary staff):	156,681	163,082	134,738	119,779	103,555	92,000

This decrease is due to a global slowdown in business which impacted all divisions and countries with the exception of the French Networks, where the headcount remained stable.

In terms of International Retail Banking, the employee headcount declined due to streamlining of the Group's network in Russia (42 branches closed in 2009). At the same time, international development is continuing in the Africa/Middle East/French territories region.

Private Banking, Global Investment Management and Services was also impacted due to the sale of SGAM UK.

Finally, consumer finance activity within some Specialised Financing and Insurance division entities was locally affected depending on the market backdrop.

Consequently, the percentage of Group staff outside mainland France fell slightly, from 63% in 2008 to 61.85% in 2009.

Breakdown of staff by region and activity

	Western Europe *(including France)*	Central and Eastern Europe	Africa and Middle East	Americas	Asia + Oceania	Total	% of total
Retail Banking and Specialised Financing and Insurance	52,576 *(44,675)*	44,839	14,870	2,671	1,593	116,549	74.39%
Private Banking, Global Investment Management & Services	8,193 *(4,274)*	13,924	77	668	762	23,624	15.08%
Corporate and Investment Banking	8,342 *(6,587)*	46	25	1,946	1,775	12,134	7.74%
Functional divisions	4,244 *(4,244)*	130	0	0	0	4,374	2.79%
Total	**73,355 *(59,780)***	**58,939**	**14,972**	**5,285**	**4,130**	**156,681**	**100%**
% of total	46.82% *(38.15%)*	37.62%	9.56%	3.37%	2.64%	100%	

Breakdown of staff by contract type

At end-2009, 92.44% of Group employees had permanent contracts compared to 91.09% at end-2008.

Breakdown of staff by gender

Women account for 59.58% of the total payroll, compared to 60.03% in 2008.

Breakdown of staff by age bracket(1)

AGE	WOMEN	MEN	TOTAL
under 24	2,405	1,182	3,587
24 to 29	16,146	9,591	25,737
30 to 34	11,836	9,227	21,063
35 to 39	8,731	7,484	16,215
40 to 44	6,958	5,696	12,654
45 to 49	6,440	5,405	11,845
50 to 54	5,707	4,824	10,531
55 and over	7,316	8,422	15,738
Total	**65,539**	**51,829**	**117,370**

At Societe Generale France, 41,437 employees (96.24% of the total headcount) had permanent contracts in 2009. The number of fixed-term contracts amounted to 1,618, and included 1,493 young people on work-study, vocational training contract or apprenticeship schemes. Over the course of 2009, 510 fixed-term contracts were converted into permanent contracts. 45.6% of the company's employees have executive status, and 54.4% employee status (banking technicians). The proportion of female employees on the payroll has continued to rise, and currently stands at 56%.

Recruitment

Over the 2009 financial year, the Group hired a total of 11,602 staff on permanent contracts (down 51% on 2008), including 54.03% women, and 7,413 staff on fixed-term contracts. This decline is largely due to a global slowdown in our businesses' activity caused by the global economic and financial crisis, but also the fact that the Group has made internal mobility a key priority.

The Group is continuing its recruitment policy through various initiatives, such as:

- the Societe Generale French Networks' "Permanent contract in a day" recruitment days for high school and university graduates;
- the development of partnerships with French and European schools and universities, particularly with the fourth edition of Citizen Act, a global Corporate Social Responsibility business game which is welcoming four new countries this year (Cameroon, Côte d'Ivoire, Switzerland and Italy) and 181 teams;
- an increased number of country-specific sites on the Group Careers global recruitment website: four additional sites were integrated in 2009 (Asia-Pacific, Hong Kong, China and the Czech Republic). There are now 22 sites in total.

Through these actions, high quality staff can be recruited to replace departing employees and refresh our skills base.

This policy is adapted to the specific characteristics of each business line, activity and geographic location.

(1) Data at end-September 2009, for 74.9% of the Group's scope.

Breakdown of new hires on permanent contracts by region and activity

	Western Europe *(including France)*	Central and Eastern Europe	Africa and Middle East	Americas	Asia + Oceania	Total	% of total
Retail Banking and Specialised Financing and Insurance	3,247 *(2,834)*	4,416	1,169	542	134	**9,508**	81.95%
Private Banking, Global Investment Management & Services	489 *(212)*	2	11	31	37	**570**	4.91%
Corporate and Investment Banking	688 *(507)*	4	3	191	238	**1,124**	9.69%
Functional divisions	400 *(400)*	0	0	0	0	**400**	3.45%
Total	**4,824 *(3,953)***	**4,422**	**1,183**	**764**	**409**	**11,602**	**100%**
% of total	41.58% *(34.07%)*	38.11%	10.20%	6.59%	3.53%	**100%**	

At Societe Generale France (excluding subsidiaries), a total of 2,698 new staff were recruited on permanent contracts, including 1,538 executives, and 1,309 on fixed-term contracts. The French Networks hired 1,072 new staff on work-study programmes.

Despite the drop in the number of new hires, Societe Generale remains a major economic player in terms of employment, particularly in France, with 3,953 new hires on permanent contracts and 2,126 on fixed-term contracts across all Group entities. At the same time, these recruitments are also helping to balance the age distribution of staff, notably in Retail Banking (see "Departures" section below).

Induction

The *"Starting"* induction programme was launched in late 2007 and aims to offer each new employee a successful and consistent induction into the company regardless of the entity or country in which they are employed.

This Group-wide programme includes:

- a welcome programme for the employee's first few days, informing them about the Group, its strategy, its businesses and its values and the new recruit's entity and team;
- a dedicated intranet site providing key information and pointers to recruits to help them familiarise themselves with the company;
- an e-learning module, available in English and French, to teach new employees more about the Group and increase their banking knowledge;
- guidance from a senior member of staff during the first few months for each new member of staff;
- participation in an induction seminar within the employee's entity, country or business line. A "Group Induction Seminar" was held in Paris in 2009, attended by 1,800 new recruits, 27% of whom were from outside France.

Departures

In 2009, a total of 17,874 staff on permanent contracts left the Group (20,818 in 2008). The main reasons for departure were, in descending order of importance: resignations (9,113), dismissals (4,788) and retirements (2,506).

The Group's overall staff turnover due to resignations was 6.13% (15% lower than in 2008). Actual rates vary, however, depending on the business, activity or market in question.

Over the year, the number of dismissals totalled 4,788 and included 3,055 economic redundancies. The latter were concentrated primarily in International Retail Banking (1,761), Specialised Financing and Insurance (1,163) and Private Banking, Global Investment Management and Services (118).

In International Retail Banking, branch closures in Russia required the implementation of a departure plan. Additionally, certain Specialised Financing and Insurance businesses had to tailor their structure based on the situation in the country where they were located.

All dismissals were carried out in full compliance with local legislation and in close collaboration with employee representative bodies.

In France, retirements were relatively stable, with a total of 1,890 Societe Generale and Crédit du Nord staff retiring in 2009, compared to 1,934 in 2008.

REMUNERATION

To keep pace with its global development, the Group makes every effort to attract, motivate and retain high quality staff by offering competitive pay packages consisting of a salary that reflects each individual's contribution to the Group's development, and employee benefits.

Monetary compensation includes a fixed salary which rewards the skills required for the position, and, where applicable, variable remuneration based on collective and individual performance and the achievement of results, but also the behaviour adopted, in order to achieve the objectives set at the beginning of the year, according to the context.

This monetary remuneration policy is based on common Group-wide principles, which are then adapted to the particular market environments in which the Group operates. The policy is implemented by Group entities, which draw in particular on remuneration surveys by business and by market. Where the size of a specific workforce makes this worthwhile, a cross-business review between functions and businesses is carried out in order ensure consistent, objective remuneration levels between the Group's different activities and facilitate cross-business co-operation.

Remuneration policy governance is carried out by the Group Human Resources Department for the whole of Societe Generale, and includes an annual multi-stage policy review at the subsidiary, Division, Group Human Resources Department and General Management levels. The review is then validated by the Board of Directors, on the proposal of the Compensation Committee.

All Societe Generale Group entities respect their commitments with regard to the payment of social security charges on salaries and staff benefits (for the actual amounts, see note 39, page 305).

More details on the principles governing the Group's compensation policy, particularly for financial market professionals, can be found in Chapter 5 – Corporate Governance (page 89). The Group complies with the rules defined by France in accordance with the G20 guidelines.

Societe Generale has in this way committed to upholding the professional standards of the French Banking Federation, which are among the most stringent in the world. Before the General Meeting on May 25, 2010, the Group will also publish a specific report dedicated to its 2009 remuneration policy for financial market professionals, in compliance with Articles 43.1 and 43.2 of the French Government's order of November 3, 2009 on the compensation of persons whose activities are liable to have an impact on the risk exposure of lending institutions and investment companies.

At Societe Generale France, the average gross annual remuneration(1) for 2009 was EUR 47,796 (up 1.2% compared to 2008).

Each year, Societe Generale also offers employees the chance to become shareholders.

EMPLOYEE BENEFITS

The Societe Generale Group intends to actively contribute to the social protection of all its employees, particularly in terms of healthcare, pension, and death, invalidity and incapacity benefits.

This forms part of the Group's corporate responsibility and reflects its ambition to promote lasting relationships with its employees as part of a commitment to mutual development and to an environment which favours both individual and collective well-being.

In order to provide employees with a high-quality social protection system, the Group may put in place additional benefits, over and above the legally required protection plans.

(1) Fixed and variable components excluding profit-sharing and share ownership schemes.

The Group provides its employees with high-level protection tailored to the local market

As the characteristics of compulsory benefit plans may differ greatly from one country to the next, each Group entity defines the level of additional coverage that it wishes to put in place, based on the local market, its development strategy, overall remuneration policy and financial position, with the agreement of its supervisory authority (and possibly in consultation with other Group entities in the same country). Societe Generale ensures that, wherever possible, the level of coverage in place is at least comparable to that provided by local competitors.

PROFIT-SHARING AND THE GLOBAL EMPLOYEE SHARE OWNERSHIP PLAN

Societe Generale offers its staff a number of profit-sharing and share ownership schemes. Since 1987, the Societe Generale Group has pursued a proactive employee share ownership policy, with the aim of giving a maximum number of staff a share in its performance.

The Global Employee Share Ownership Plan

In 2009, more than 145,000 present and former employees were offered the chance to take part in the reserved capital increase. 9,000 employees were invited to participate for the first time.

The 2009 capital increase covered 269 Group entities in 64 countries. 40.6% of those eligible within the Group subscribed to the scheme, of which 57.6% of subscribers in France (for Societe Generale France, the French subsidiaries and the Crédit du Nord Group) and 23.3% abroad. 10.76 million shares were created and a total of EUR 291.4 million were invested[1]. Almost 90,000 employees and former employees around the globe are Societe Generale shareholders, accounting for 7.13% of the Group's share capital at end-2009.

The average value of company shares held by Societe Generale France employees stood at EUR 36,700 at the end of 2009, which is equivalent to around 750 shares per employee shareholder. Moreover, with the exception of the fund reserved for Crédit du Nord staff, the holders of units invested in Societe Generale shares have a voting right at the General Meeting.

Note that employee share ownership is the same as at end-2008.

The Company Savings Plan

At Societe Generale France, profit-sharing and share ownership are now calculated by taking into account the overall Group earnings. Societe Generale employees can invest their share of the profits in diversified marketable securities through the Company Savings Plan (PEE), which offers special financial terms and tax incentives. The company makes additional top-up contributions to the fund on behalf of employees choosing to invest. Employees can invest in a range of eighteen mutual funds, which allows them to better diversify their investments.

For Societe Generale France, in 2009, a total of EUR 97 million in profits from 2008 was distributed to Societe Generale staff, 16% less than the amount distributed the previous year. An exceptional additional profit share totalling EUR 4.5 million was also distributed uniformly to all Societe Generale France employees (equivalent to EUR 100 per employee). This "work dividend" benefited from the same social security and fiscal regime as the profit share resulting from the annual calculation. In addition, the majority of the Group's French subsidiaries have their own profit-sharing and share ownership schemes in place.

Information on the share of capital held by employees under the Company or Group Savings Plans

In accordance with Article L. 225-102 of the French Commercial Code, it was disclosed that, of December 31, 2009, the staff of Societe Generale France, Crédit du Nord and its branches and subsidiaries held a total of 52,775,564 shares under Company and Group Savings Plans, representing almost 7.13% of the Group's share capital.

Information about the Societe Generale employee share ownership plan named "*Societe Generale actionnariat (Fonds E)*"

Under the terms of the rules governing the Societe Generale mutual fund, the voting rights attached to the Societe Generale shares included in the Fund's assets belong individually to the holders of fund units in proportion with the respective shares they hold. The Fund's Supervisory Board, which is composed of an equal number of unit-holding employee representatives and representatives of the Management, exercises voting rights for fractional shares and voting rights not exercised by unit holders.

(1) O/w profit-sharing and share ownership (EUR 79 million), voluntary contributions (EUR 140 million) and top-up payments (EUR 72.4 million).

In the event of a public purchase or exchange offer, the Supervisory Board decides based on the relative majority of the votes cast whether or not to contribute shares to the offer. If there is no relative majority, the decision is put before the vote of the unit holders, who decide according to the relative majority of the votes cast.

DIVERSITY AND EQUALITY IN THE WORKPLACE

Recognising and valuing diversity is a cornerstone of Societe Generale's Human Resources policy. The Group's continued efforts in this area characterised 2009, whether in terms of the professional integration of young people or disabled employees, equality in the workplace or the diversification of our new hires.

Diversity means adopting an inclusive approach, serving the Group's values and providing new sources of talent by embracing different nationalities and cultures, ensuring a balance between the genders and the generations and the representation of minority groups.

Beyond the figures which illustrate the importance that the Group attaches to diversity in real terms (156,681 employees in 83 countries, 128 nationalities and 59.58% women), Societe Generale has undertaken a number of practical initiatives to promote its development:

1. in its initiatives in France and abroad aimed at:

- promoting diversity:
  - Societe Generale's determination, through a proactive approach, to help improve both the quality of life of local communities, by developing local employment initiatives, and the economic attractiveness of the employment markets where the Group is located. In order to do this, the Group signed an Employment Charter with the city of Fontenay in 2009 following the charter signed with the city of Nanterre in 2007.

    Through their commitments to employment promotion, these charters constitute one of the key components of the Societe Generale Group's commitment to social responsibility;
  - organisation of the "*Sogélive en agence"* day, which enabled experienced non-executives from outside the banking profession to come and learn about employment as a bank cashier. This day, which took place in two Paris branches (Saint-Lazare and Boulevard Saint-Germain), was attended by almost 200 candidates;
  - increased participation in events and forums to expand our recruitment base ("*Rencontres Emplois et Divers'cités*", "*Paris pour l'emploi*" and the ANPE forum for experienced jobseekers). Societe Generale also participated in the "Work in France" forum in March 2009 in order to meet international students spending time in France to complete all or part of their studies;
  - development of the recruitment process in order to attract non-executive, non-banking staff into bank cashier positions within the Societe Generale Network in France. The aim is to provide everyone with an opportunity, including, for example, women who are looking to re-enter the workforce following an extended career break to raise their children;
  - a theatre production on diversity entitled "*J'aime pas beaucoup ce que vous êtes*" (I don't really like you) in order to increase the awareness of all Paris employees of this issue;
  - professional integration of disabled employees through the *Mission Handicap* initiative in France (see section on Employment and Integration of Disabled Workers).
- professional integration of young people:
  - the recruitment of young people without university qualifications in France, thanks to the "*Coup de Pouce pour l'insertion*" programme, which aims to successfully integrate young people from underprivileged Lyons neighbourhoods with a view to long-term employment. The aim of the programme is to promote equal opportunities on the employment market for young people without university qualifications, regardless of where they live.

    Through this initiative, in 2009 Societe Generale took on 11 young people on training programmes which, upon successful completion, will enable them to obtain a permanent contract. A dozen companies, in addition to Societe Generale, have pledged to offer employment opportunities, training, work-study programmes and temporary positions to young people who are not kept on by the Group in order to provide a sustainable solution for entering the labour market. The success of the initiative means that, in 2010, it is being pursued in Lyons and extended to the Greater Paris and Marseille regions, with the aim of providing opportunities to some fifty young people in total;
  - mentoring of young graduates in under-privileged urban areas: the mentoring scheme was launched in December 2007 and organised in partnership with the *"Nos quartiers ont des talents*" and "*Talents et Partage*" youth programmes. The scheme has been very successful with 240 Societe Generale employees mentoring 364 young graduates, 157 of whom have obtained a permanent contract;

- participation in an educational programme in the United Kingdom run by the UK staff of the Group's Corporate and Investment Banking division. Programmes have been successfully implemented over the last twelve months, with over 60 staff taking part in four schools. The volunteers spent their lunch hours with children aged between 9 and 11, passing on their knowledge in various areas, from sports to IT to languages – knowledge that these children and their families would not otherwise have access to;
- participation for the third year running in the *Phénix* project, aimed at providing young graduates with non-business postgraduate qualifications (e.g. in literature, history or the humanities) with an alternative career path to research and teaching.

■ equality in the workplace:

- a series of awareness-raising initiatives as part of International Women's Day, including portraits of female employees, articles, interviews and press releases;
- management of women's careers in Brazil with the implementation in April 2009 of a programme offering tools to support their professional development and enable women to occupy positions of responsibility within the Group's companies;
- participation, as part of the Campus Management programme in 2009, in different initiatives and events dedicated to female engineers in order to promote careers for women within the Group: *Femme Ingénieur* Conference (Centrale Paris), *Journée Ingénieurs & Ingénieuses* (EISTI), International Institute of Women in Engineering (EPF), "The role of women in the world of work" conference (CESE 95 forum), etc.

A number of elements should be taken into account when considering equality in the workplace:

■ in terms of recruitment, women accounted for 60.25% of new hires in 2009;

■ in terms of career management, in France, interviews are systematically arranged before and after maternity leave; access to training, etc. Internationally: maternity leave management policy at KB (Czech Republic), maternity coaching in the United Kingdom, etc;

■ in terms of remuneration, the initiative to reduce unwarranted differences in salary between men and women is continuing with a dedicated budget of EUR 800,000, making an increase of nearly 15% compared to 2008 (France);

■ in terms of detecting talent, particular attention is being paid to criteria promoting equality, and encouraging (without recourse to quotas) the detection of female and non-French talent;

2. in its company collective agreements:

■ relating to equality between male and female staff:

- Czech Republic: as part of its programme aimed at increasing the number of women returning to work after having children, KB has launched a new communication portal targeting female employees while they are on maternity leave. This portal enables users to keep up with the latest news, share articles, take part in online discussions and send messages, files and photos, etc.

  In 2009, KB also received the group's internal "*Trophée de la diversité*" as well as the prize for the best application of equal opportunity practices with a view to promoting equality between men and women. This last prize was awarded by the Gender Studies organisation, sponsored by the Franco-Czech Chamber of Commerce.

  Several initiatives have also been implemented in the United States, United Kingdom, Brazil and recently Asia.
- in France, the initiative to reduce unwarranted differences in salary between men and women was continued in 2009, to take effect in 2010, with a budget of EUR 1 million, representing an increase of 25% compared to 2009.

  In terms of the agreement on gender equality, a monitoring commission is planned for early February 2010 in order to draft a report with employee representative bodies on the progress of different terms of the agreement, signed with all trade unions and effective as of January 1, 2009.

  However, at this point, a certain number of developments are already evident. For example, as of January 1, 2009, Societe Generale rolled out, at head office and for all divisions, a process aiming to inform and guide all HR managers in applying salary increases for employees returning from maternity or adoption leave.

■ relating to the employment of older employees

A three-year agreement on the employment of older staff in France has been signed, which implements measures, with quantitative targets, aiming to support older employees and anticipate their career development. Specifically, it stipulates regular "career discussions" and easy access to professional training in all forms.
Lastly, it offers measures for adapting work schedules towards the end of a career, in accordance with the employee's wishes, in order to afford them the best possible transition into retirement.

3. in its awards:

In France in 2009, Societe Generale received two awards for its initiatives promoting diversity:

- Societe Generale was named best socially responsible company on the CAC 40 for the quality of its diversity practices (Capitalcom Ranking – RiskMetrics 2009);
- In December 2009, the company was awarded the *Entreprise et Diversité* prize for its *"Coup de pouce pour l'insertion*" programme, developed by Nora Communication and Claude Suquet Consulting.

EMPLOYEE RELATIONS AND COLLECTIVE BARGAINING

In 2009, the Group signed some 275 agreements with employee representatives, including 56 new agreements or amendments in France. These texts cover issues such as remuneration, profit-sharing, equality in the workplace, disabled workers, working hours and employee benefits (including the health insurance and retirement scheme).

In France, these agreements concerned remuneration, profit-sharing and share ownership, the Company Savings Plan, management of older staff, employee benefits (including healthcare, retirement scheme and company guarantees), renewal of the Group Committee (composition and operation) and the election of staff representative bodies and delegates.

HEALTH AND SAFETY IN THE WORKPLACE

Staff throughout the Societe Generale Group are provided with extensive health and invalidity cover, which in many countries goes beyond the minimum legal requirements.

Societe Generale also permanently monitors the possibility of any risks liable to affect the health of its staff, anywhere in the world. Notably, since the WHO issued a global alert in April 2009, the Group has implemented a series of measures to prepare for a possible H1N1 pandemic.

- a preventative hygiene practices campaign;
- information on measures to take in the event that a possible case of H1N1 is detected;
- storage of masks, sanitiser and gloves;
- implementation of specific protocols governing cleaning of premises.

Several initiatives are in place in the area of health and safety, notably:

1. social protection

International Retail Banking has launched a programme for the development of social protection in the 11 countries of Sub-Saharan Africa where it operates. This will affect more than 4,000 employees and 15,000 beneficiaries overall. This project includes improved access to healthcare, complementary retirement schemes and the introduction of personal protection insurance, providing death or invalidity payouts.

2. to promote the fight against AIDS

At the same time, our subsidiaries in these countries are heavily involved in educational initiatives and actions to prevent pandemics, particularly HIV/AIDS. The programme launched involves all employees and their families. It is based on a four-point charter signed at head office and rolled out in each of the countries concerned:

- increasing employees' awareness of the virus and the advantage of knowing their HIV status;
- facilitating anonymous, free access to information and screening, and to counselling when test results are given;
- absorbing the overall cost of treating the illness (exams, analyses, medication, etc.) as part of the healthcare coverage programme;
- combating any form of discrimination against HIV positive employees.

Methodological and communications tools are provided to local HIV committees in order to support their efforts. The results are extremely encouraging and can be measured through the success of the staff information and screening campaigns. The two most recent campaigns, in Côte d'Ivoire and Burkina Faso, with respective participation rates of 64% and 61%, demonstrate employees' interest in knowing their HIV status, which is real progress for an illness which remains taboo in Africa.

3. for the safety of international travellers

In order to effectively preserve the health and safety of its international travellers and employees who move between countries, Societe Generale implemented the "Health, Safety, Security" global assistance programme in 2009 with the support of International SOS, the global leader in international health and safety services.

This assistance programme provides:

- a 24/7 advice and assistance hotline;
- guaranteed assistance in an emergency or crisis;
- an information portal on health and safety risks;
- provision at central Group level of a tracking tool for business travellers, combined with an e-mail sent to the traveller containing a memo and safety advice specific to the destination, as soon as tickets are booked.

Moreover, several additional initiatives have been put in place in France.

For example:

- post-trauma medical and psychological assistance for victims or witnesses of attacks (intervention by social assistants specifically trained to carry out post trauma interviews and medical monitoring by the company medical officer);
- implementation of a programme to prevent and manage stress in the workplace launched in 2008, with the ultimate aim of establishing an action plan enabling effective stress prevention:
  - creation of a stress observatory with the consultancy Stimulus since January 2009 in collaboration with the company medical officer. Questionnaires will be offered to employees during systematic medical visits enabling work-related stress factors to be analysed collectively. Individually, this same questionnaire will enable the company medical officer to disclose to an employee their personal results and, if necessary, recommend support measures,
  - stress management training of 3,800 managers in 2009; awareness and information campaign (conferences, manager's guide, employee brochure),
- roll-out of the National Health and Nutrition Plan to employees via a nutritional awareness campaign in company restaurants;
- stringent hygiene monitoring by catering providers in cooperation with the company;
- preventative public health initiatives: conferences on nutrition, sleep disturbance or back pain;
- annual seasonal flu vaccination campaign in which more than 2,000 employees participated in 2009;
- set-up of a partnership with an association for the employment of the disabled in order to update first aid kits for staff in Societe Generale buildings and branches.

CAREER MANAGEMENT AND TRAINING

The Societe Generale Group places great emphasis on the professional development of its staff, and aims to tailor its career management, mobility and training policies to suit the needs of individuals and the requirements of its business entities.

Societe Generale has developed the "Group Competency Guide", which is expected to become a true roadmap for the whole Group, clarifying expectations for each person at their level of responsibility and creating a development impetus for all Group employees. This is part of an overall approach incorporated into all HR processes.

The Group's aim is to facilitate employee development through:

- the roll-out of a common appraisal procedure for better promotion of talent throughout the Group;
- investment in training to develop new skills and advance;
- career path enhancement thanks to a system of regular mobility for more fulfilling experiences. This mobility may be between businesses, roles or locations. Regarding this last point, an International Mobility programme was created in 2007 and is made up of executives able to be expatriated, with the aim of supporting staff who wish to work in another country. It is gradually opening up to international entities and will eventually be accessible to all Group executives worldwide. The programme currently has 230 members and since being set up has contributed to the expatriation of 55 employees.

Appraisal

One of the major challenges for the Group in terms of human resources management is how to evaluate and recognise the professional performance of its staff.

This is why, with the new process, the Group is innovating to ensure that annual appraisals become a key opportunity for mutual progress for both the Group and its employees.

This new system, which will be the same across the board, will be rolled out throughout the Group between now and 2011, regardless of the employee's business, entity or geographical region.

The proposed format is complete, with a standard form, a competency guide and common tools in place. The Group is entering the roll-out phase, which for 2010, covers 30,000 employees globally.

This system is standard for the whole of Societe Generale and identical for all employees, whether they are banking technicians, executives or senior management. The aim of this process is to recognise each individual's skills and provide everyone throughout the world with the same career development opportunities. This process must also enable the Group to detect and develop the talent it needs to grow, acquire new customers and penetrate new markets, wherever this talent may be.

The Group believes that sustainable performance comes not only from results but also from the behaviour and actions that lead to those results being achieved.

This is why the appraisal has two key phases: the definition of operational and behavioural development objectives at the beginning of the year, and the appraisal interview at the end of the year in these two areas.

This appraisal approach aims to enable employees to develop along with the Group.

Training

Over 110,301 Group employees (59.58% of whom were women) received some form of training in 2009 and more than 3.48 million hours of training were provided.

Training means acquiring new skills in order to progress with the company as it stands today and as it will develop in the future. Developing each employee's potential is one of the Group's priorities.

In order to do this, Societe Generale offers business-specific training programmes tailored to each type of position and experience level, drawing on innovative educational tools, as well as professional development courses (professional promotion courses, managerial training and skills development programmes).

Access to this training offer is simplified by the intranet training portal and the development of e-learning tools.

Increasingly training programmes are being adapted and made available for the whole Group.

This includes: the "Project Management Institute" which aims to professionalise project management as a profession in its own right, by developing the employee's skills in a given area. It is aimed at all employees involved in a project anywhere in the world. Set up in 2009, the Institute offers three training programmes (project manager, senior project manager and project director) which can be tailored following a personalised needs analysis. It is also possible to obtain certification, based on international standards and approved by an external authority. At the end of 2009, 14 employees had been certified and 24 were undergoing certification.

Training for professional qualifications

Also in France, Societe Generale has been promoting training programmes leading to professional qualifications: the Cursus Cadre and Cursus TMB courses are designed to lead to internal promotion and genuinely help to rise through the ranks within the Group.

The Cursus Cadre, a long-running tradition at Societe Generale, provides internal promotion opportunities which are unique within the banking sector.

In 2009, out of the 232 employees registered on this course, 99 graduates successfully obtained management positions within the Group's various divisions following a 2-year training period.

The Cursus Cadre was overhauled in 2009 in order to tailor its content increasingly towards all of the Group's businesses.

The aim of this overhaul is not only to fully involve candidates in their training, but also to meet the needs of the company and its entities more effectively in terms of skills development. Training is becoming more oriented towards improving professionalism and less academic. The first session of this new course began in January 2010.

Similarly, in the 2008/2009 period, out of the 359 employees who sat the Cursus TMB exam, 149 obtained the status of Banking Technician.

It is interesting to note that, at the end of 2009, 64 Directors were alumni of the Cursus Cadre, out of a total of 96 Heads of Commercial Operations.

EMPLOYMENT AND INTEGRATION OF DISABLED WORKERS

For several years, the fight against discrimination, the promotion of diversity and increasing the recruitment of disabled staff have been key concerns for the Group.

In 2009, Societe Generale employed 1,950 disabled staff (as defined locally) around the world, accounting for 1.24% of the overall headcount.

The highest proportions can be found in France, Russia, Italy and Germany.

In France, Societe Generale (excluding subsidiaries) has 977 disabled staff and hired 58 in 2009.

The Group is aiming to hire 160 disabled employees on permanent contracts and 40 interns over the 2007-2011 period.

The Group has many partnerships with associations such as the French Association for Physically Disabled People (APF) and the UNAPEI (Federation of Associations for Parents and Friends of Mentally Handicapped People) and has also been sponsoring the French Federation for Disabled Sports (FFH) for more than ten years.

Societe Generale follows a proactive recruitment policy through various initiatives to foster recruitment of the disabled. In 2009, Societe Generale's Mission Handicap coordinated a number of projects:

- participation in more than 50 disabled recruitment forums throughout France;
- organisation of the "*Pass pour l'emploi*" forum in partnership with ADAPT – a day of support for job seekers, held on June 16, 2009 on the La Défense esplanade, attended by more than 2,500 candidates. "*Pass pour l'emploi*" offers workshops for preparing for interviews, writing CVs and creating video CVs. Theme-based conferences and business workshops complete a programme which aims to leave participants better prepared for meeting company representatives to find out about and respond to job offers;
- partnerships with leading universities to inform their 9,000 disabled students about Societe Generale;

- development of work-study schemes leading to qualifications to ensure that disabled people are given the necessary skills;
- creation of the blog www.tousuniques.fr in order to create a forum for discussion with candidates and representatives from the world of disabled employment;
- support for an original disability communication initiative: a theatrical production entitled "*Un nouveau cap!*", which was performed by a troupe of both able-bodied and disabled actors. It was produced with the support of Societe Generale and other companies;
- implementation in France of an awareness campaign about disability prejudices.

As an employer, Societe Generale undertakes to take the measures required to ensure that disabled employees can stay in positions which match their qualifications and benefit from appropriate working conditions and training, by adapting working environments, tools, equipment, work stations and/or working hours and offering the possibility of partially paying some expenses, etc.

In total, in 2009, more than 300 initiatives were led throughout France aimed at retaining disabled employees.

THE GROUP'S CONTRIBUTION TO LOCAL AND REGIONAL DEVELOPMENT

Societe Generale contributes to improving the quality of life of local communities, by developing local employment initiatives, and the economic attractiveness of the employment markets where the Group is located. In order to do this, the Group signed two Employment Charters – one with the city of Nanterre in 2007 and one with the city of Fontenay in 2009.

Through their commitments to employment promotion, these charters constitute one of the key components of the Societe Generale Group's commitment to social responsibility.

Relationships with educational establishments and employment associations

The Group maintains an active policy of training young people and students (work-study contracts, internships, company volunteer programmes, etc.) and forming lasting partnerships with higher education establishments (the first was signed in 2004 with ESC Rouen), both in France and abroad. In 2009, it therefore welcomed 9,321 university interns and 365 company volunteer programme participants worldwide, making the Group the foremost recruiter through such programmes for the third year running.

Since 2006, in France, Societe Generale has been promoting the integration of young people into the company on work-study contracts (apprenticeship and work experience programmes), in the businesses, and in commercial training programmes relative to its activities (two-year technical degrees and Banking and Finance Masters). As of the end of 2009, Societe Generale had 1,493 young people on work-study contracts, mostly in Retail Banking.

2009 saw the continuation of all of Societe Generale's initiatives with its partners (business schools, engineering and IT schools and universities), both in France and abroad.

More than 500 initiatives were undertaken this year, including school forums, business presentations, educational actions, round tables, CV workshops, mock interviews with admission boards or grading examiners, etc.

Citizen Act, Societe Generale's corporate social responsibility business game aimed at higher education students, obtained CEL/EFMD certification in July 2009. This official accreditation acknowledges Citizen Act's role as an international programme that brings the educational and professional worlds together providing participating students with a rich and innovative educational experience.

Encouraging subcontractors and subsidiaries to comply with ILO and general labour standards

The Group's purchasers incorporate references to Societe Generale's sustainable development commitments in all invitations to tender and new contracts with subcontractors (UNEP statement by Financial Institutions on the Environment and Sustainable Development and principles of the Global compact), along with founding texts such as the Universal Declaration of Human Rights and the fundamental principles of the International Labour Organisation. All subcontractors must undertake to comply with these texts in the countries where they operate, by signing a contract which includes, in addition to other clauses, a specific clause governing this aspect. They therefore commit to comply with:

- labour law and, as a minimum in cases where there is no labour law, with the ILO Declaration;
- environmental law, by not working with subcontractors, natural persons or legal entities that are known to infringe the regulations cited above.

In addition, the Purchasing Department is committed to CSR (Corporate Social Responsibility), and notably its social aspect, through:

- an evaluation according to CSR criteria of particularly exposed services and products in order to select suppliers that are advanced in this field and adhere closely to requirements;
- a target for the volume of business conducted with the protected sector (associations specialised in employing disabled people) jointly with the Group's Mission Handicap;
- active participation in the SME Pact, which the Societe Generale Group was the first bank to join, by organising themed meetings so that innovative French SMEs can present their services to the Group's relevant organisations.

2009 NRE APPENDIX – SOCIAL SECTION

Article 1 of decree 2002-221 of February 20, 2002, enacting article L. 225-102-1 of the French Commercial Code.

The data given below relate to the Group, France or Societe Generale France, as indicated.

Employment

Staff

Group headcount at November 30, 2009: 156,681 (including 11,845 on fixed-term contracts)

Societe Generale France headcount: 43,055 (including 1,618 on fixed-term contracts)

Recruitment

Total hires: 19,015

New hires on fixed-term contracts: 7,413

New hires on permanent contracts: 11,602

Societe Generale is maintaining its appeal and continuing its recruitment policy.

Dismissals

Total number of dismissals: 4,788

Of which economic redundancies: 3,055

The other causes for dismissals are unsuitability for the position, dismissal during a trial period, and dismissal for professional misconduct (France and abroad).

Information on severance plans

Over and above its legal obligations, the Societe Generale Group looks to provide its staff with additional support measures during the implementation of severance plans (reclassification, use of outplacement firms, extension of benefits, etc.).

Outside contractors

The use of outside contractors principally concerns the outsourcing of specialised activities such as information systems, security, armoured transport, catering and building maintenance.

Societe Generale France data:

Monthly average number of service providers: 8,037

Monthly average number of temporary workers: 432 (full-time equivalent)

Working hours

Organisation of working hours

The organisation of working hours depends on the regulations applicable in each country where the Group operates, and the employee's function. As a result, the schemes available vary widely (number of working hours, flexible working hours, organisation).

Societe Generale France signed an agreement in October 2000 on the reduction and organisation of working hours, which was implemented as of 2001. It provides for two systems:

- a 39-hour working week with 56 days of paid leave in addition to normal days off per week;
- a working week of 37 hours and 22 minutes, spread over 4.5 days, with 47 days of paid leave in addition to normal days off per week.

Employees may benefit from schemes reducing the number of hours worked to 90% (introduced in September 2008), 80%, 60%, 50% or even 40%.

Several of the Group's French subsidiaries have signed special agreements, as have numerous foreign entities.

9,004 staff (i.e. 5.75% of the workforce) work part-time within the Group as a whole (including 5,198 in France and 3,907 for Societe Generale France).

Weekly working hours

In France (Societe Generale), 39 hours a week.

Part-time staff work different hours, depending on their chosen scheme (for example 31.2 hours a week for an employee working an 80% week).

Overtime

The definition of overtime is taken from the French regulations, and the reporting scope for this indicator is therefore limited to France.

At November 30, 2009, the total number of hours of overtime reported by staff at the French entities was 151,060, or an average of 2.53 hours per employee.

The total number of hours of overtime recorded by Societe Generale France over the period was 74,202, or an average of 1.73 hours per employee.

Absenteeism

Rates of absenteeism and the related causes are monitored at all Group entities.

Rate of absenteeism (number of days absent/total number of days paid, as a percentage) at Societe Generale France for the first 11 months of the year: 4.84%

Main causes: illness (2.53%), maternity (2.13%)

Rate of absenteeism for the Group: 3.41% (illness 1.80%, maternity 1.01%)

Number of accidents in the workplace (Group): 926

Employee remuneration, social security charges

Average gross annual remuneration (Societe Generale France data): EUR 47,796

All the entities in the Societe Generale Group comply with their obligations in terms of social security charges levied on employee salaries and benefits. See Note 39, page 305.

7 CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

Our vision of CSR and the main principles of our approach

Message from Frédéric OUDEA:

"Banks and the financial system are vital to wealth creation and development. It is because the bank has important responsibilities – as recent events have underlined – that we are doing our utmost to show that Societe Generale's way of operating meets the needs of all its stakeholders and that the Group warrants their trust, the keystone of our business.

The Societe Generale Group's corporate social responsibility is based on five core principles that have already proved their merit and are continually being reinforced:

- *a quality approach focused on the client and a constant concern for their satisfaction;*
- *a robust system of corporate governance, which is continually being adapted to the demands of society;*
- *a constantly reinforced system of risk management and internal control processes;*
- *a comprehensive compliance policy and the application of ethical values, on which long-term performance depends;*
- *a culture of innovation designed to encourage staff to contribute to the Group's development.*

I believe that we can only achieve our aim of long-term value-creation for all by applying a policy favourable to social development and the environment.

In every business, we have integrated environmental and social concerns into our core strategies, adapted to the different geographic, cultural, social and economic contexts in which we operate. This enables us both to more effectively manage our risks and to seize the business opportunities offered by new markets.

We see sustainable development as a continuous improvement process, constantly drawing on the best practices of this and other economic sectors, to better identify and better manage our direct and indirect impact on society and the environment. This approach is notably based on the ten principles of the United Nations' Global Compact, which we joined in 2003.

It is up to us to turn the recent crisis into an exceptional opportunity to find the way to a more socially-aware, greener economy."

Our obligations and commitments

Societe Generale seeks to respect the environment and observe fundamental human rights and social principles in all of the areas in which it operates.

The Company complies fully with the obligations of the *Nouvelles Régulations Economiques*, notably article 116 which requires that listed companies report on how they integrate social and environmental considerations into the way they do business.

It has agreed to observe the *OECD Guidelines for Multinational Enterprises* and, in 2001, signed the UNEP (*United Nations Environment Programme*) *Statement by Financial Institutions on the Environment & Sustainable Development*.

In 2003, the company also adhered to the *Global Compact* initiative, launched by the Secretary General of the United Nations, and has integrated the ten principles of this text into its strategy, business culture and operational methods.

Furthermore, in 2006, Societe Generale Asset Management signed the *Principles for Responsible Investment* (PRI) defined by the UNEP and, aware of the importance of climate change, the Group joined the *Carbon Disclosure Project* in the same year. It has since published its carbon disclosure policy and in 2008 it committed to move progressively toward carbon neutrality.

Finally, the Group was able to adopt the *Equator Principles* in 2007, following its updating of the project financing division's internal procedures for analysing corporate social responsibility.

Our objectives and policy

Societe Generale's aim is to become a major reference in Corporate Social Responsibility (CSR), and one of the leading European financial establishments in this field.

The Group is already listed in sustainable development indices (*FTSE4Good, ASPI*) and has been selected by the majority of French Socially Responsible Investment funds.

In terms of corporate and social responsibility, the Group's aim is to put its commitments into practice and to continually look for ways to improve its contribution. Its policy focuses on three core priorities:

1/ The incorporation of social and environmental considerations into our business practices

This comprises two aspects:

- The inclusion of social and environmental concerns in our activities to more effectively manage our risks.

  The divisions and entities have adopted a structured approach, tailored to their particular activities and to the extent of the risks incurred, which is designed to ultimately ensure that the social and environmental risks associated with their activities are correctly identified, prioritised and controlled;
- The promotion of responsible economic development, notably through the development of policies, products and services that contribute directly or indirectly to the protection of the environment or to social development, in response to the growing concerns of our customers and to the opportunities offered by the market.

2/ Proactive and responsible management of staff

(see pages 133 and following of this document)

This incorporates a number of elements: a recruitment policy that seeks to promote diversity, strategies to enhance the skills and employability of staff that reconcile professional development with personal fulfilment, and motivational remuneration policies designed to give employees a stake in the performance and results of the Group.

3/ Management and reduction of the direct environmental impact of our activities

Since 2008, Societe Generale has been following a rigorous environmental policy, through its carbon neutrality approach. This relates in particular to the use of natural resources, energy and paper consumption, the use of recycled paper, the selection of electronic equipment, waste management, the optimisation of business travel, etc. The Group also encourages its partners and suppliers to show the same degree of respect for the environment, and constantly looks to build on relationships that are based on trust and that encourage environmentally-friendly and socially-aware practices.

Finally, Societe Generale is involved in many sponsorship initiatives and supports many NGOs and associations working in the social and environmental fields.

Our organisation and tools

The CSR management framework forms an integral part of the Group's structure, and comprises a number of different tools and structures at various levels of the Group's hierarchy (the corporate governance system, the compliance framework, the Risk Committees, the New Product Committees, internal regulations, Code of Conduct, Audit Charter, etc.).

The Group's business and functional divisions are responsible for adjusting and implementing CSR policies, according to the specific characteristics of their respective activities, and for ensuring that these methods are correctly observed. They have appointed "CSR contributors" (around sixty Group-wide), whose duties are to communicate about the policy and actively participate in drawing up action plans and monitoring their implementation.

The Corporate Social Responsibility Department is directly attached to the Corporate Secretariat. It is in charge of promoting CSR policy throughout the Group as well as coordinating the related organisation. It also provides practical assistance to the business and functional divisions and encourages the exchange and dissemination of best practices.

The Group's Executive Committee sets the overall CSR policy and periodically validates the action plans based on the reports from the Corporate Social Responsibility Department.

In order to evaluate its overall performance in terms of corporate social responsibility, the Group has defined a series of quantitative indicators. The indicators fall into four categories:

- **corporate** indicators: corporate governance, compliance, social and environmental evaluation of counterparties/projects, innovative products fostering sustainable development, customer satisfaction, contribution to local development;
- **social** indicators: employment, skills and career management, remuneration, working hours, internal feedback, health and safety;
- **environmental** indicators: environmental management system, environmental awareness, water and energy consumption, transport, waste;
- **sponsorship** indicators.

Each year, the corresponding values are entered, consolidated and analysed using a dedicated reporting system, introduced by the Group in 2005.

For further information go to csr.societegenerale.com

2009 NRE APPENDIX – ENVIRONMENTAL SECTION

Article 2 of Decree No. 2002-221 of February 20, 2002 enacting article L. 225-102-1 of the French Commercial Code, related to the direct environmental impact of our activities.

Combating climate change

Greenhouse gas emissions

A plan to reduce CO_2 emissions per occupant by 11% (in relation to the end of 2007) between 2008 and 2012 has been approved by Societe Generale's Executive Committee. This active drive to reduce CO_2 emissions is being achieved by reducing the Group's energy, transport and paper consumption.

The Group is set to achieve carbon neutrality by 2012.

The Societe Generale Group's CO_2 emissions for 2009 are estimated at 278,835 tons for approximately 99% of employees (**i.e. 2.14 tons of CO_2 per person**), and include direct and indirect energy emissions, transport and paper consumption. Estimations are made by applying the GHG protocol calculation method to all data declared in the central reporting tool. Emissions per occupant in 2009 were down 7.6% and 4.5% respectively on 2007 and 2008, putting the Group in a good position to reach its reduction target of 11% by 2012.

	2009	2008	2007	2006
CO_2 emissions (T)	278,835*	294,372	265,732	223,948
CO_2 emissions/occupant (T)	**2.14**	**2.24**	**2.32**	**2.34**
Scope (per number of occupants)	130,070	131,112	114,540	95,700

** o/w 69,745 tons will be offset in 2010 (66,711 in France, 2,212 for SGBT and SGSS Luxembourg and 822 for ALD Automotive UK).*

After having offset its 2008 residual CO_2 emissions from its central departments and buildings in 2009, the Group is continuing towards its objective of carbon neutrality by broadening its offsetting scope. In 2010, residual 2009 emissions for the French scope will be offset via the purchase of CDM project CER certificates under the Kyoto Protocol and voluntary Gold Standard certificates. The offsetting scope in 2009 covers energy consumption in the French buildings and branches (1,522,096 m² of offices), business travel and paper consumption by all departments, subsidiaries and branches in France and covered by the environmental reporting system (99% of the total French scope). The corresponding CO_2 emissions amount to 66,711 tons.

Since 2008, Societe Generale Bank and Trust and SGSS Luxembourg have been offsetting their residual CO_2 emissions linked to business travel and paper and energy consumption by purchasing CERs. These entities will be carbon neutral over this scope for the third year in a row, thanks to their offsetting of 2,212 tons of CO_2 emitted in 2009.

As part of the Group's carbon neutrality plan, and its strategy to encourage its implementation, the Specialised Financing and Insurance Division decided to broaden the scope of residual emission offsetting in 2009 to include its subsidiary, ALD Automotive UK, which is certified ISO 14001 compliant, over the same scope as the Group, accounting for 822 tons of emissions.

In total, Societe Generale will offset 69,745 tons of emissions in 2009 through the purchase of CDM project CER certificates under the Kyoto Protocol and voluntary Gold Standard certificates. In order to increase the responsibility of the business lines in this area, the amounts offset will be reinvoiced to them.

Environmental management system

Steps taken to obtain environmental assessment or certification	In 2005, the implementation of a CSR reporting tool enabled the monitoring of environmental indicators to be improved. This scope was once again extended in 2009 and covered 99% of the Group's workforce at the end of the year (a 7% increase on 2008, covering 132,933 employees), excluding Rosbank, which was only acquired recently. Over 900 contributors in more than 344 entities (subsidiaries, branches, sales offices, central buildings and regional offices), occupying 6,900 buildings in 62 countries, participated in the annual CSR indicator collection campaign. The reporting process for this information was reviewed by the Statutory Auditors as part of the Certification process of a selection of assertions and indicators from the Corporate and Social Responsibility Report.
Measures taken to limit the impact of the Company's activities in line with the relevant legal and statutory provisions	The departments in charge of managing Group buildings are responsible for applying the necessary legal and regulatory provisions in those areas that come under their responsibility.
Expenditure to prevent the Company's activities causing any environmental damage	Spending not itemised in the entities' operating budgets.

Existence of internal environmental management departments within the Company	Societe Generale has adopted a decentralised organisation. There is a department in charge of managing the central buildings and dedicated departments in each branch and subsidiary. The environment forms an integral part of their mission brief. The creation of a Group property committee in 2003 is helping to improve the pooling of initiatives. In March 2008, Societe Generale appointed an Environment Director whose role is to define and oversee the Group's environmental policy. His primary objectives are to reduce the direct impact of the Group's activities on the environment – notably its carbon footprint – in order to achieve carbon neutrality and reduce the consumption of non-renewable energy.
Staff training and information	A brochure on sustainable development was distributed to 80,000 employees in France and abroad in 2006. A brochure on the Group's policy governing climate change was also distributed to staff in 2008. These brochures are systematically handed out at seminars or conferences on related topics and are available on the Group intranet site. A dedicated intranet site (in French and English) enables employees to find out more about sustainable development issues in general and within the banking sector in particular, and about the initiatives taken by Societe Generale in this respect. An area dedicated to raising employee awareness about sustainable development has been set up on the ground floor of the Societe Generale towers (Paris, La Défense), and conferences on various sustainable development issues are organised for employees on a regular basis. Regular displays indicating best practices in terms of environmentally-friendly behaviour are organised within the central buildings in France, and a travelling exhibition on sustainable development and CSR issues is being shown throughout the Group's subsidiaries and entities. A training programme on CSR and sustainable development (web and in-class) has been devised for staff and managers and has been in place since 2009.

Energy consumption

Electricity consumption	629,155 MWh for 130,166 people in 56 countries, i.e. figures representing 98% of the Group's headcount. The increase in gross electricity consumption is mainly due to the broader scope of coverage and the transfer from fossil fuel consumption to electricity.
Gas consumption	97,405 MWh for 130,166 people in 56 countries.
Fuel and other energy fluid consumption (steam, ice water)	97,722 MWh for 130,166 people in 56 countries.
Air conditioning	84% of buildings are air-conditioned (70% of branches in France, 94% of central buildings and 85% of subsidiaries which submitted data). Nearly all air conditioning systems in France are dry refrigeration or adiabatic systems. Cooling towers are gradually being removed. Two new central buildings opened in 2005 (50,600 m²) were equipped with new, more efficient air conditioning systems to replace the old equipment. From 2008, various measures have been taken to upgrade the Group's cooling systems (replacement of cooling cabinets, setting up of reversible air conditioning systems, optimisation of output, etc.).

	2009	2008	2007	2006	2005
Electricity (in MWh)	629,155	596,663	523,810	441,660	388,737
Gas (in MWh)	97,405	126,111	118,066	95,351	86,054
Fuel and other energy fluid consumption (steam, ice water) (in MWh)	97,722*	131,460*	122,614*	98,676*	98,941
Total energy consumption	**824,282**	**854,234**	**764,490**	**635,687**	**573,732**
Energy per person (in MWh)	**6.3**	**6.5**	**6.8**	**6.5**	**6.8**
Scope (number of occupants)	130,166	131,370	112,732	98,200	83,931
Scope in terms of surface area (m²)	3,626,861	3,393,519	3,360,719	2,879,285	2,305,000
Energy per m² (in kWh)	227	252	227	221	260

** Including the energy consumed in the production of ice water since 2006*

Measures taken to improve energy efficiency	All central buildings and network branches in France, and subsidiaries such as SG Japan and Splitska Banka, have automatic regulation systems (notably climate control). The Societe Generale towers (Paris, La Défense) have automatic systems for greater energy efficiency: climate control, automatic closing of blinds, switching-off of lights at set times, etc. The same system was installed at the Hong Kong offices in 2004 and at Tower Hill (SG London) in 2007. BRD and SG Serbia have both implemented a Building Management System for their administrative head offices. Energy audits are regularly performed at subsidiaries (Komerčni Banka) or for buildings (seven central buildings in 2009). New environmental reporting standards for renovations and construction, specifically tailored to banking businesses, were developed in 2009 in order to prioritise efforts to save energy and reduce CO_2 emissions. A test version of these standards will be rolled out in 2010. The delivery of the Tour Granite (Paris, La Défense) in early January 2009, the first High Environmental Quality (HQE®) building in France, enabled the Group to improve the average energy efficiency of its central buildings. Societe Generale will benefit fully from this new tower in 2010. All French branches are equipped with a system for switching off lighting and putting workstations into standby mode outside working hours. The lighting of elements on the front of buildings (signs, etc.) is also controlled by automatic timers, which leave only a minimum amount of equipment powered up after a specified time. During branch renovations, priority is given to installing reversible air conditioning systems in order to save energy, skylights and the use of external insulating paint (in Polynesia for example). Systems for recovering the heat given off by some of our refrigeration installations have been installed in the central buildings: the use of recovered heat covers 93% of the energy required to heat the Societe Generale towers at La Défense. Annual gains are estimated at 7,460 MWh. Furthermore, since 1995, the Group's IT centre near Paris has been fitted with a system for recovering the waste heat generated by the computers, which enables the centre to cover 95% of its heating requirements. A new indicator which measures the energy efficiency of the measures taken, tested in 2009 on 15% of the reporting scope, revealed energy savings of 13.5 GWh. A Group-wide "Green IT" programme was launched in 2009 with the aim of reducing carbon emissions and an action plan to reduce the environmental impact of IT equipment. The aim of this programme is to reduce energy consumption by the equivalent of 25,000 tons of CO_2 per year. Several subsidiaries are gradually implementing best practices as part of local action plans: – use of low energy light bulbs in several entities: BRD, SG Express Bank, SG Marocaine des Banques, Factoring KB, SG Calédonienne de Banque; – the optimisation of air conditioning systems which are automatically switched off outside of working hours (SG de Banques en Côte d'Ivoire, SG de Banques au Cameroun, SG Private Banking Suisse, SGB Benin, SG Calédonienne de Banque, SG Madrid, SG Mumbai, ECS Italia, SG Frankfurt); – energy management committees have been set up to analyse environmental indicators, define initiatives to optimise energy and paper consumption and collate ideas for improvement from different entities (BFV SG à Madagascar, SG de Banques en Côte d'Ivoire); – General Bank of Greece has set its PCs to automatically come on at a specified time, which means an energy saving of 754 MWh and budget saving of EUR 100,000 each year; – in 2008, SGB Burkina Faso paid its staff 50% of the savings made in energy consumption in relation to 2007.
Use of renewable energy sources	In 2009, "green" electricity represented 14% of the Group's overall electricity consumption and amounted to 88 GWh, a 4% increase on 2008. This policy of purchasing energy certified as coming from renewable sources was initiated in 2005 through the signing of a green power contract over several years for the provision of energy from renewable sources for the two Societe Generale Valmy towers (Paris, La Défense). Twelve subsidiaries and three central buildings now use green energy: ALD Luxembourg (6%), ALD Sweden (77%), Banque de Polynésie (1.8%), Gefa Bank (15.8%), General Bank of Greece (5.1%), Komerčni Banka (8.1%), SG Dublin (100%), SG Hambros (29.4%), SG London (100%), SG Zurich (100%, certified naturemade), SG Euro-VL Ireland (100%), Sogessur (0.8%) and the three central towers (Valmy and Granite, 100%). In particular, the opening of the new Tour Granite at La Défense, the first High Environmental Quality (HQE®) building in France, which has increased the central buildings' share of green electricity consumption by 7.4% compared to 2008. Additionally, the Group's first "positive" branch (which produces more energy than it consumes) was opened in Polynesia. The Faaa branch is the first Group building to produce its own energy through solar panels. This local renewable energy production represents 0.2% of the Group's total electricity consumption. Since February 2010, Societe Generale de Banques in Burkina Faso has generated more than one-third of its energy from 600m² of solar panels installed on the roofs of its buildings.

Water consumption

1,641,622m³ for 103,443 people in 49 countries. Several entities (representing around 29,490 people) were not able to determine their water consumption because it is materially impossible to measure their individual consumption. This is notably the case when buildings are jointly owned and occupied and the cost of water consumption is included in the charges linked to the management of the building. Average consumption worldwide has increased by 6% on 2008, for several reasons, including incorrect data in 2008, floods which were not quickly detected, construction work leading to excess consumption, etc.

As a result of efforts made by building managers at the Group's central buildings, water consumption in France only amounted to 9.4m³/person (more than 40% less than the Group average). Performance-based maintenance contracts have led to a reduction in the consumption of running water.

Furthermore, the optimisation and removal of the cooling towers for the IT rooms in certain entities in France has resulted in a fall in water consumption. Several entities (Axus Finland, Banco SG Brazil, Sogessur, General Bank of Greece, SG Serbia, Crédit du Nord, etc.) have implemented technical solutions to reduce the flow of water used in their systems, such as installing water-saving devices or automatic dispensers, dismantling water-cooled air conditioning, implementing high-performance ventilators, water-retention devices, low-flow faucet aerators and low-flow and dual-flush washrooms in many entities.

	2009	2008	2007	2006	2005
Water in m³	1,641,622	1,504,328	1,564,159	1,407,887	783,735
Water per person in m³	**15.9**	**15.0**	**18.6**	**18.8**	**15.2**
Scope (number of occupants)	103,443	100,378	84,281	74,699	51,582

Consumption of raw materials

Paper consumption

Societe Generale has been a founding shareholder in EcoFolio since December 2006. EcoFolio is a French environmental body whose main aim is to enable companies to respect new French legislation governing producers of printed materials for business purposes.

In 2008, the scope of the ecotax applied by EcoFolio was increased under the Finance Law and Societe Generale declared 1,081 tons of paper. In 2009, the Group declared 1,841 tons.

Since October 2006, the French retail banking network has been offering customers electronic statements. At the end of 2009, 843,706 customers had opted for electronic statements, i.e. 15.8% of the bank's individual customer base and an increase of 29% on the end of 2008.

Office paper consumption:

- office paper consumption within the Societe Generale Group amounted to 8,100 tons in 2009 (scope of 131,579 people), i.e. 61.6 kg per individual, representing a 2.8% increase on 2008. This increase is mainly due to a reporting error in 2008 by BRD (Romania);
- the consumption of recycled office paper increased and represented 33.1% of the Group's total office paper consumption at the end of 2009.

At the start of 2007, Societe Generale set up a "responsible paper" steering committee to encourage all Group entities to exchange best practices to reduce and improve their paper consumption (e.g. through the use of recycled paper). Under the slogan of "*Let's consume less, let's consume better*", the project has two aims: to reduce paper consumption and encourage the use of eco-label paper.

Several major initiatives were carried out in 2008 and 2009:

- organisation of the *Challenge Bonnes Pratiques Papier Responsable* (Responsible Paper – Best Practices Challenge) aimed at heightening awareness and implementing best practices throughout the Group;
- setting up of a quarterly report on paper consumption with a pilot scheme covering the Group's activities in France;
- selection of service providers providing only recycled and eco-label paper;
- publication of a *Guide Bonnes Pratiques Papier* (Guide to Best Practices in Paper) available to all staff;
- decision to produce business cards with the words "100% recycled paper" for all staff in France;
- configuration of all new printers within the Group's central buildings to double-sided printing by default. Double-sided printing is standard in SG Amsterdam, SG London, SGBT Luxembourg, SG Private Banking Suisse, SG Serbia, SKB Banka, Splitska Banka and SGB Benin;
- reduction in the number of printers (1 printer for 6 people in the new Granite Tower and planned extension to all central buildings);
- local measures such as the switch from paper to electronic format and the regular follow-up of consumption (in France, Italy, Luxembourg, Czech Republic, UK, Netherlands, Côte d'Ivoire, Cameroon).

Waste

Waste production stood at 4,832 tons in 2009 for the central buildings in Paris (184 kg per person compared to 73 kg in 2008). The opening of the new Tour Granite in 2009 led to major changes in the Group's IT facilities with a paper consumption strategy notably leading to a decrease in the number of individual printers, which explains the increase in the amount of waste per person between 2008 and 2009.

Waste is broken down into 16 categories, which are each processed accordingly. Agreements with service providers have been implemented for collecting, sorting and recycling most waste. Directives on the systematic recycling of fluorescent tubes were issued in 2004. In 2008, the Group issued a directive on the treatment of electric and electronic waste to be applied Group-wide as of 2009. In France, an agreement was signed with sector companies able to process and recycle all of the Group's electronic equipment and telephone hardware.

Transportation

Travel to and from work	Proximity to a public transportation hub (La Défense, Val de Fontenay) was a key factor when determining the location of Societe Generale's head offices. Since October 2007, Societe Generale has been offering its employees in the Paris region a car-pool service. To date, some 5,000 members of staff have subscribed to this service via the dedicated website www.roulons-ensemble.com. 2007 also saw Societe Generale Securities Services and the subsidiary in charge of the administrative management of the Group's company savings plan based in Nantes (France) set up a company travel plan, the first of its scale within the Group, in that it caters to 1,300 members of staff. Nantes Métropole and the ADEME assisted the Nantes site with its logistics and finances.
Business travel	A new internal directive was issued in 2005 encouraging staff to limit business trips and to travel by train rather than airplane whenever distances permit, due to the environmental impact of air travel. In 2008, in France, a business travel eco-comparator was set up on the travel reservation platform, which calculates the quantity of CO_2 emitted according to the method of transport chosen. Short-haul air travel has been reduced in favour of rail transport. The use of audio and videoconferencing is also encouraged to limit the need for business travel. In 2009, a Green IT programme was launched with the principal aim of developing technology to replace business-related travel, and included objectives and an action plan. In partnership with its subsidiary ALD Automotive, Societe Generale has also focused on reducing the carbon footprint of its fleet of vehicles. In 2009, a Group Car Policy was launched aimed at limiting the environmental impacts of the Group's car fleet by selecting the greenest vehicles and implementing support measures such as training in environmentally conscious driving. The Group should see the results of this programme in 2010 in France. At the end of 2009, average emissions for the Societe Generale fleet in France amounted to 131g of CO_2 per km and 165g globally.

Business travel (km)	**2009**	**2008**	**2007**	**2006**
Airplane	210,844,166	247,084,428	288,002,046	203,418,054
Train	41,889,265	38,742,281	33,393,554	34,050,783
Car	191,681,568	182,812,722	133,532,618	178,840,945
Total distance	**444,414,999**	**468,639,431**	**454,928,219**	**416,309,782**
Scope (number of occupants)	129,343	130,730	118,069	90,800

Other issues

Ground use conditions	Not meaningful to the Company's activity.
Air, water and ground pollution	Steps are being taken to replace R22 refrigeration systems with R134a systems in order to stop any gas leakages that are damaging to the ozone layer and to limit our greenhouse gas emissions. These steps were continued in the Group's central buildings (Tigery, Cap 18, Niemeyer II, Polaris) in 2009.
Sound and olfactory pollution	Not meaningful to the Company's activity.
Measures taken to limit any harm to the ecological balance, natural environment, and protected animal and plant species.	Asbestos: Societe Generale commissioned a certified body to carry out tests on the Group's potential damage to the ecological balance, and on the presence of asbestos in its buildings, in accordance with Decree No. 96-97 of February 7, 1996 and Decree No. 97-855 of September 12, 1997 on the protection of the public against health risks associated with exposure to asbestos in buildings. These controls were performed on the buildings concerned in 1997 and 1998, and were followed by steps to remove asbestos and protect the public where necessary. Those buildings qualifying as IGH (high-rise buildings) and ERP (public buildings) in accordance with the Decree of 2000 were checked by the independent control body, Véritas. No specific work is required in this area.

For further information and a detailed presentation of Societe Generale's environmental policy, go to the Group's CSR website at csr.societegenerale.com

8 COMPLIANCE AND THE PREVENTION OF MONEY LAUNDERING

COMPLIANCE AND THE PREVENTION OF MONEY LAUNDERING

The role of compliance

Compliance has always been one of the Societe Generale Group's core values. It is not just the responsibility of the Group's dedicated compliance officers, but concerns all of its staff, in all areas of activity.

First set up in 1997 with the exclusive task of monitoring market activities, the Compliance Department has since extended its scope of intervention to cover all banking activities.

In order to achieve this, the Group has developed a strict body of compliance procedures and rules of good conduct that meet the highest professional standards. These rules go beyond applicable legal and regulatory provisions, particularly in countries that fail to meet Societe Generale's own ethical standards.

In the banking sector, compliance practices are based on the following core principles:

- refusing to work with customers or counterparties that are not well known to the company;
- knowing how to assess the economic legitimacy of a transaction;
- being able to justify an adopted position under any circumstances.

In line with these principles, the Group:

- does not enter into relations with individuals or businesses whose activities fall outside of the law or are contrary to the principles of responsible banking;
- refuses to conduct transactions for clients or counterparties if it is unable to determine the economic legitimacy of these transactions, or where the lack of transparency suggests they may be contrary to accounting and compliance principles;
- provides information that is accurate, clear and not misleading on the products and services it proposes and verifies that said products and services are suited to customer needs;
- has established a "right to alert" which can be exercised by any employees who believe they have good reason to think that an instruction received, a transaction under review or, in general, a given situation is not in compliance with the rules that govern the conduct of the Group's activities.

The tasks of the Compliance Department

As part of the compliance structure, the Compliance Department provides the Group with expertise at the highest level. Its main tasks are namely:

- to define, in accordance with the regulators' requests and legal or regulatory requirements, the policies, principles and procedures applicable to compliance and the prevention of money laundering and terrorist financing, and ensure that they are implemented;
- to ensure that professional and financial market regulations are respected;
- to prevent and manage any potential conflicts of interest with respect to customers;
- to propose the ethical rules to be respected by all Group staff;
- to train and advise staff and increase their awareness of compliance issues;
- to coordinate relations between group entities and French and foreign regulators.

The fight against corruption

Societe Generale has very strict rules on the prevention of corruption which are included in the code of conduct and comply fully with French legislation. Information concerning obligatory measures and controls is disseminated throughout the Group in the form of directives that are updated on a regular basis. Since 2001, the Group has transposed the French provisions into a single directive provided to all staff members. This directive, updated in 2009, sets the Group rules of conduct for the fight against corruption.

IT applications dedicated to compliance

Various IT applications have been developed with the aim of ensuring compliance with current regulations (e.g. the fight against terrorism and anti-money laundering) and the detection of abuses wherever possible. Examples of such applications include:

- tools used to filter customer files and international transactions in order to detect those persons with a suspected involvement in money-laundering or the financing of terrorist activities;

- tools designed to manage and prevent conflicts of interest;
- behavioural analysis tools to facilitate the detection of suspicious transactions in the bank's Retail and Private Banking activities;
- an alert management and cheque surveillance tool;
- a tool for managing lists of insiders;
- a tool for helping to detect market abuses (price manipulation and insider trading);
- an application for managing non-compliance risk mapping and assessment and for following up action plans;
- a cross-business application to meet the Group's regulatory obligations in terms of threshold crossing.

2009 Highlights

Reinforcement of the compliance structure

Societe Generale further reinforced the Group's resources for compliance risk prevention and management in 2009.

Central Compliance Department numbers in Paris increased to 71 in 2009.

Furthermore, seminars on compliance and ethics were organised on an international scale for the key compliance managers, with a view to optimising the sharing of experiences and expertise.

Changes to the organisation of the Compliance Department

A position has been created within the Compliance Department to provide better coordination of Group sanction and embargo measures.

On October 2009, the compliance departments in France dedicated to the Private Banking and Securities core businesses, began to report to the Central Compliance Department.

Monitoring of changes to the laws and regulations introduced in the fight against money laundering and terrorist financing and the updating of procedures within the Societe Generale Group

2009 saw the promulgation, on January 30, 2009, of order No. 2009-104 concerning the prevention of the financial system's use for money laundering and terrorist financing purposes, which transposes the 3rd European Directive.

The implementing decrees and orders were also promulgated over the year:

- Decree No. 2009-874 of July 16, 2009, implementing article L. 561-15-II of the French Monetary and Financial Code, defining the 16 criteria for sums or transactions likely to result from tax fraud;
- Decree No. 2009-1087 of September 2, 2009, relating to duties of vigilance and disclosure for the prevention of the financial system's use for money laundering and terrorist financing;
- Order of September 2, 2009, which defines the information linked to KYC (Know Your Customer) and business relations required to assess money laundering and terrorist financing risks;
- Order of October 29, 2009, which provides information relating to the internal control of credit institutions and investment firms, amending regulation No. 97-02 of February 21, 1997.

The Societe Generale Group has participated in many market think tanks and consultations, led by the FBF, the AMAFI, TRACFIN and the DGPTE, covering the drafting of regulations, the adaptation and introduction of new forms for declaring suspicions to TRACFIN and changes to the *Questionnaire Lutte contre le Blanchiment* (QLB) anti-money laundering questionnaire.

The Societe Generale Group also contributed to the creation of a new anti-money laundering and counter-terrorist financing training application, as part of a market-wide project involving 9 banks under the impetus of the CFPB (Training Centre for the Banking Industry), with the help of the FBF, the AMAFI and TRACFIN.

Internally, the Societe Generale Group has continued with measures to reinforce and organise its anti-money laundering and counter-terrorist financing system and has started to adapt its procedures and tools as new laws and regulations have been introduced.

Continued efforts to train staff

In 2009, extensive training was provided, particularly following the publication of new regulations and the roll-out of new compliance-related IT applications (declaration of personal transactions, codes of conduct, lists of insiders, etc.).

On-line training courses have also been introduced. These deal with every aspect of compliance and ethics, including anti-money laundering, market compliance, conflicts of interest, information management and client relations. The Retail Banking business lines in France and abroad now have dedicated applications dealing with key themes (KYC, transaction monitoring, information and advisory, banking secrecy, etc.).

Implementation of obligations resulting from the transposition of the European Markets in Financial Instruments Directive (hereafter MiFID)

The Group's various entities affected by MiFID worked diligently throughout 2009 on the obligations resulting from the transposition of the directive.

The MiFID led to changes in many areas: the structure of the financial markets, the organisational rules applicable to Investment Service Providers (hereafter ISPs) and the rules of good conduct that ISPs must follow in their client relations.

The principle changes to the rules of good conduct were as follows:

- client ranking systems have been introduced to determine an appropriate degree of protection (higher protection granted to non-professional clients and lower protection for professional clients). Each client is informed of their designated category and of the fact that they may ask to change their category;
- client evaluation procedures have been adopted by the business lines involved in the provision of investment services. Through these procedures, sales persons are able to gather information about their clients' personal situations before providing them with investment services;
- execution policies have been defined by the relevant Societe Generale Group entities, which are required to bring these policies to the attention of their clients and to keep them up to date;
- policies have been drafted aimed at the identification, prevention and management of conflicts of interest.

Special training courses continued to be offered to ensure that all relevant Societe Generale Group employees are thoroughly familiar with the new applicable rules.

COMPLIANCE

Subsequent to the amendment of regulation No. 97-02 of the French Banking and Financial Regulation Committee (CRBF), the Group's compliance structures were modified in January 2006, with a distinction made between permanent and periodic control structures. Coordination between the two is entrusted to a Deputy Chief Executive Officer assisted by the Internal Control Coordination Committee (CCCI), which meets every quarter.

Independent compliance structures have also been set up within the Group's various businesses around the world in order to identify and prevent any risks of non-compliance.

The Group's Corporate Secretary is Group Head of Compliance (RCOG). He supervises all compliance structures and procedures with the help of a Group Compliance Committee (CCG) which he chairs and which meets every month. Each division, business line or major subsidiary has the same type of pyramid structure, which is managed by clearly designated individual heads of compliance (RCOs). The RCOs of the various divisions report to the Group Head of Compliance and are part of the CCG, alongside the heads of the Group functional divisions' relevant departments, notably including the compliance and legal departments and the General Inspection.

The RCOs contribute to the identification and prevention of compliance risks, the validation of new products, the analysis and reporting of anomalies, the implementation of corrective measures, staff training and the promotion of compliance values throughout the Group.

9 RISK MANAGEMENT

Risk management strategy

Given the diversity of businesses, markets and regions in which Societe Generale operates, the implementation of a high performance and efficient risk management structure is a critical undertaking for the bank. Specifically, the main objectives of the Group risk management are:

- to contribute to the development of the Group's various businesses by optimising their overall risk-adjusted profitability;
- to guarantee the Group's sustainability as a going concern, through the implementation of a high quality infrastructure for risk measurement and monitoring.

In defining the Group's overall risk appetite, the management takes various considerations and variables into account, including:

- the relative risk/reward of the bank's various activities;
- earnings sensitivity to economic cycles and credit or market events;
- sovereign and macro-economic risks, notably in emerging markets;
- the aim of achieving a well-balanced portfolio of earnings streams.

Risk categories

Given the diversity and changes in the Group's activities, risk management focuses on the following main categories:

- **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 **counterparty 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 from a large exposure to a given risk or to certain groups of counterparties;
- **market risk**: risk of losses resulting from changes in the price of market products, in volatility and correlations;
- **operational risks** (including legal, accounting, environmental, compliance and reputational risks): risk of losses or sanctions due to inadequacies or failures in procedures and internal systems, human error or external events;
- **investment portfolio risk**: risk of negative fluctuations in the value of equity participation stakes in the bank's investment portfolio;
- **structural interest and exchange rate risk**: risk of loss or of depreciation in the bank's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and Corporate Centre transactions (operations concerning equity capital, investments and bond issues);
- **liquidity risk**: risk of the Group 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;

Through its insurance subsidiaries, the Group is also exposed to a variety of risks linked to the insurance business (e.g. premium prices risk, mortality risk and structural risk of life and non-life insurance activities).

Through its Specialised Financing division, mainly its operational vehicle leasing subsidiary, the Group is exposed to residual value risk (estimated net resale value of an asset at the end of the leasing contract).

Principles of risk management governance, control and organisation

The Societe Generale Group's risk management governance is based on:

- strong managerial involvement, throughout the entire organisation, from the Board of Directors down to operational field management teams;
- a tight framework of internal procedures and guidelines;
- continuous supervision by an independent body to monitor risks and to enforce rules and procedures.

The Group's risk management is organised around two key principles:

- independence of risk assessment departments from the business divisions;
- a consistent approach to risk assessment and monitoring applied throughout the Group.

Compliance with these principles forms part of the integration plans for subsidiaries acquired by the Group.

Group risk management is governed by two main bodies: the Board of Directors, via the Audit, Internal Control and Risk Committee, and the Risk Committee. Under the authority of the

General Management, the Group's Functional Divisions such as the Risk Division and Finance Division, independent from the Business Divisions, are dedicated to permanent risk management and control.

THE BOARD OF DIRECTORS

The Board of Directors defines the Group’s strategy and supervises risk control. In particular, it ensures the adequacy of the Group's risk management infrastructures, monitors the global risk exposure of its activities and approves the annual risk limits for market and credit risk. Presentations on the main aspects of, and notable changes to, the Group’s risk management strategy, are regularly made to the Board by the General Management.

THE AUDIT, INTERNAL CONTROL AND RISK COMMITTEE

Within the Board of Directors, the Audit, Internal Control and Risk Committee plays a crucial role in the assessment of the Group’s internal control quality. More specifically it is responsible for examining the consistency and compliance of the internal risk monitoring framework with existing procedures, laws and regulations. With the benefit of specific presentations made by the General Management, the Committee reviews the procedures for controlling market risks as well as structural interest rate risk, and is consulted about the setting of the related risk limits. It also issues an opinion on the Group’s overall provisioning policy as well as on significant specific provisions. Lastly, it examines the risk and control procedure assessment report which is submitted each year to the French Banking Commission (*Commission bancaire*).

RISK COMMITTEE

The Risk Committee (CORISQ) is chaired by the General Management and meets at least once a month with the Group’s Executive Committee. The mandate of the committee is to define the framework required to manage risk, review changes in the characteristics and risks of the Group portfolio and decide on any necessary strategic changes. The Group also has a Large Exposures Committee, which focuses on reviewing large individual exposures.

THE RISK DIVISION

The Group Risk Division is in charge of credit, market and operational risks. It is completely separate from the business entities and reports directly to the General Management. Its role is to contribute to the development and profitability of the Group by ensuring that the risk management system is adequate and effective by overseeing all transactions carried out within the Group.

Accordingly, the Risk Division is responsible for:

- identifying the financial (credit and market risks) and operational risks borne by the Group;
- defining or validating risk analysis, assessment, approval and monitoring methods and procedures;
- assessing the risks incurred on transactions proposed by the Group’s sales managers and analysing portfolios;
- ensuring the adequacy of information systems and risk assessment tools;
- anticipating levels of risk provisioning for the Group.

In light of the financial crisis and in order to comply with changes in the Group, the Risk Division has implemented a new structure with effect from January 1, 2009. Its main aims are:

- to increase the independence of International Retail Banking’s Risk structure by having it report to the Group’s Risk Division;
- to unite the teams responsible for the risk on market transactions, including asset management;
- to reinforce the prevention and monitoring of operational risks;
- to increase the expertise in specific risks such as those relating to individual and professional customers or the real estate sector;
- to strengthen the portfolio assessment and analysis of all Group risks, by bringing together the portfolio modelling and analysis teams, while improving alert systems and procedures.

According to the last census (in the 1st quarter of 2009), the Societe Generale Group’s Risk structure was staffed by more than 4,500 employees dedicated to risk management and permanent control (including 828 at the end of December 2009 within the Group Risk Division).

THE FINANCE DIVISION

Structural interest rate, exchange rate and liquidity risks as well as the Group’s long-term refinancing programme are managed within the Balance Sheet Management Department, whereas capital requirements and equity structure are managed within the Financial Management and Capital Department. Both of these departments report to the Group Finance Division.

The Finance Division is also responsible for assessing and managing the other major types of risk, namely strategic, business risks, etc.

The Finance Committee, a General Management body, validates the methods used to analyse and measure risks, as well as the exposure limits for each Group entity. It also provides advice to both the business divisions and entities.

Societe Generale's risk measurement and assessment processes are integrated in the bank's Internal Capital Adequacy Assessment Process (ICAAP). Alongside capital management, the ICAAP is aimed at providing guidance to both the CORISQ and the Finance Committee in defining the Group's overall risk appetite and setting risk limits.

In addition, the Internal Legal Counsel deals with compliance and legal risks.

Finally, the bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team, the General Inspection Department and the Statutory Auditors.

Risk management on legacy assets

Regarding legacy assets[1], the Risk Division:

- validates all transactions linked to these assets (hedges, disposals, commutations, etc.);
- defines, measures and monitors positions using market risk metrics: VaR and Stress Tests;
- produces Marked-to-Stress and Impairment calculations, after defining and validating their assumptions;
- analyses each monoline counterparty in order to determine the adequate provisioning rate for the Group exposures, and calculates the corresponding provisions.

CREDIT RISKS

Credit risk management: organisation and structure

The Risk Division has defined a control and monitoring system, in conjunction with the divisions and based on the credit risk policy, to provide a framework for the Group's credit risk management. The credit risk policy is periodically reviewed and validated by the Audit, Internal Control and Risk Committee.

Credit risk supervision is organised by division (French Networks, International Retail Banking, Specialised Financing and Insurance, Private Banking, Global Investment Management & Services and Corporate & Investment Banking) and is supplemented by departments with a more cross-business approach (monitoring of the country risk and the risk linked to financial institutions). The counterparty risk on market transactions is linked to the market risk.

Within the Risk Division, each of these departments is responsible for:

- setting global and individual credit limits by customer, customer group or transaction type;
- authorising transaction files submitted by the sales departments;
- validating credit score or internal customer rating criteria;
- monitoring and supervision of large exposures and various specific credit portfolios;
- reviewing specific and general provisioning policies.

In addition, a specific department performs comprehensive portfolio analyses and provides the associated reports, including those for the supervisory authorities. A monthly report on the Risk Division's activity is presented to CORISQ and specific analyses are submitted to the General Management.

Risk approval

Societe Generale's credit policy is based on the principle that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, purpose and nature, the structure of the transaction and the sources of repayment. Credit decisions must also ensure that the securing of the transaction sufficiently reflects the risk of loss in case of default. Risk approval forms part of the Group's risk management strategy in line with its risk appetite.

(1) For further details on this scope, see the section dedicated to legacy assets in Chapter 2, page 14.

The risk approval process is based on four core principles:

- all transactions involving counterparty risk (credit risk, non-settlement or non-delivery risk and issuer risk) must be pre-authorised;
- staff assessing credit risk are fully independent from the decision-making process;
- responsibility for analysing and approving risk lies with the most appropriate business line or risk unit. The business and risk unit examine all authorisation requests relating to a specific client or client group, to ensure a consistent approach to risk management;
- all credit decisions are based on internal counterparty risk ratings, as provided by the business lines and approved by the Risk Division.

The Risk Division submits recommendations to the CORISQ on the concentration limits it deems appropriate for particular countries, geographic regions, sectors, products or customer types, in order to reduce sector risks with strong correlations. The allocation of limits is subject to final approval by the Group's General Management and is based on a process that involves the Business Divisions exposed to risk and the Risk Division.

Finally, the supervision provided by the CORISQ is supplemented by the Large Exposure Risk Committee. This is an ad-hoc committee responsible for vetting the risk-taking and marketing policy vis-à-vis the bank's key large corporate client group, notably by proposing exposure limits.

Risk monitoring and audit

The Group's risk information systems centralise the operating entities' commitments in a single database and reconcile total counterparty exposure with the corresponding authorisations. These systems constitute a data source for portfolio analysis.

All Group operating units, in particular the trading rooms, are equipped with information systems enabling them to check, on a daily basis, that the exposure limits set for each counterparty have not been exceeded.

The Risk Division and business lines regularly review the quality of commitments when validating credit scores or in the course of quarterly provisioning procedures.

Furthermore, the Risk Division also carries out regular credit file reviews or risk audits in the Group's Business Divisions. Finally, the Group's Internal Audit Department regularly performs audits and reports its conclusions to the General Management.

Risk measurement and internal ratings

The Group's rating system is based on three key pillars:

- the internal rating models used to measure both counterparty risk (expressed as a probability of default by the borrower within one year) and transaction risk (expressed as the amount that will be lost should a borrower default) in accordance with the Basel II principles;
- a set of procedures defining guidelines for the use of ratings (scope, frequency of rating revision, procedure for approving ratings, etc.), and for the supervision, back-testing and validation of models;
- reliance on human judgment to look critically at model results.

The Group's internal models enable a quantitative assessment of the counterparty and transaction risk that is factored into loan applications for the measurement of the credit risk and the calculation of the risk-adjusted return on capital. They are used by staff (credit analysts and customer relationship managers) and decision-makers as a tool for structuring, pricing and approving transactions. As such, counterparty ratings are one of the criteria for determining the decision-making approval limits granted to operational staff and the risk structure.

These models used to estimate the Probability of Default (PD) in relation to counterparties and the Loss Given Default (LGD) cover the vast majority of the Group's credit portfolios (Retail Banking and Corporate & Investment Banking). Most of them were AIRB-validated (Advanced Internal Ratings Based Approach) in 2007 and have since undergone a regular performance assessment.

Risk-modelling governance

MODELLING RESPONSIBILITY AND PROCESS

Governance consists in developing, validating, monitoring and making decisions on changes with respect to internal rating models. A dedicated department within the Risk Division is specifically in charge of defining the bank's process for evaluating the key credit metrics used under AIRB (Probability of Default, PD; Loss Given Default, LGD; Credit Conversion Factor, CCF), and validating the internal rating models.

A decision-making committee, the Expert Committee, authorises changes in the internal model system. Sponsored by the Risk Division and the business line concerned, its role is to validate, from a banking perspective, the risk parameters proposed in Model Committee meetings and to establish work priorities.

The credit models used to model the bank's AIRB capital requirements are reviewed once a year in compliance with the related Basel II regulations, and may then be adjusted as needed. To do this, the modelling entities carry out annual back-testing and present their findings to the independent model control entity. The back-testing results and the audit opinion on the models' performance and risk indicator parameters are used as a basis for the discussions in the Model and Expert Committees. Finally, the CORISQ is regularly notified of the conclusions and decisions of the Expert Committees.

BUILDING BLOCKS OF SOCIETE GENERALE'S CREDIT RISK MODELLING

In June 2009, in addition to the PD and LGD models, the bank introduced internal Credit Conversion Factor (CCF) models to estimate exposure at the time of default for undrawn credit facilities.

With regard to the bank's corporate exposures, PD modelling has been calibrated on the basis of through-the-cycle assumptions and has been mapped using long-term default data, obtained from an external credit rating agency, and internal data.

For retail portfolios, PD modelling is based on a historical default database covering a medium-term time horizon, incorporating cautious assumptions.

Similarly, the bank's LGD and CCF modelled for large corporate portfolios are based on a historical database that includes a low point in the credit cycle.

Evaluation of capital requirements for credit risk

In December 2007, Societe Generale obtained authorisation from its supervisory authorities to apply the internal ratings (AIRB) method for most of its exposures – this is the most advanced method for calculating capital requirements in respect of credit risk.

Societe Generale intends to progressively extend its transition to AIRB to include those activities and exposures which are currently using the Standardised Approach. A roll-out plan has been implemented to organise the transfer of the subsidiaries concerned to AIRB.

BREAKDOWN OF EAD BY BASEL APPROACH (*)

	Dec. 31, 2009	Dec. 31, 2008
IRB	79.4 %	78.7 %
Standard	20.6 %	21.3 %
Total	**100 %**	**100 %**

(*) *including equity investments, fixed assets and accruals*

Implementation of stress tests

The stress tests which are used to measure the Group's resilience to various macro-economic scenarii, are an important component of the Group's risk management. They can result in the setting of stress test limits and help clarify the potential losses as part of the budget process.

The Group has implemented a stress test plan which includes:

- global stress tests covering the Group's entire risk profile;
- specific stress tests focusing on defined sectors (for example, property, securitisation, country risk, etc.).

In addition to internal stress test runs, two runs were carried out in 2009 at the request of the regulator:

- the Group was part of a sample group of 22 European banks selected by the College of European Banking Supervisors to assess their resilience;
- the Group also carries out an annual stress test run at the request of the French regulator.

Replacement risk

The counterparty or replacement risk corresponds to the marked-to-market value of transactions with counterparties. It represents the current cost to the Group of replacing transactions with a positive value should the counterparty default. Transactions giving rise to a counterparty risk are, inter alia, security repurchase agreements, security lending and borrowing and over-the-counter derivative contracts such as swaps, options and futures.

Replacement risk management

Societe Generale places great emphasis on carefully monitoring its replacement risk exposure in order to minimise its losses in case of default. Furthermore counterparty limits are assigned to all counterparties (banks, other financial institutions, corporates and public institutions).

In order to quantify the potential replacement risk, the future marked-to-market value of trading transactions with counterparties is modelled, taking into account any netting and correlation effects. Estimates are derived from Monte Carlo models developed by the Risk Division based on a historical analysis of market risk factors and take into account guarantees and collateral.

Societe Generale uses two indicators to characterise the subsequent distribution resulting from the Monte-Carlo simulations:

- the current average risk suited to analysing the risk exposure for a portfolio of clients;
- the credit VaR (or CVaR): the largest loss that would be incurred after eliminating the top 1% of the most adverse occurrences, used to set the risk limits for individual counterparties.

Societe Generale has also developed a series of stress tests scenarii used to calculate the instantaneous exposure linked to changes in the marked-to-market value of transactions with all of its counterparties in the event of an extreme shock to one or more market parameters.

Setting counterparty limits

The credit profile of counterparties, including financial institutions, is reviewed on a regular basis and limits are set, defined both by the type and maturity of the instruments concerned. In setting these limits, the bank considers both the intrinsic creditworthiness of the counterparties, as well as the robustness of any legal documentation, the Group's global exposure to financial institutions and the closeness of its commercial relations with the counterparties in question. Fundamental credit analysis is also supplemented by relevant peer comparisons and market surveillance.

IT trading systems allow both traders and the Risk Division to ensure that counterparty limits are not exceeded, on an on-going daily basis, or that incremental authorisations are obtained as needed.

A significant weakening of the bank's counterparties also prompts urgent internal rating reviews and a specific supervision and approval process for more sensitive counterparties or more complex trading instruments.

Mitigation of replacement risk

Societe Generale uses different techniques to reduce this risk. With regard to trading counterparties, the bank seeks to implement global closeout/netting agreements wherever it can. Netting agreements are used to net all of the amounts owed and due in case of default. The contracts usually call for the revaluation of required collateral at regular time intervals (often on a daily basis) and for the payment of the corresponding margin calls. Collateral is largely composed of cash and high-quality, liquid assets such as government bonds. Other tradable assets are also accepted, after any appropriate value adjustments ("haircuts") to reflect the lower quality and/or liquidity of the asset.

Credit portfolio analysis

The Group regularly reviews its entire credit portfolio, with specific analyses by type of counterparty (Corporate, banking counterparties, hedge funds, etc.), geographic region and sector.

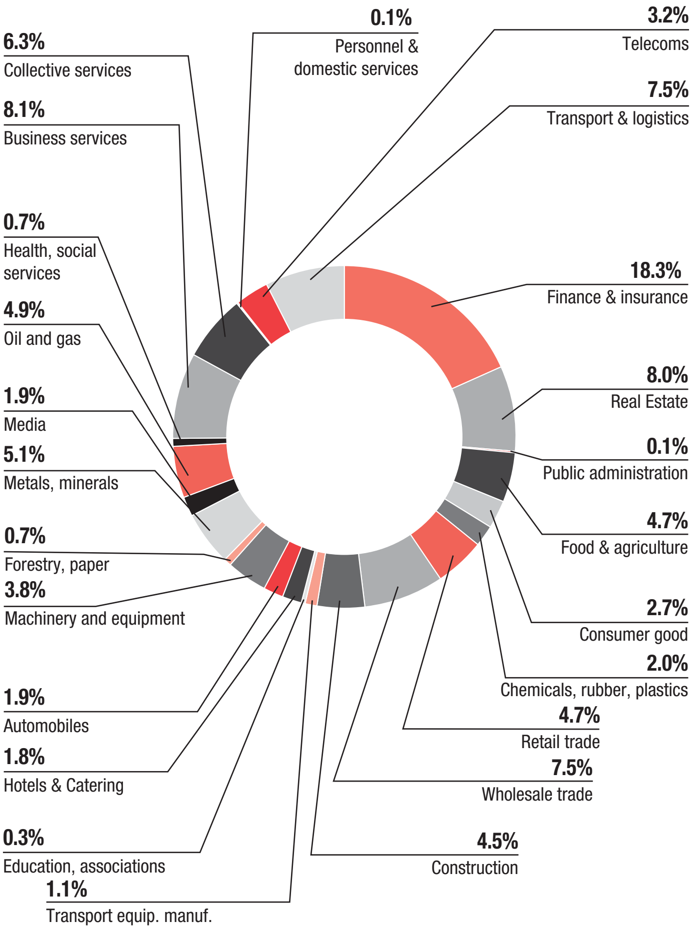
Credit Risk exposures

At December 31, 2009, loans (on-balance sheet + off-balance sheet, excluding fixed assets, equity investments and accruals) granted by the Societe Generale Group to all of its clients represented an Exposure at Default (EAD) of EUR 664 billion (including EUR 486 billion in outstanding balance sheet loans).

As a reminder, Exposure at Default (EAD) represents exposure in the event of default. It adds up the portion of loans which have been drawn and converts off-balance sheet commitments using the credit conversion factor in order to calculate the exposure recorded on the balance sheet when the counterparty defaults.

The Group's commitments for its ten largest industrial counterparties account for 5% of this portfolio.

SECTOR BREAKDOWN OF GROUP CORPORATE OUTSTANDING LOANS AT DECEMBER 31, 2009 (BASEL CORPORATE PORTFOLIO, EUR 280 BILLION IN EAD) *



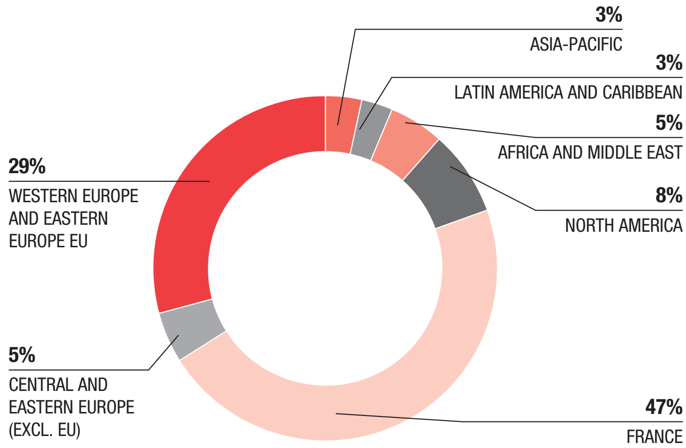
** On-balance sheet and off-balance sheet EAD, excluding fixed assets, accruals and equity investments.*

The Group's Corporate loan portfolio (Large Corporates, SMEs and Specialised Financing) is highly diversified in terms of sectors.

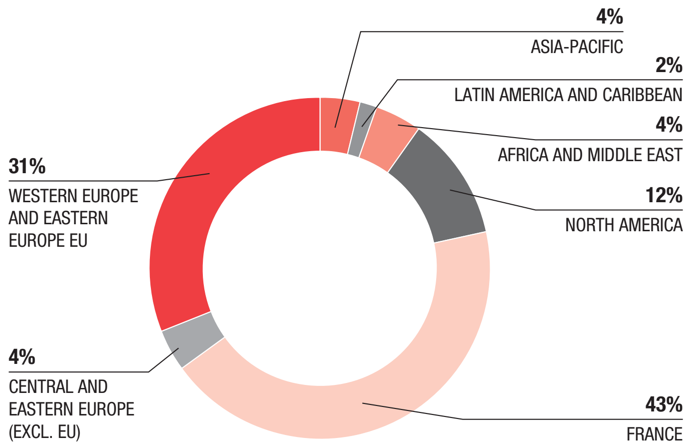
At December 31, 2009, one sector represented more than 10% of the Group's total Corporate outstanding loans, totalling EUR 280 billion (on-balance sheet and off-balance sheet EAD[1]).

GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK OUTSTANDING AT DECEMBER 31, 2009 (ALL CLIENTS INCLUDED)

BALANCE SHEET COMMITMENTS (EUR 486 BILLION IN EAD):



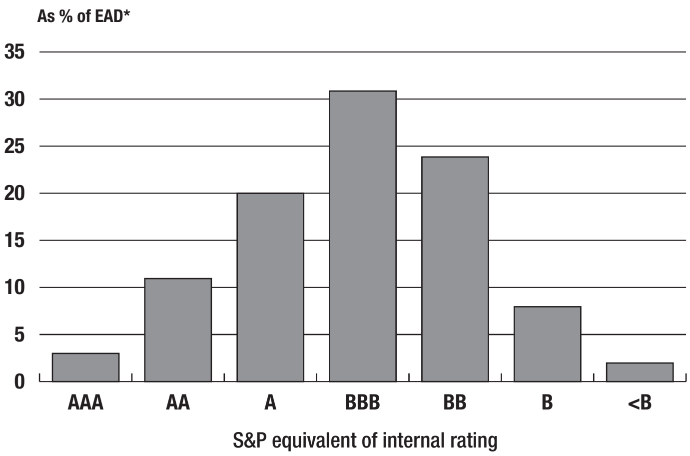
ON-BALANCE SHEET AND OFF-BALANCE SHEET COMMITMENTS (EUR 664 BILLION IN EAD):



At December 31, 2009, 85% of the Societe Generale Group's on- and off-balance sheet outstanding loans were concentrated in the major industrialised countries. Almost half of the overall amount of loans was to French customers (26% to non-retail customers and 17% to individual customers).

(1) Exposure at Default (EAD) adds the portion of loans drawn and converts off-balance sheet commitments using the average Credit Conversion Factor to calculate the exposure entered on the balance sheet at the moment of the counterparty's default.

BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CUSTOMERS AT DECEMBER 31, 2009



* *Exposure at Default (EAD) relative to borrower, issuer and replacement risk on outstanding loans processed using the IRB method, excluding equity investments, fixed assets, accruals and doubtful loans.*

The scope of Corporate commitments includes performing loans (debtor, issuer and replacement risks) reported under the AIRB and FIRB methods for all Corporate client portfolios, in all divisions (excluding equity investments, fixed assets and accruals), and represents EAD of EUR 201 billion (out of total EAD for the Basel Corporate portfolio of EUR 280 billion).

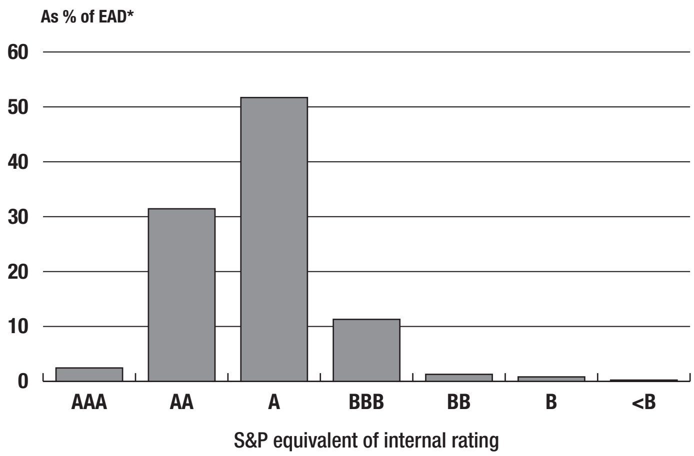
The breakdown by rating of the Societe Generale Group's Corporate commitments demonstrates the sound quality of the portfolio. It is based on an internal counterparty rating system, presented above as its S&P equivalent.

At December 31, 2009, the vast majority of the portfolio (66% of Corporate clients) had an investment grade rating.

Transactions with non-investment grade counterparties are often mitigated by guarantees and collateral in order to reduce the risk incurred.

Commitments on banking counterparties

BREAKDOWN OF RISK BY INTERNAL RATING* FOR GROUP BANKING CLIENTS AT DECEMBER 31, 2009



* *Exposure at Default (EAD) relative to borrower, issuer and replacement risk on outstanding loans processed using the IRB method, excluding equity investments, fixed assets, accruals and doubtful loans.*

The scope includes performing loans (borrower, issuer and replacement risks) recorded under the IRB method for the entire Banking client portfolio, all divisions combined (excluding equity investments, fixed assets and accruals) and represents EAD of EUR 87 billion (out of a total EAD for the Basel Banking client portfolio of EUR 95 billion).

The vast majority is concentrated in Investment Grade counterparties (almost 98% of our exposure) and in developed countries (more than 86%).

The breakdown by rating of the Societe Generale Group's banking counterparty commitments demonstrates the sound quality of the portfolio. It is based on an internal counterparty rating system, presented above as its S&P equivalent.

The Group's exposure to banks in developing countries is borne by leading banks for the most part (most often state-owned institutions) and generally covers short-term transactions and/or transactions which are largely covered by guarantees (trade finance, etc.).

Exposures to emerging markets

The Group's exposures to emerging markets are subject to limits validated on an annual basis by the General Management.

The Group's exposures to emerging markets excluding the EU are split between approximately one hundred countries in 4 regions (non-EU Central and Eastern Europe / Africa and the Near and Middle East / South America / Asia). At December 31, 2009, these exposures for all customers were down slightly, amounting to EUR 71.4 billion versus EUR 72.3 billion at December 31, 2008.

In Retail Banking (International Retail Banking and Specialised Financing), the portfolio was divided between approximately thirty countries, mainly in Central and Eastern Europe and the Mediterranean Basin. The Group's exposures including Rosbank totalled EUR 51.9 billion at December 31, 2009 versus EUR 52.3 billion at December 31, 2008.

The Group's commitments in Corporate and Investment Banking amounted to EUR 19.5 billion at December 31, 2009 versus EUR 20.0 billion at the end of 2008. The majority of these exposures are in Investment Grade countries (86%).

(In billions of euros)	Dec. 31, 2009	Dec. 31, 2008
Retail Banking (1)	51.9	52.3
Corporate and Investment Banking (2)	19.5	20.0
Total Non-EU Emerging Markets	**71.4**	**72.3**

NON-EU CENTRAL AND EASTERN EUROPE EXPOSURE

The Group operates in most Central and East European countries (non-EU), particularly in Russia, through its Retail Banking activities (International Retail Banking and Specialised Financing). Societe Generale's commitments represented EUR 28.7 billion at the end of 2009 (versus EUR 35.7 billion at the end of 2008).

In Russia, the Group's main focus is on Retail Banking, through its universal banking and Specialised Financing activities. At December 31, 2009, exposures equalled EUR 19.4 billion versus EUR 27.1 billion at the end of 2008. The Group's exposures to bank and sovereign clients accounted for 20% of its exposure to this country. The decrease in exposure, mainly due to retail banking, reflects the fall in loan demand and the deterioration of borrower solvency, following from the sharp contraction in the GDP in the first half of 2009.

(In billions of euros)	Dec. 31, 2009	Dec. 31, 2008
Russia (2)	19.4	27.1
Central and Eastern Europe (non-EU, excluding Russia) (2)	9.3	8.6
Total Non-EU Central and Eastern Europe	**28.7**	**35.7**

MONITORING OF THE INDIRECT EXCHANGE RATE RISK

Given the deterioration of the economic environment in Central and Eastern Europe, the Group is closely monitoring its exposure to indirect exchange rate risk arising from its commitments in hard currencies. This risk is controlled by country limits and is subject to analysis and monitoring (notably through stress tests).

Hedge funds

Hedge funds generate specific risks linked to the lack of regulations governing their activity and the strong correlation between credit risks and market risks.

Societe Generale undertakes specific monitoring based on the following system:

- stress tests to measure market risks and the risks associated with financing transactions guaranteed by shares in hedge funds;
- due diligence and monitoring of hedge fund performances according to the procedures and methods validated by the Risk Division;
- a rating model based on data collected during due diligence procedures and reviewed annually;
- the centralisation of all risk exposures through hedge funds by the Risk Division which monitors counterparty and market risks on a daily basis.

Throughout the Group, all hedge fund activities are governed by two global limits set by the General Management:

- a Credit VaR limit which controls the maximum replacement risk that may be taken in this segment;
- a stress test limit governing market risks and the risks associated with financing transactions guaranteed by shares in hedge funds.

The hedge fund market recorded its best performance of the decade in 2009. Since the second half of 2009, total assets under management have started to grow again and market liquidity has improved.

In line with the market low in March 2009, Societe Generale's market activity with hedge funds picked up in Q2 2009 after having declined since 2008.

Hedge funds are key clients for the Group. Societe Generale has adapted to their changing environment by (i) diversifying its financial product offering, (ii) centralising its structure in order to offer clients solutions covering different asset classes, (iii) improving its client service thanks to synergies developed through its reorganisation and finally, by (iv) strengthening its risk governance through more stringent daily monitoring aimed primarily at minimising the operational risks linked to the management of these risks.

(1) On-balance sheet + off-balance sheet, net of specific provisions

(2) On-balance sheet + off-balance sheet, net of specific provisions and hedging (ECA, cash collateral)

Provisions, provisioning policy and hedging of credit risk

Management of the credit portfolio

ORGANISATION

Nine years ago, the Group's Corporate and Investment Banking Division set up a special department to manage its credit portfolio, known as GCPM, or Global Credit Portfolio Management. Working in close cooperation with the Risk Division and business lines, this unit seeks to reduce excessive portfolio concentrations and react quickly to any deterioration in the credit quality of a particular counterparty.

Concentrations are measured using an internal model and individual concentration limits are defined for larger exposures.

Any concentration limit overrun is managed over time by reducing exposures, hedging positions using credit derivatives and/or selling assets.

USE OF CREDIT DERIVATIVES

The Group uses credit derivatives in the management of its Corporate loan portfolio. They serve primarily to reduce individual, sector and geographic concentration and also to implement proactive risk and capital management. The Group's over concentration management policy has led it to take major individual hedging positions: for example, the ten most-hedged names account for 32% of the total amount of individual protection purchased.

The notional value of credit derivatives purchased for this purpose is booked in the off-balance sheet commitments under guarantee commitments received.

2009 was marked by the tightening of credit spreads after the significant widening recorded in 2008. To limit the sensitivity of the hedging portfolio, measures to reduce positions were introduced. In 2009, the Credit Default Swap (CDS) portfolio decreased from EUR 28.2 billion to EUR 13.0 billion at December 31, 2009.

Furthermore, the senior protection (synthetic Collateralised Debt Obligations, CDOs) purchased in recent years for the purpose of managing Regulatory Capital under Basel I, was unwound in 2009.

Almost all protection purchases were carried out with banking counterparties with ratings of A- or above, the average being between AA- and A+. Concentration with any particular counterparty is carefully monitored.

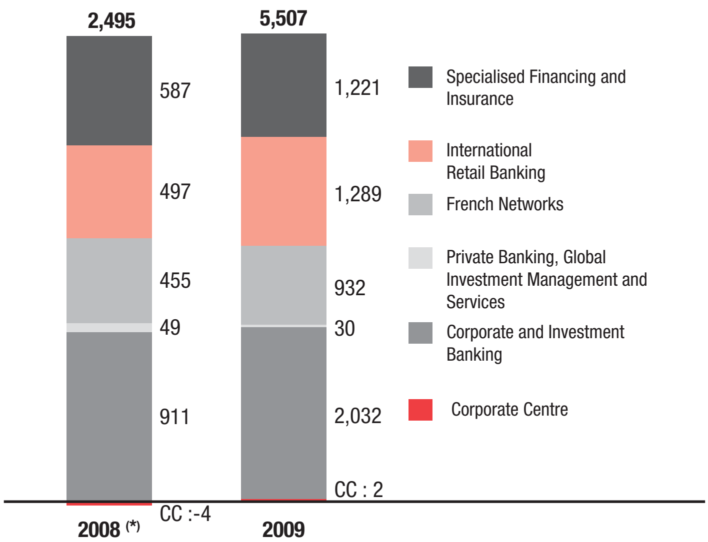
Provisions for credit risks at December 31, 2009

The Group's cost of risk (excluding legal disputes) amounted to EUR 5,507 million in 2009, compared with EUR 2,495 million at December 31, 2008.

Until now, the Group's cost of risk was expressed in "Basel I" basis points, calculated by comparing total provisions for cost of risk with Basel I risk-weighted assets (Cooke-Weighted Assets, CWA).

With the implementation of the Basel II reform and the resulting phasing out of the CWA, the Group has reviewed the calculation of the cost of risk in basis points, thus creating a new indicator which is calculated, as from 2010, as the ratio between the net allocation to commercial provisions and the on-balance sheet prudential credit exposures excluding forward and options contracts and repurchase agreements[1].

CHANGES IN GROUP PROVISIONING OVER 2009 (EXCLUDING PROVISIONS FOR LEGAL DISPUTES)



The economic crisis substantially increased the Group's risk charge in 2009. When restated for Corporate and Investment Banking's legacy assets, the Group's cost of risk stood at the high level of 117 basis points (EUR 4.4 billion).

- The **French Networks'** cost of risk amounted to 72 basis points in 2009, reflecting the increase in the loss rate within the business customer portfolio. It rose in the fourth quarter, in particular, due to significant provision allocations on a limited number of accounts. The housing loan loss rate remains low;

(*) Change in 2008 that affected the breakdown of the net cost of risk by division:
- *Some illiquid assets previously affiliated with the Corporate Centre division have been transferred to Corporate and Investment Banking.*
- *All of the real estate subsidiaries (GENEFIM, SOGEPROM and GENEFIMO and their respective subsidiaries), except for ODIPROM, have been affiliated with the French Networks.*

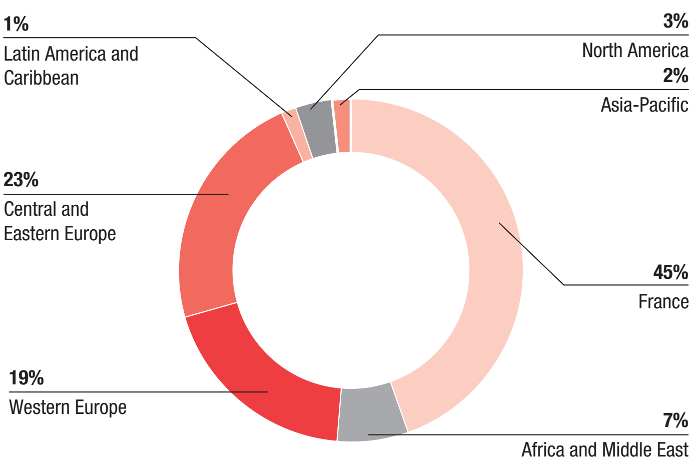
(1) Translation rectified on March 25, 2010 to be coherent with the original French text.

- **International Retail Banking's** 2009 cost of risk (EUR 1.3 billion) was significantly higher than in 2008 due to the sharp rise in defaults in Russia (490 basis points in 2009 compared with 130 in 2008). After increasing during the first half of the year, the net cost of risk stabilised in the second half of the year, standing at 191 basis points for 2009;
- The cost of risk for **Specialised Financing and Insurance** was sharply higher in 2009 at EUR 1.2 billion (250 basis points), driven mainly by consumer finance (x2 at 425 basis points). Although there was an increase in the cost of risk for equipment finance, it remains smaller (EUR 0.2 billion);
- The 2009 cost of risk for the **Corporate and Investment Banking** core activities was a high 88 basis points, albeit with a significant improvement in Q4. The net cost of risk corresponding to legacy assets amounts to EUR 1.4 billion.

Specific provisions for credit risks

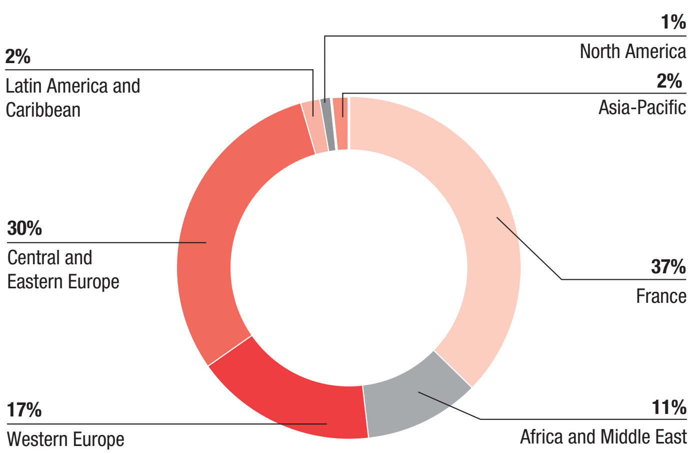
Provisions for credit risks are primarily booked for doubtful and disputed loans. These loans excluding reclassified assets[1] amounted to EUR 20.7 billion at December 31, 2009.

BREAKDOWN OF DOUBTFUL AND DISPUTED LOANS BY GEOGRAPHIC REGION AT DECEMBER 31, 2009 (*)



(*) *Excluding doubtful loans on reclassified assets[1] for EUR 3.6 billion*

GEOGRAPHIC BREAKDOWN OF PROVISIONS AT DECEMBER 31, 2009 (**)



(**) *Excluding specific provisions on reclassified assets[1] for EUR 1.1 billion*

At December 31, 2009, these loans were provisioned for an amount of EUR 10.5 billion (excluding provisions for reclassified assets).

Provisions for groups of homogeneous assets

At December 31, 2009, the Group's provisions for groups of homogeneous assets amounted to EUR 1,181 million against EUR 1,070 million at December 31, 2008.

These collective provisions are booked:

- for groups of assets that are homogenous in terms of sensitivity to risk factors (lists of counterparties in financial difficulty, which have been identified as sensitive);
- for portfolio segments that have suffered an impairment in value following a deterioration in risk (country or sector risk).

These provisions are calculated on the basis of observed historical losses, adjusted to reflect any relevant current economic conditions, and regular analyses of the portfolio by sector, country or counterparty type.

Provisions for groups of homogeneous assets are reviewed quarterly by the Risk Division.

(1) *Reclassified under the IAS 39 amendment*

Doubtful loan coverage ratio

	Dec. 31, 2009	Dec. 31, 2008
Customer loans in EUR bn (*)	**394.5**	**403.0**
Doubtful loans in EUR bn (*)	***20.7***	***14.9***
– Collateral relating to loans written down in EUR bn (*)	***3.4***	***2.4***
= Provisionable commitments in EUR bn (*)	**17.2**	**12.5**
Provisionable commitments / Customer loans (*)	***4.4%***	***3.1%***
Provisions in EUR bn (*)	**10.5**	**8.3**
Specific provisions / Provisionable commitments (*)	***61%***	***66%***
Portfolio-based provisions in EUR bn (*)	**1.2**	**1.1**
Overall provisions / Provisionable commitments (*)	***68%***	***75%***

(*) Excluding assets reclassified under the IAS 39 amendment

At December 31, 2009, the underlying commitments to be provisioned (loans written down net of collateral and excluding assets reclassified under the IAS 39 amendment) amounted to EUR 17.2 billion, which is equivalent to a provisionable commitment coverage rate of 68%.

Provisions for assets affected by the financial crisis

ASSETS RECLASSIFIED ON OCTOBER 1, 2008

On October 1, 2008 the Group reclassified some of its non-derivative financial assets from the "financial assets at fair value through profit or loss" and "available-for-sale financial assets" categories to the "available-for-sale financial assets" and "loans and receivables" portfolios, in accordance with the amendments to IAS 39 and IFRS 7.

In the case of structured products, the asset write-down process is triggered by events affecting the underlying assets: outstanding payments, defaults or losses. Generally, this situation occurs before the actual asset default is recorded (for example CDOs).

In 2009, the Group carried out quarterly impairment tests on these assets. These tests are designed to estimate the total incurred loss after the netting of protection. They are based on estimates of expected future cash flows which take account of:

- the performances observed for underlying assets, and
- an estimate of incurred losses on underlying assets based on a statistical approach.

The resulting total impairment is booked under net allocation to provisions.

This is one of the main procedures for monitoring reclassified assets.

At December 31, 2009, a EUR 1,136 million provision was booked for the write-down of reclassified assets.

EXPOSURE TO COUNTERPARTY RISK ON MONOLINE INSURERS

In 2009, the Group reviewed the methodology used to determine the value adjustment rate for monolines. The fundamental ratings-based approach (provisioning rate being a function of the internal rating of the monoline) previously used was supplemented by the use of market data (particularly CDS spreads and expected recovery rates). These elements are used to derive an expected loss estimation and the appropriate impairment rate.

The impairment rate of each monoline is reviewed quarterly and adjusted when needed.

At December 31, 2009, the hedging rate for the Group's gross exposure (CDS and reserve) was 77%.

LBO FINANCING

The LBO financing portfolio is monitored through limits validated by the General Management. In light of the financial crisis, the portfolio is subject to a more stringent loan approval policy and enhanced monitoring.

As for Corporate loans, two types of provision are applicable to LBO commitments:

- an estimated specific provision in the event of counterparty default;
- a provision for groups of homogenous assets with the same sensitivity to risk factors.

At December 31, 2009, the provisions for the LBO portfolio of the Corporate and Investment bank amounted to EUR 275 million.

MARKET RISKS

Market risk is the risk of losses resulting from unfavourable changes in market parametres. It pertains to all trading book transactions as well as some banking book portfolios valued through the marked-to-market approach.

Organisation

Although primary responsibility for managing risk exposure lies with the front office managers, the supervision systems is based on an independent structure, the Market Risk Department of the Risk Division. The Department's key mission is to continuously monitor, independently from the front offices, the positions and risks generated by the Group's market activities, and to compare these positions and risks with the authorised limits. It notably carries out the following tasks:

- daily analysis (independently from the front office) of the exposure and risks incurred by the Group's market activities and comparison of these exposures and risks with the approved limits;
- definition of the risk-measurement methods and control procedures, approval of the valuation models used to calculate risks and results and setting of provisions for market risks (reserves and adjustments to earnings);
- definition of the functionalities of the databases and systems used to assess market risks;
- approval of the limit applications submitted by the operating divisions, within the global authorisation limits set by the General Management, and monitoring of their use;
- centralisation, consolidation and reporting of the Group's market risks;
- proposal of authorised risk limits by type of activity to the Risk Committee.

Besides these specific market risk functions, the Department also monitors the gross notional value of trading exposures. This system, based on alert levels applying to all instruments and desks, contributes to the detection of possible rogue trading operations.

Within each entity that incurs market risk, risk managers are appointed to implement level 1 risk controls. The main tasks of these managers, who are independent from the front office, include:

- the ongoing analysis of exposure and results, in collaboration with the front office;
- the verification of the market parameters used to calculate risks and results;
- the daily calculation of market risks, based on a formal and secure procedure;
- the daily monitoring of the limits set for each activity, and constant verification that appropriate limits have been set for each activity.

A daily report on the use of VaR (Value-at-Risk) limits, stress tests and general sensitivity to interest rates compared to the limits set out at Group level and a monthly report, which summarises key events in the area of market risk management and specifies the use of limits set by the General Management and the Board of Directors, are submitted to the General Management and to the business lines management.

Methods for measuring market risk and defining exposure limits

The Societe Generale Group's market risk assessment is based on three types of indicators, which are used to define exposure limits:

- the 99% Value-at-Risk (VaR) method: in accordance with the regulatory internal model, this composite indicator is used for day-to-day monitoring of the market risks incurred by the bank, notably within the scope of its trading activities;
- stress test measurements, based on ten-year shock-type indicators. Stress Test measurements limit the Group's exposure to systemic risk and exceptional market shocks;
- additional measurements (sensitivity, nominal value, concentration or holding period, etc.), which ensure consistency between the total risk limits and the operational limits used by the front office. These measurements also allow the controlling of risks that would only be partially taken into account by VaR or Stress Test measurements.

The 99% Value-at-Risk (VaR) method

This method was introduced at the end of 1996 and the Internal VaR Model has been approved by the French regulator within the scope of the Regulatory Capital calculation.

The method used is the "historic simulation" method, which implicitly takes into account the correlation between all markets and is based on the following principles:

- the storage in a database of the risk factors that are representative of Societe Generale's positions (i.e. interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.);
- the definition of 250 scenarii, corresponding to one-day variations of these market parametres over a rolling one-year period;
- the application of these 250 scenarii to the market parametres of the day;
- the revaluation of daily positions, on the basis of the 250 sets of adjusted daily market parametres.

The 99% Value-at-Risk is the largest loss that would occur after eliminating the top 1% of the most adverse occurrences over one year. Within the framework described above, it corresponds to the average of the second and third largest losses out of the 250 computed.

The VaR assessment is based on a model and a certain number of conventional assumptions whose main limitations are as follows:

- the use of "1-day" shocks assumes that all positions can be unwound or hedged within one day, which is not the case for certain products and crisis situations;
- the use of the 99% confidence interval does not take into account losses arising beyond this point; the VaR is therefore an indicator of losses under normal market conditions and does not take into account exceptionally large fluctuations;
- the VaR is computed using closing prices, so intra-day fluctuations are not taken into account;
- there are a number of approximations in the VaR calculation. For example, benchmark indices are used as opposed to more accurate risk factors and not all of the relevant risk factors are taken into account, in particular due to difficulties in obtaining historical daily data.

The Group mitigates these limitations by:

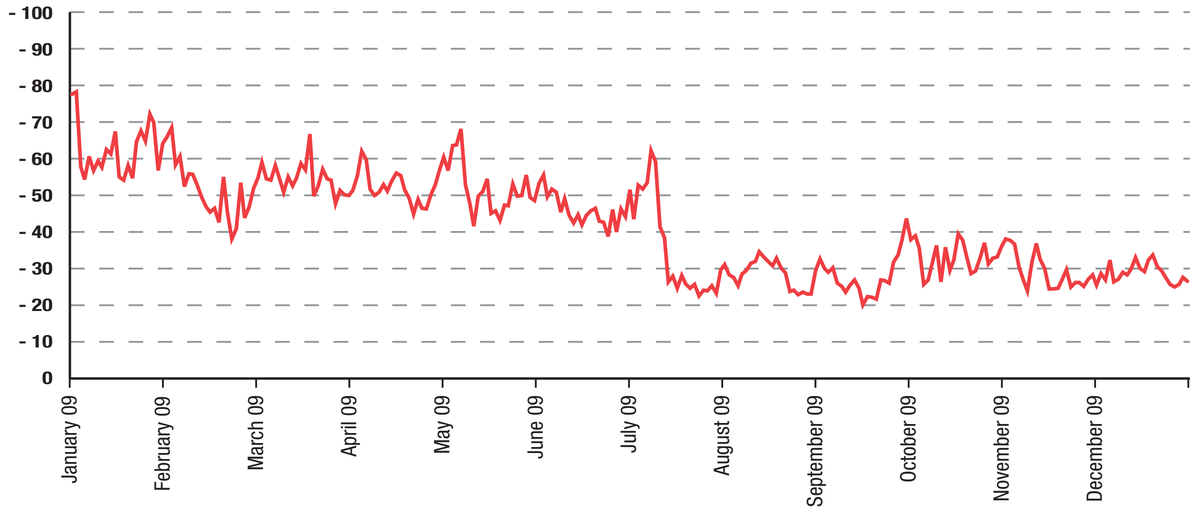
- systematically assessing the relevance of the model through "back-testing" to verify whether the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval;
- supplementing the VaR assessment with stress test measurements.

In 2009, the model was enhanced with new risk factors: basic factors such as "inter-maturity" interest rates, to take account of the variability between the curves associated with different fixing periods; the correlation of times-to-default in the case of multi-underlying structured credit products. Today, the market risks for almost all investment banking activities are covered by the VaR method, including those related to the most complex products, as well as certain Retail Banking and Private Banking activities outside France.

In 2009, the VaR limit for all trading activities remained stable at EUR 85 million.

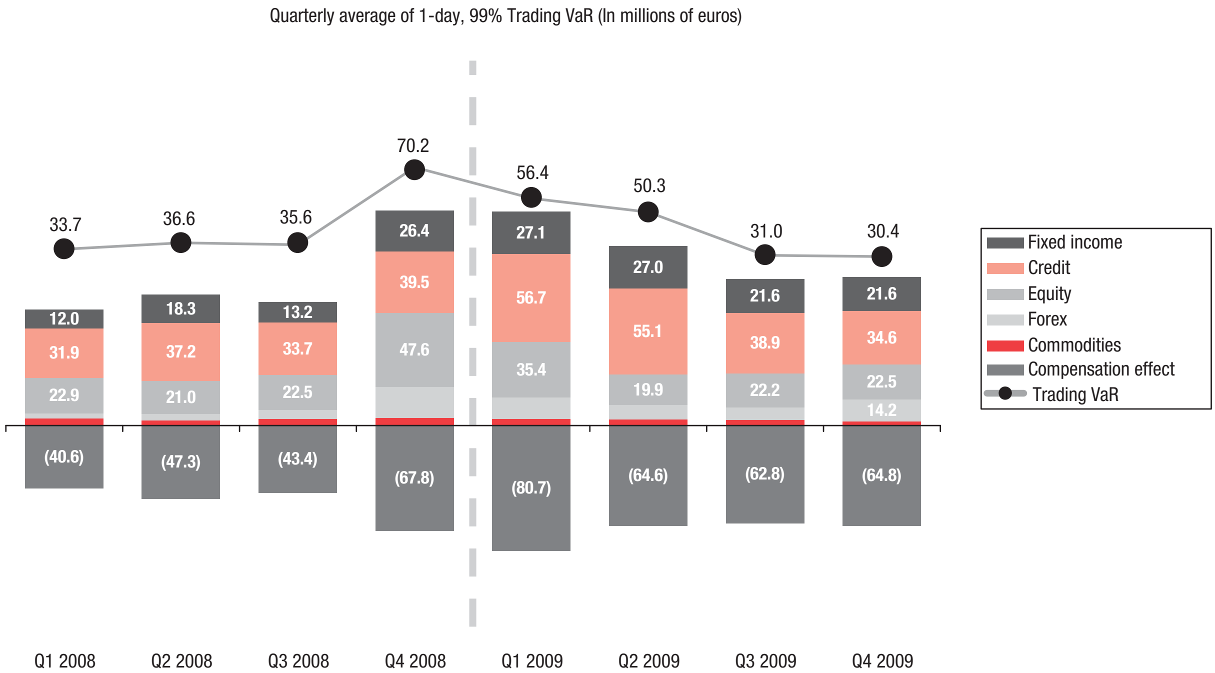
The changes in the Value-at-Risk of the Group's trading activities in 2009, for the entire monitoring scope, are presented below:

TRADING VAR (TRADING PORTFOLIOS) CHANGES IN THE TRADING VAR OVER THE COURSE OF 2009 (1 DAY, 99%) IN MILLIONS OF EUROS



No Trading VaR limits were breached in 2009. (In 2009, the VaR limit remained stable at EUR 85 million).

BREAKDOWN BY RISK FACTOR OF THE TRADING VAR - CHANGES IN QUARTERLY AVERAGE OVER 2008-2009 PERIOD



Note: The figures for credit risk cover a reduced scope as of Q4 08 following the transfer of trading book positions to the banking book (cf. Notes to the consolidated financial statements – Note 11). Given their illiquidity, a VaR calculation could no longer be undertaken on these positions using the existing approach.

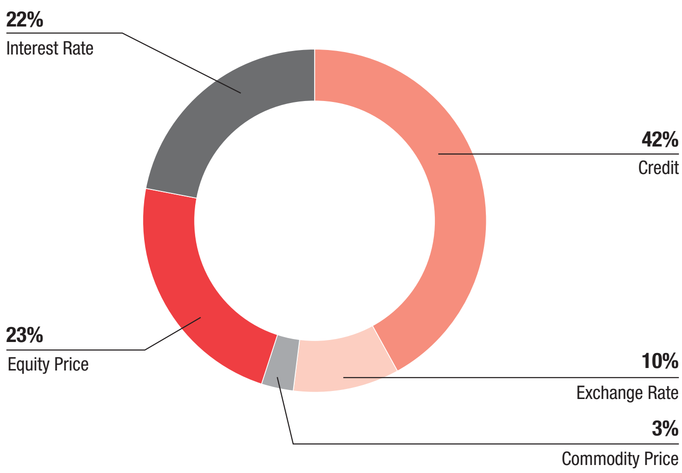
The average VaR amounted to EUR 42 million for 2009 against an annual average of EUR 44 million in 2008.

This stability results from a decrease during the three first quarters of the year, followed by a levelling out in the last quarter.

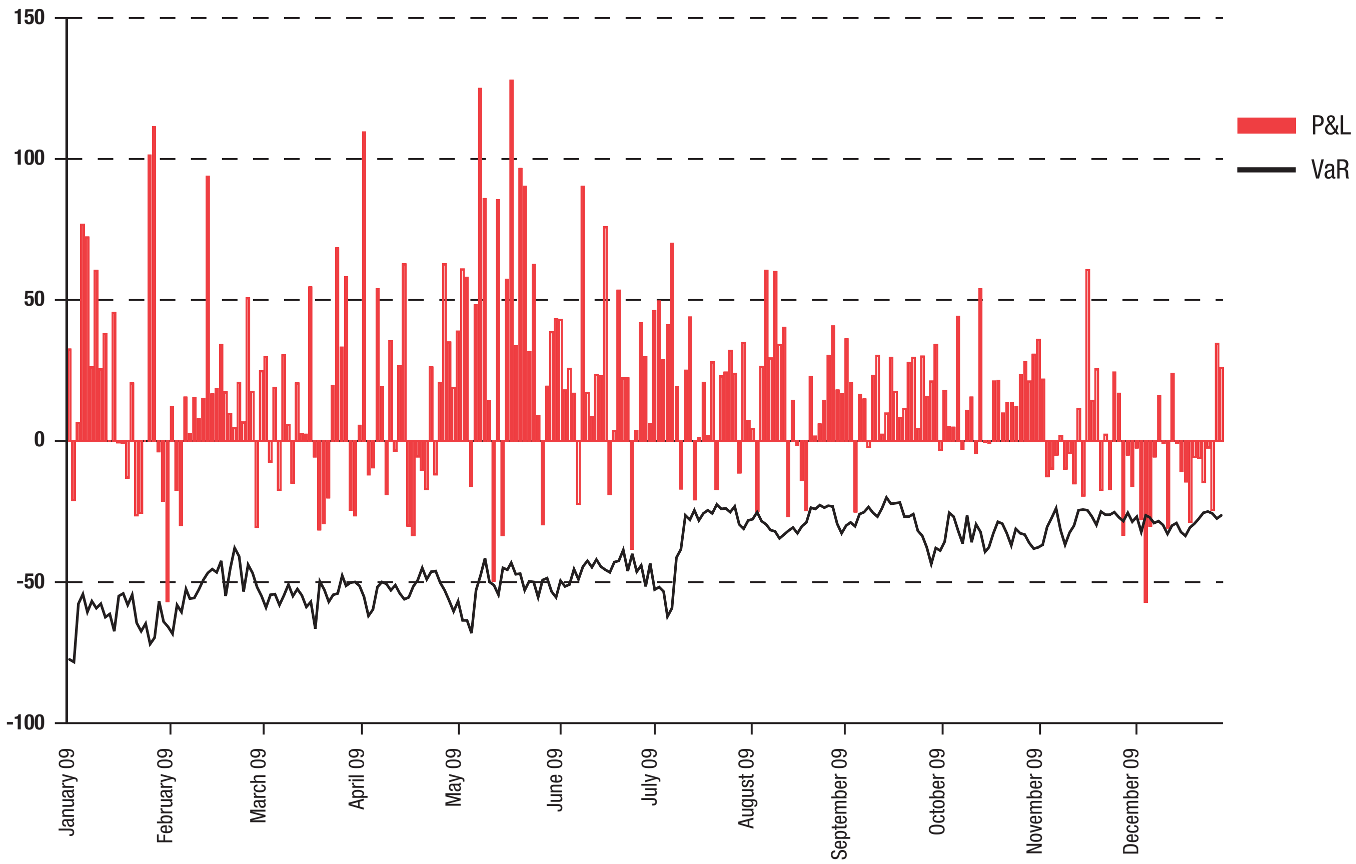
The decrease observed until the third quarter 2009 results from a reduction of the exposures, mainly to equity (cash or derivatives), as well as from a diversification of equity and credit positions significantly compensating for the rest of the year.

During the fourth quarter 2009, the abandoning of very volatile scenarii as a result of the financial crisis in the last quarter 2008 has maintained the VaR at a low level despite the introduction of further adverse scenarii (Dubai and Greece).

BREAKDOWN OF *TRADING* VAR BY TYPE OF RISK - 2009



VAR BACK-TESTING OF THE REGULATORY SCOPE DURING 2009 VaR (1 DAY, 99%) IN MILLIONS OF EUROS



The chart above shows the VaR back-testing of the regulatory scope.

In 2009, the total daily loss exceeded the VaR on three occasions, which is in line with the 99% confidence interval (i.e. 2 to 3 overruns per year).

Stress test assessment

Methodology

Alongside the internal VaR model, Societe Generale monitors its exposure using stress test simulations to take into account exceptional market occurrences.

A stress test estimates the loss resulting from an extreme change in market parametres over a period corresponding to the time required to unwind or hedge the positions affected (5 to 20 days for most trading positions).

The Stress Test risk assessment methodology is based on 19 historical scenarii and 7 hypothetical scenarii, including the "Societe Generale Hypothetical Financial Crisis Scenario", based on the events observed in 2008. Alongside the VaR model, the stress test risk assessment methodology is one of the main pillars of the risk management system. The underlying principles are as follows:

- risks are calculated every day for each of the bank's market activities (all products combined), using the 19 historical scenarii and 7 hypothetical scenarii;
- stress test limits are established for the Group's activity as a whole and then for the various business lines. They reflect the most adverse result arising from the 26 historical and hypothetical scenarii;
- the various stress test scenarii are revised and supplemented by the Risk Division on a regular basis, in conjunction with the Group's teams of economists and specialists.

Note that the list of scenarii used was reviewed in 2008. Following this review, two new scenarii have been implemented as of January 1, 2009: (i) an "October 3-10, 2008" historical scenario illustrating the trends observed during this time period, and (ii) a hypothetical financial crisis scenario based on the events observed during 2008. Some scenarii of a lesser magnitude than these new scenarii have been eliminated.

HISTORICAL STRESS TESTS

This method consists of an analysis of the major economic crises that have affected the financial markets since 1995 (a period in which the financial markets have become global and subject to increased regulatory requirements): the changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads, etc.) during each of these crises are analysed in order to define scenarii for potential variations in these risk factors which, when applied to the bank's trading positions, could generate significant losses. Using this methodology, Societe Generale has established 19 historical scenarii.

HYPOTHETICAL STRESS TESTS

The hypothetical scenarii are defined by the bank's economists and designed to simulate possible sequences of events that could lead to a major crisis in the financial markets (e.g. a major terrorist attack, political instability in the main oil-producing countries, etc.). The bank aims to select extreme, but nonetheless plausible events which would have major repercussions on all the international markets. Societe General has therefore adopted 7 hypothetical scenarii including the "Societe Generale Hypothetical Financial Crisis Scenario".

In 2009, Societe Generale relied on seven hypothetical stress tests:

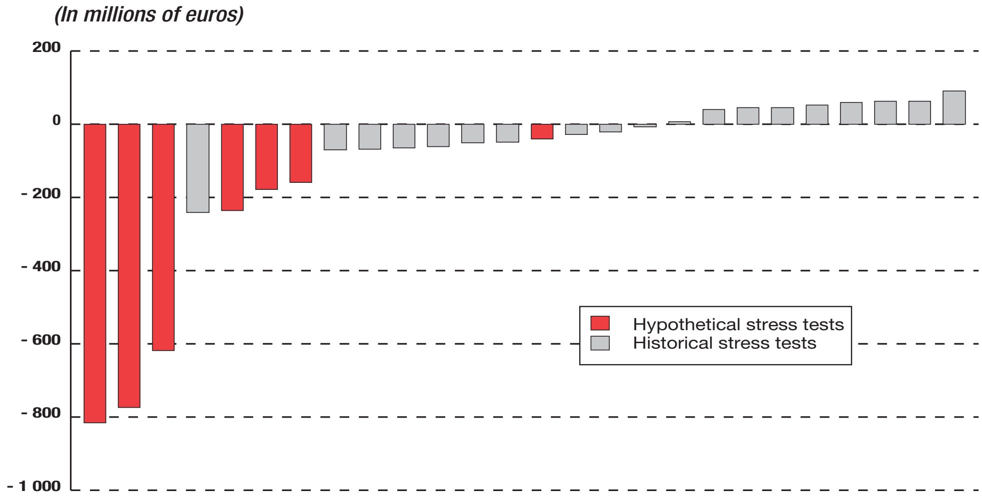
- Generalised: considerable mistrust of financial institutions after the Lehman Brothers' bankruptcy; collapse of equity markets, sharp decline in dividends, significant widening of credit spreads, pivoting of yield curves (rise in short-term interest rates and decline in long-term interest rates), substantial flight to quality;
- Middle East crisis: refers to instability in the Middle East leading to a significant shock to oil and other energy sources, a stock market crash, and a steepening of the interest rate curve;
- Terrorist attack: major terrorist attack on the United States leading to a stock market crash, strong decline in interest rates, widening of credit spreads and sharp decline of the US dollar against other major currencies;
- Bond crisis: crisis in the global bond markets inducing the delinking of bond and equity yields, strong rise in US interest rates (and a more modest rise for other international rates), moderate decline on the equity markets, flight to quality with moderate widening of credit spreads, rise in the US dollar;
- Dollar crisis: strong depreciation of the US dollar against major international currencies due to the deterioration of the US trade balance and budget deficit, the rise of interest rates and the narrowing of US credit spreads;

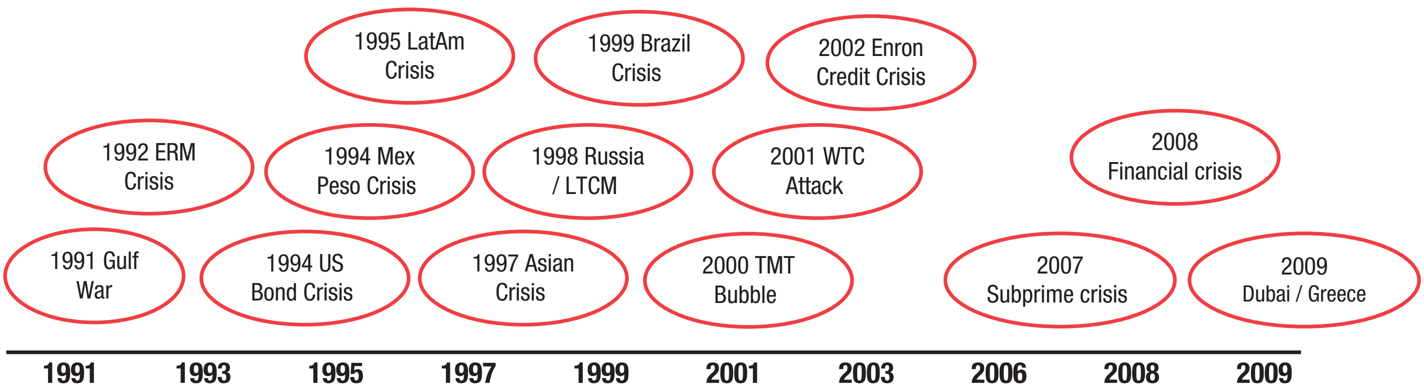
- Euro zone crisis: decision by some countries to withdraw from Euroland following the Euro's excessive appreciation against the Dollar: decline in euro exchange rates, sharp rise in euro zone interest rates, sharp fall in euro equities and rise in US equities, significant widening of euro credit spreads;
- Yen carry trade unwinding: change in monetary policy in Japan leading to yen carry trade strategies being abandoned: significant widening of credit spreads, decline in JPY interest rates, rise in US and euro zone long-term interest rates and flight to quality.

Average stress tests in 2009

The scenarii resulting in the highest potential losses (around EUR 800 million) are hypothetical scenarii reflecting highly severe or extreme shocks on the price of each of the assets held (for example, a 15% to 30% fall in the global markets).

The following graph provides the average stress tests amounts calculated in 2009.





SPECIFIC FINANCIAL INFORMATION

Since June 2008 and in accordance with the recommendations of the Financial Stability Forum, the Societe Generale Group has communicated on its exposure with regard to its assets affected by the global financial crisis.

In 2009, the Group continued to actively manage its exposure to risky assets by selling off part of its exotic credit derivatives portfolio as well as part of its ABS trading portfolio.

There have been no reclassifications from the trading portfolio to the loans and receivables portfolio following the reclassifications in October 2008.

Unhedged positions in CDO (*Collateralised Debt Obligations*) tranches exposed to the US real estate sector

The Societe Generale Group holds unhedged positions in super senior and senior CDO tranches which are exposed to the US residential real estate sector.

The valuation of these tranches was not based on observable transactions but was carried out using a model whose parameters were neither observable nor listed on an active market.

More specific and detailed information on the valuation of these instruments can be found in Note 3 to the financial statements.

At December 31, 2009, gross exposure to super senior and senior RMBS CDO tranches classified as held for trading totalled EUR 1.5 billion (compared with EUR 1.6 billion at December 31, 2008). These assets were subject to an average discount of 76%.

For the record, part of the portfolio was transferred from the trading portfolio to Loans & Receivables on October 1, 2008. Gross exposure held in the Loans & Receivables and Available-For-Sale Asset portfolios totalled EUR 4.8 billion at December 31, 2009 (compared with EUR 4.1 billion at December 31, 2008).

The increase in the exposure of the loans and receivables portfolio is mainly due to the inclusion of a CDO that was previously hedged by a monoline insurer and is now no longer hedged following a commutation.

UNHEDGED CDOs EXPOSED TO THE US RESIDENTIAL MORTGAGE SECTOR

	CDO Super senior & senior tranches		
(In millions of euros)	L&R Portfolios (4)	AFS Portfolios	Trading Portfolios
Gross exposure at 31/12/08 (1)	**3,982**	**158**	**1,641**
Gross exposure at 31/12/09 (1) (2)	**4,686**	**146**	**1,456**
Underlying	**high grade / mezzanine (4)**	**mezzanine**	**mezzanine**
Attachment point at 31/12/09(3)	12%	8%	11%
At 30/12/09			
% of underlying subprime assets	43%	30%	73%
o.w. 2004 and earlier	5%	23%	22%
o.w. 2005	25%	7%	40%
o.w. 2006	7%	0%	3%
o.w. 2007	6%	0%	8%
% of Mid-prime and Alt-A underlying assets	15%	11%	14%
% of Prime underlying assets	18%	17%	9%
% of other underlying assets	23%	42%	4%
Total impairments & write-downs	**-1,535**	**-25**	**-1,103**
Total provisions for credit risk	**-932***	**-121**	—
% of total CDO write-downs at 31/12/09	**53%**	**100%**	**76%**
Net exposure at 31/12/09 (1)	**2,219**	**0**	**353**

(1) Exposure at closing price

(2) The changes in outstandings vs. 31/12/08 are mainly due to the foreign exchange effect on the Trading and AFS portfolios. For the L&R portfolio, the rise is due to the inclusion of a CDO following a commutation with a monoline.

(3) The change in attachment points results:

- *upwards: from early redemptions at par value*
- *downwards: from defaults of some underlying assets*

(4) 20% of the gross exposure classified as L&R relates to mezzanine underlying assets.

** Specific provision booked for the portfolios of US RMBS CDOs classified as L&R.*

CDOs OF RMBS': VALUATION ASSUMPTIONS AND SENSITIVITIES

The Group revised its cumulative loss assumptions for subprime underlying assets upwards due to the continued decline in the US residential market (acceleration of defaults, increase in the severity of losses).

■ Cumulative loss rates (*) for subprimes (calculated based on the initial nominal value)

	2004	2005	2006	2007
End-2008	4.8%	12.1%	27.5%	29.7%
End-2009	6.1%	16.5%	39.6%	49.5%

(*) including liquidity write-down

Alignment with the ABX for 2006 and 2007 vintages

■ In addition, in the fourth quarter of 2009, the effective prime and midprime/Alt-A cumulative loss assumptions represented an average of 37% and 74% respectively of the assumptions applied for subprime underlying assets.

- Impact of change in cumulative losses

on NBI		*(In millions of euros)*
+10% cumulatives losses for each year of production	→	(76)

- 100% write-down of CDO-type underlying assets

Protection acquired to hedge exposure to CDOs or other assets

The Societe Generale Group is exposed to replacement risk linked to monoline insurers and other financial institutions with regard to the financial guarantees received from them as hedges on certain assets.

The fair value of the Group's exposures to monolines and other financial institutions that have enhanced the credit risk linked to assets (notably including underlying US subprime assets) reflects the deterioration in the estimated replacement risk for these credit enhancers.

More specific and detailed information on this exposure and the valuation of the associated replacement risk can be found in Note 3 to the financial statements.

PROTECTION ACQUIRED FROM MONOLINES

			Dec. 31, 2009	
(In millions of euros)	Gross notional amount of hedged instruments	Gross notional amount of protection purchased	Fair value of hedged instruments	Fair value of protection before value adjustments
Protection purchased from monolines				
against CDOs (US residential mortgage market)	4,412 (1)	4,412	**2,285 (2)**	**2,127**
against CDOs (excl. US residential mortgage market)	2,575	2,575	**2,169**	**406**
against corporate credits (CLOs)	7,930	7,930	**7,457**	**473**
against structured and infrastructure finance	2,531	2,531	**2,242**	**289**
Other replacement risks				**628**
Total				**3,923**

(1) O.w. EUR 2.4 billion in underlying subprime assets (vintages: 2007: 4%, 2006: 17%, 2005 and before: 79%)

(2) A specific provision of EUR 93 million was booked for two RMBS CDOs reclassified on October 1, 2008

PROTECTION ACQUIRED FROM OTHER FINANCIAL INSTITUTIONS

- Fair value of protection purchased from other large financial institutions (multiline insurers and international banks): EUR 178 million which corresponds mainly to corporate bonds and hedges on structured RMBS CDOs until the end of 2005.
- Other replacement risks (CDPCs): net residual exposure of EUR 0.2 billion
  - Fair value of protection before adjustments: EUR 0.3 billion for a nominal amount of EUR 2.8 billion
  - Value adjustments for credit risk: EUR 93 million
  - Purchase of hedge covering 2/3 of the underlying hedged

Protection purchased to hedge exposure to CDOs and other assets: valuation method

CDOs on the US residential mortgage market

Hedged CDOs on the US residential mortgage market are valued based on the same methodologies and parameters as those used to value unhedged CDOs.

Corporate loan CLOs

17% of the tranches held by Societe Generale and hedged by monolines are rated AAA. 59% are rated AA and 17% rated A.

4% of the underlying assets of these tranches are rated BBB, 20% BB, 62% B and 14% CCC and below.

The valuation method consists in applying the rate of cumulative losses over five years based on the rating of the underlying assets (BBB: 5% - BB: 17% - B: 31% - CCC: 51% - below: 100%); these loss rates are calibrated based on the most adverse occurrences observed over the last 30 years.

Based on these assumptions, the average loss rate scenario, after taking into account the assets' maturities, comes out at 27%. However, it should be noted that the average attachment point remains high at 29% (34% after taking into account the cash available in the CLO). The average write-down scenario for the Societe Generale portfolio is around 6%.

Other assets (CDOs excluding US residential mortgage market, infrastructure finance and other structured assets)

The valuation of these assets is obtained using a similar method to that used for CLOs.

A liquidity add-on for all hedged assets reflects the changes in indices or spreads

Exposure to counterparty risk on monoline insurers[(a)], Hedging of CDOs and other assets

The tightening of credit spreads and the commutations and asset disposals carried out in 2009 on certain assets hedged by monolines have reduced the fair value of the protection acquired from these counterparties.

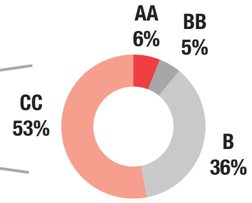
However, this positive effect has been limited by the deterioration of the US residential market, which has caused the revising of the cumulative loss rates for US RMBS CDOs.

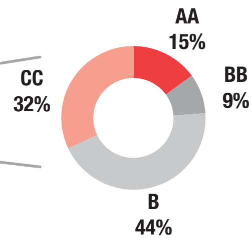
The valuation of the amounts potentially due to the Societe Generale Group under monoline guarantees has therefore fallen from EUR 4.2 billion at December 31, 2008 to EUR 3.9 billion at December 31, 2009.

The Group has maintained a cautious approach by retaining an almost-stable hedging rate (CDS' + reserves) over 2009, amounting at the end of the year to 77% of the gross exposure.

(a) Excluding defaulting counterparties: ACA from end-2007, Bluepoint as of September 30, 2008.

(In billions of euros)	Dec. 31, 2008	Dec. 31, 2009
Fair value of protection before value adjustments	4.2	3.9
Nominal amount of hedges purchased *	(0.9)	(0.7)
Fair value of protection net of hedges and before value adjustments	3.3	3.2
Value adjustments for credit risk on monolines (booked under protection)	(2.1)	(2.3)
Residual exposure to counterparty risk on monolines	1.2	0.9
Total fair value hedging rate	*73%*	*77%*





The rating used is the lowest issued by Moody's or S&P (as at December 31, 2009)

AA: Assured Guaranty

BB: Radian, Syncora Capital Assurance

B: MBIA

CC: Ambac, CIFG, FGIC

* The nominal amount of hedges purchased from bank counterparties had a EUR +345m Marked-to-Market impact at December 31, 2009, which has been neutralised since 2008 in the income statement.

Exposure to US residential mortgage market: residential loans and RMBS'

The Group is exposed to underlying assets relative to the US residential mortgage market through RMBS'.

Each RMBS bond has been valued using the credit spread of its reference ABX index (same vintage, same rating). The valuation method includes the base (spread between cash instruments and derivative indices) as well as the liquidity aspect.

More specific and detailed information on the valuation of these instruments can be found in Note 3 to the financial statements.

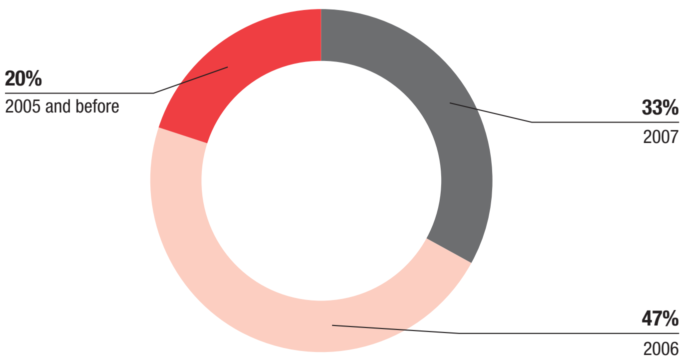
Part of the portfolio was transferred from the trading portfolio to Loans & Receivables on October 1, 2008. Residual net exposure after discounting and hedging, at fair value on the balance sheet (trading and available-for-sale assets), at December 31, 2009, amounted to EUR 245 million.

The Societe Generale Group has no US residential real estate loan origination activity.

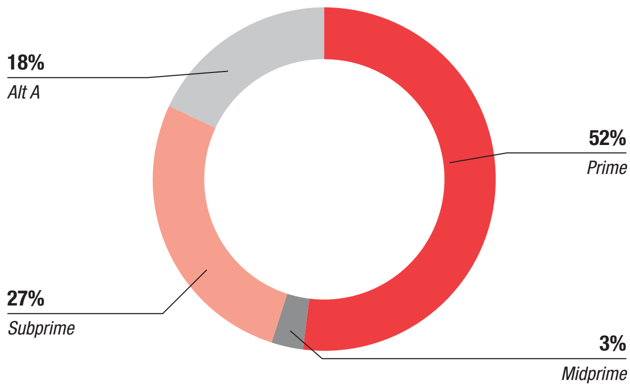
"US" RMBS' [(a)]

	Dec. 31, 2008	Dec. 31, 2009					2009		
			Gross exposure [(2)]						
(In millions of euros)	Net exposure [(1)]	Net exposure [(1)]	Amount	% net exposure	%AAA*	%AA & A*	Net banking income	Cost of risk	Equity
'Held for Trading' portfolio	4	(36)	*362*	*n/m*	*5%*	*2%*	26	-	-
'Available For Sale' portfolio	376	281	*646*	*43%*	*8%*	*9%*	6	(150)	128
'Loans & Receivables' portfolio	704	566	*665*	*85%*	*10%*	*21%*	19	-	-
TOTAL	**1,085**	**811**	***1,673***	***48%***	***8%***	***12%***	**50**	**(150)**	**128**

Breakdown of subprime assets by vintage* at end - December 2009



Breakdown of RMBS portfolio by type* at end - December 2009



(a) Excluding "exotic credit derivative portfolio" presented below

** As a % of remaining capital*

(1) Net of hedging and impairments

(2) Remaining capital of assets before hedging

Note: Societe Generale has a portfolio of mid-prime loans purchased from an originator who defaulted (EUR 234 million in the banking book net of write-downs)

Exposure to residential mortgage markets in Spain and the United Kingdom

The Group is exposed to underlying assets relative to the Spanish and UK residential mortgage markets through RMBS'.

These exposures are valued based on a market consensus (combining the fair value estimates given by several banks), plus a liquidity add-on to obtain a conservative measurement.

Part of the portfolio was transferred from the trading portfolio to Loans & Receivables on October 1, 2008.

The Societe Generale Group has no loan origination activity in Spain and the UK.

"Spain" RMBS' (a)

	Dec. 31, 2008	Dec. 31, 2009						2009		
			Gross exposure (2)							
(In millions of euros)	Net exposure (1)	Net exposure (1)	Amount	% net exposure	%AAA*	% AA & A*		Net banking income	Cost of risk	Equity
'Held for Trading' portfolio	107	2	*26*	*6%*	*40%*	*6%*		(21)	-	-
'Available For Sale' portfolio	163	122	*180*	*68%*	*42%*	*53%*		4	-	(9)
'Loans & Receivables' portfolio	346	269	*320*	*84%*	*42%*	*58%*		7	-	-
'Held To Maturity' portfolio	17	7	*7*	*100%*	*15%*	*85%*		0	-	-
TOTAL	**633**	**399**	***533***	***75%***	***41%***	***54%***		**(10)**	**-**	**(9)**

(a) Excluding "exotic credit derivative portfolio" presented below

** As a % of remaining capital*

(1) Net of hedging and impairments

(2) Remaining capital of assets before hedging

■ "UK" RMBS' [a]

	Dec. 31, 2008	Dec. 31, 2009						2009		
			Gross exposure [2]							
(In millions of euros)	Net exposure [1]	Net exposure [1]	Amount	% net exposure	%AAA*	% AA & A*		Net banking income	Cost of risk	Equity
'Held for Trading' portfolio	70	17	*71*	*25%*	*0%*	*79%*		25	-	-
'Available For Sale' portfolio	83	70	*147*	*48%*	*40%*	*41%*		2	-	12
'Loans & Receivables' portfolio	143	118	*134*	*88%*	*88%*	*12%*		7	-	-
'Held To Maturity' portfolio	17	18	*18*	*98%*	*3%*	*97%*		0	0	-
TOTAL	**313**	**223**	***370***	***60%***	***48%***	***40%***		**34**	**0**	**12**

(a) Excluding "exotic credit derivative portfolio" presented below

** As a % of remaining capital*

(1) Net of hedging and impairments

(2) Remaining capital of assets before hedging

Exposure to CMBS'[a]

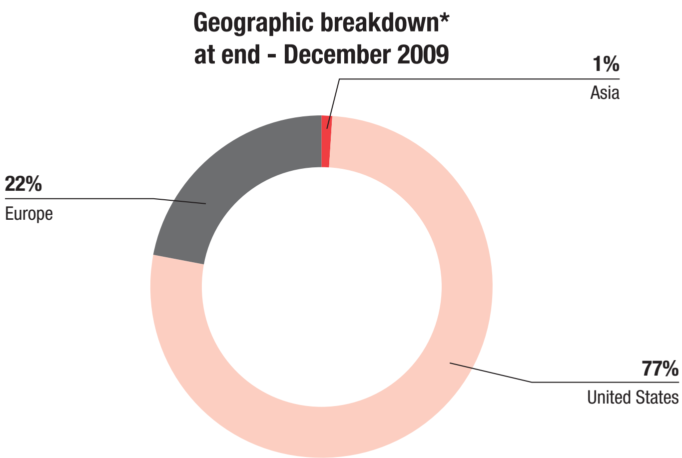
The Group is exposed to underlying assets relative to the commercial real estate market through CMBS'. In a similar way to RMBS', the CMBS portfolio is valued using market parameters, or based on a market consensus (combining the fair value estimates given by several banks), plus a liquidity add-on to obtain a conservative measurement.

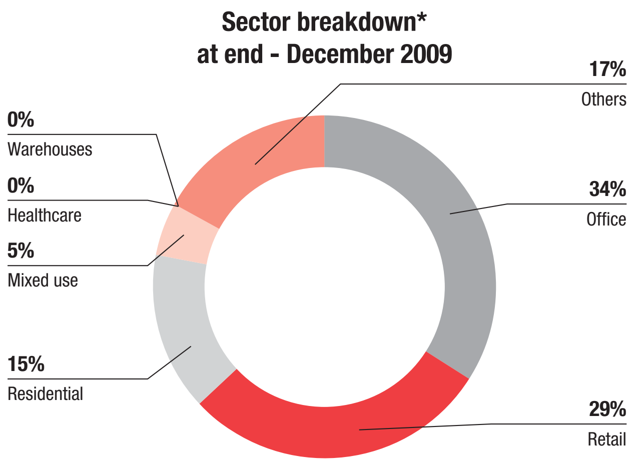
More specific and detailed information on the valuation of these instruments can be found in Note 3 to the financial statements.

Part of the portfolio was transferred from the trading portfolio to Loans & Receivables on October 1, 2008.

Residual net exposure after discounting and hedging, at fair value on the balance sheet (trading and available-for-sale assets), at December 31, 2009, amounted to EUR 176 million (excluding the exotic credit derivatives portfolio).

	Dec. 31, 2008	Dec. 31, 2009					2009		
			Gross exposure [2]						
(In millions of euros)	Net exposure [1]	Net exposure [1]	Amount	% net exposure	%AAA*	% AA & A*	Net Banking Income	Cost of Risk	Equity
'Held for Trading' portfolio	263	46	*281*	*16%*	*0%*	*19%*	(98)	-	-
'Available For Sale' portfolio	261	130	*284*	*46%*	*19%*	*54%*	12	-	(60)
'Loans & Receivables' portfolio	7,124	6,796	*7,279*	*93%*	*64%*	*28%*	303	-	-
'Held To Maturity' portfolio	55	51	*54*	*96%*	*36%*	*45%*	2	-	-
TOTAL	**7,705**	**7,024**	***7,897***	***89%***	***60%***	***29%***	**219**	**-**	**(60)**





(a) Excluding "exotic credit derivative portfolio" presented below
** As a % of remaining capital*
(1) Net of hedging and impairments
(2) Remaining capital of assets before hedging

Commercial conduits

At the end of December 2009, Societe Generale was the sponsor of four unconsolidated commercial securitisation conduits. The amount of the assets held by these vehicles amounted to EUR 11 billion at December 31, 2009 (compared with EUR 16 billion at December 31, 2008).

Description of 4 commercial conduits sponsored by Societe Generale by type of asset

			Breakdown of assets							Contractual maturity of assets				
(In millions of euros)	Asset total	Nationality of assets	Auto loans	Trade receivables	Consumer loans	Equipment loans	Other loans	RMBS	CMBS (AAA)	0-6 months	6-12 months	> 12 months	Amount of CP issued	Rating of CP issued
ANTALIS (France)	3,503	Europe (1)	14%	81%	0%	0%	0%	0%	5%	81%	0%	19%	3,544	P-1/A-1
BARTON (United States)	5,434	US - 96% Switzerland - 4%	30%	10%	49%	6%	5%	0%	0%	10%	34%	56%	5,432	P-1/A-1
ACE AUSTRALIA (Australia)	1,012	Australia	0%	0%	0%	0%	7%	93% (2)	0%	0%	0%	100%	936	P-1/A-1+
HOMES (Australia)	1,037	Australia	0%	0%	0%	0%	0%	100% (3)	0%	0%	0%	100%	1,042	P-1/A-1+
TOTAL	**10,986**		**19%**	**31%**	**24%**	**3%**	**3%**	**18%**	**2%**	**31%**	**17%**	**52%**	**10,954**	

() Conduit country of issuance
(1) 38% France, 20% Italy, 14% Germany, 15% UK, 6% Spain, 3% Singapore, 2% Netherlands, 2% Others
(2) 96% AAA - 4% AA
(3) 97% AAA - 3% AA

Note: the RMBS' of conduits are rated, while the other underlying assets are retail assets with no external rating.

Societe Generale's exposure at December 31, 2009 as a sponsor of these conduits [1]

(In millions of euros)	Available liquidity line granted by Societe Generale	Letter of credit granted by Societe Generale	Commercial paper held by Societe Generale
ANTALIS (France)	4,508	283	0
BARTON (United States)	6,879	208	0
ACE AUSTRALIA (Australia)	968	25	0
HOMES (Australia)	1,079	26	0
TOTAL	**13,434**	**542**	**0**

(1) No liquidity lines granted by Societe Generale were drawn down in 2009

Moreover, at December 31, 2009, the Societe Generale Group had granted EUR 0.4 billion in available liquidity, divided between 6 third-party conduits sponsored by other banking institutions.

The total amount of the third-party conduit Commercial Paper acquired amounted to EUR 0.05 billion at December 31, 2009.

Exotic credit derivatives

The exotic credit derivatives portfolio is linked to a client activity which consists in selling securities indexed on the credit quality of ABS portfolios.

The Group hedges the credit protection generated in its books by purchasing underlying ABS portfolios and selling indices, and actively manages its hedging based on the changes in credit spreads by adjusting the ABS portfolio held, index positions on indices and marketed securities.

The five-year long risk equivalent net position at December 31, 2009 was EUR -2.6 billion.

- EUR 4.6 billion in securities were disposed of in 2009
- 37% of the residual portfolio is made up of securities rated A and above.

FIVE-YEAR LONG RISK EQUIVALENT NET POSITION

(In millions of euros)	Dec. 31, 2008	Dec. 31, 2009
US ABS'	**(3,028)**	**(2,254)**
RMBS' [1]	(378)	(62)
o.w. Prime	151	139
o.w. Midprime	390	404
o.w. Subprime	(919)	(605)
CMBS' [2]	(2,825)	(2,313)
Others	175	121
European ABS'	**272**	**(333)**
RMBS' [3]	236	(204)
o.w. UK	239	(101)
o.w. Spain	(1)	(53)
o.w. others	(2)	(50)
CMBS' [4]	16	(107)
Others	20	(22)
Total	**(2,756)**	**(2,587)**

At December 31, 2009
(1) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 1.1 billion, o.w. EUR 0.2 billion Prime, EUR 0.6 billion Midprime and EUR 0.2 billion Subprime
(2) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 1.9 billion
(3) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 53 million
(4) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 9 million

Portfolio of assets bought back from SGAM excluding RMBS' in the UK and Spain, and CMBS' included in the aforementioned exposures

The Societe Generale Group also has exposures which result from the transfer of Societe Generale Asset Management's (SGAM) portfolio to Corporate and Investment Banking and the Corporate Centre.

Part of the portfolio was transferred from the trading portfolio to Loans & Receivables on October 1, 2008.

At December 31, 2009, the net exposure of the asset portfolio transferred from SGAM amounted to EUR 0.8 billion in the trading portfolio, EUR 1.0 billion in the Available-For-Sale Assets portfolio, EUR 0.6 billion in the Loans & Receivables portfolio and EUR 0.2 billion in the Held-To-Maturity Assets portfolio.

	'Held for Trading' portfolio						'Available for Sale' portfolio					
	Dec. 31, 2008	Dec. 31, 2009					Dec. 31, 2008	Dec. 31, 2009				
			Gross exposure (2)						Gross exposure (2)			
(In millions of euros)	Net exposure (1)	Net exposure (1)	Amount	% net exposure	%AAA*	%AA & A*	Net exposure (1)	Net exposure (1)	Amount	% net exposure	%AAA*	% AA & A*
Banking and Corporate bonds	*470*	419	*429*	*98%*	*0%*	*1%*						
Other RMBS'	*98*	54	*98*	*56%*	*21%*	*25%*	*303*	216	261	*83%*	*67%*	28%
Other ABS'	*63*	8	*36*	*21%*	*0%*	*19%*	*295*	160	212	*75%*	*28%*	51%
CDOs	*154*	66	*167*	*40%*	*0%*	*44%*	*215*	225	352	*64%*	*20%*	58%
CLOs	*362*	204	*315*	*65%*	*22%*	*38%*	*463*	375	443	*85%*	*33%*	51%
Other	*27*	9	*31*	*30%*	*0%*	*19%*		16	25	*64%*	*0%*	0%
Total	*1,174*	760	*1,075*	*71%*	*8%*	*22%*	*1,277*	991	1,293	*77%*	*35%*	47%

	'Loans & Receivables' portfolio						'Held to Maturity' portfolio					
	Dec. 31, 2008	Dec. 31, 2009					Dec. 31, 2008	Dec. 31, 2009				
			Gross exposure (2)						Gross exposure (2)			
(In millions of euros)	Net exposure (1)	Net exposure (1)	Amount	% net exposure	%AAA*	%AA & A*	Net exposure (1)	Net exposure (1)	Amount	% net exposure	%AAA*	% AA & A*
Banking and Corporate bonds	*321*	124	*138*	*90%*	*0%*	*62%*						
Other RMBS'	*267*	159	*182*	*87%*	*58%*	*42%*	*42*	30	30	*98%*	72%	21%
Other ABS'	*193*	119	*140*	*85%*	*49%*	*46%*	*114*	69	70	*98%*	34%	66%
CDOs	*64*	57	*90*	*63%*	*0%*	*0%*	*53*	50	55	*91%*	0%	0%
CLOs	*186*	141	*171*	*82%*	*45%*	*50%*	*89*	61	62	*98%*	10%	81%
Total	*1,032*	600	*720*	*83%*	*35%*	*43%*	*298*	210	218	*96%*	24%	47%

* *As a % of remaining capital*
(1) Net of hedging and impairments
(2) Remaining capital of assets before hedging

Exposure to LBO financing

The Societe Generale Group is exposed to LBO financing through both the Corporate and Investment Banking business and also through the French Networks.

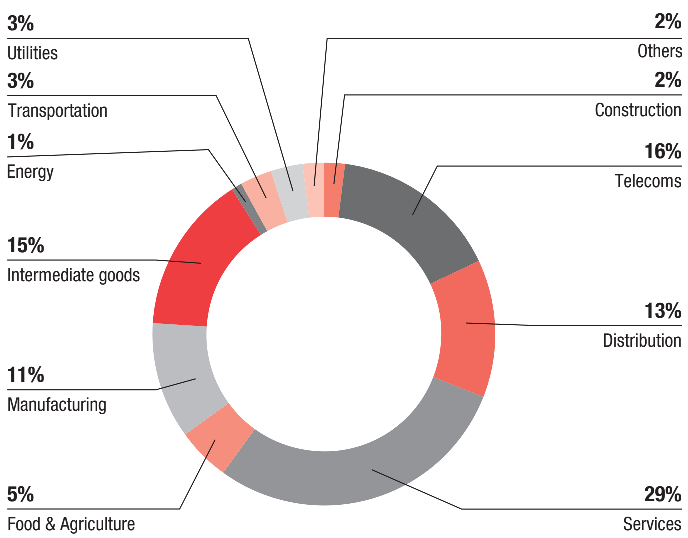
- Corporate and Investment Banking
  - Provision for groups of homogeneous assets for final take at December 31, 2009: EUR 115 million
  - Provisions specific to LBO accounts at December 31, 2009: EUR 160 million

	Corporate and Investment Banking		French Networks	
(In billions of euros)	**Dec. 31, 2008**	**Dec. 31, 2009**	**Dec. 31, 2008**	**Dec. 31, 2009**
Final take				
Number of accounts	*137*	*127*	*57*	*63*
Commitments*	3.9	3.3	1.7	1.7
Units for sale				
Number of accounts	*0*	*0*	*2*	*1*
Commitments*	0.0	0.0	0.0	0.0
Total	**3.9**	**3.3**	**1.7**	**1.7**

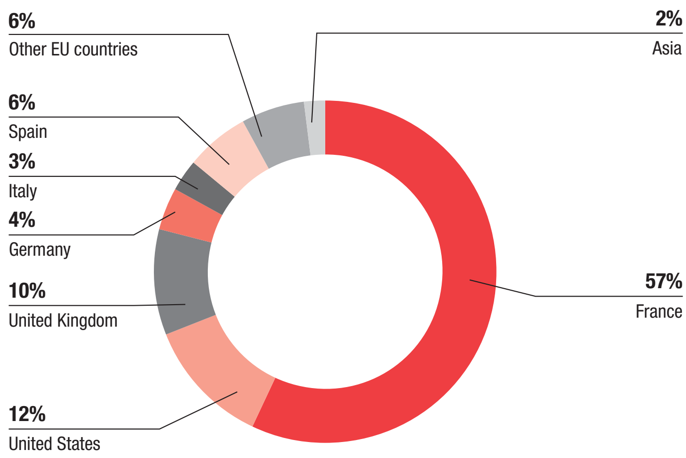
* *Commitments net of specific provisions*

The Group's exposure to LBO financing, which totalled EUR 5.0 billion at December 31, 2009, is well diversified both in sector and geographic terms.

Sector breakdown



Geographic breakdown



STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

Structural exposure to interest rate risks encompasses all exposures due to the commercial activities and their hedging and the proprietary transactions of the Group's consolidated entities.

The interest rate and exchange rate risks linked to trading activities are excluded from the structural risk measurement scope as they belong to the category of market risks. The structural and market exposures constitute the overall interest rate and exchange rate exposure of the Group.

The general principle is to concentrate interest rate and exchange rate risks within capital market activities, where they are monitored and controlled using the methods described in the previous chapter, and to reduce structural interest rate and exchange rate risks within the consolidated entities as much as possible.

Wherever possible, commercial transactions are hedged against interest rate and exchange rate risks, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within a treasury department). Interest rate and exchange rate risks linked to proprietary transactions must also be hedged as far as possible, except for some foreign exchange positions kept to immunise its Tier 1 ratio.

Organisation of the management of structural interest rate and exchange rate risks

The principles and standards for managing these risks are defined at Group level. The entities are first and foremost responsible for managing these risks. The Balance Sheet Management Department, which is part of the Group Finance Division, conducts Level 2 controls of the entities' structural risk management.

The Group Finance Committee, a General Management body:

- validates the structural risk monitoring, management and supervision system;
- reviews changes to the Group's structural risks through consolidated reporting by the Finance Division.

The Balance Sheet Management Department, which is part of the Finance Division, is responsible for:

- identifying the structural risks (interest rate, exchange rate and liquidity risks) borne by the Group;
- defining the methods and procedures for analysing, measuring and monitoring risks;
- validating the models and methods used by the entities;
- proposing risk limits;
- consolidating and reporting on structural risks.

The operating entities are responsible for controlling structural risks

The operating entities are required to comply with the standards defined at Group level for the management of risk exposure, but also develop their own models, measure their exposure and implement the required hedging operations.

Each entity has its own structural risk manager, attached to the Finance Department of the entity, who is responsible for conducting Level 1 controls and for reporting the entity's structural risk exposure to the Balance Sheet Management Department via a shared IT system.

Retail banking entities both in France and abroad generally have an ad-hoc ALM Committee responsible for validating the models used, managing their exposures to interest rate and exchange rate risks and implementing the hedging programmes in line with the principles set out by the Group and the limits validated by the Finance Committee.

Structural interest rate risk

Structural interest rate risk is measured within the scope of structural activities (transactions with clients, the associated hedging operations and proprietary transactions).

Structural interest rate risk arises from the residual gaps (surplus or deficit) in each entity's fixed-rate forecast positions.

Objective of the Group

The Group's main aim is to reduce each Group entity's exposure to structural interest rate risk as much as possible.

To this end, any residual interest rate risk exposure must comply with the sensitivity limits set for each entity and for the overall Group as validated by the Finance Committee. The sensitivity is defined as the variation in the net present value of future (maturities of up to 20 years) residual fixed-rate positions (surpluses or deficits) for a 1% parallel increase in the yield curve (i.e. this sensitivity does not relate to the sensitivity of annual net interest income). The limit set at Group level is EUR 500 million, representing an amount equal to 1,2% of its risk-based capital.

Measurement and monitoring of structural interest rate risks

In order to quantify its exposure to structural interest rate risks, the Group analyses all future fixed-rate assets and liabilities. These positions come from transactions remunerated or charged at fixed rates and from their maturities.

Assets and liabilities are analysed independently, without any *a priori* matching. The maturities of outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models based on historic client behaviour patterns (particularly for regulated savings accounts, early loan repayments, etc.), as well as conventional assumptions relating to certain balance sheet items (principally shareholders' equity and sight deposits).

Once the Group has identified its fixed-rate positions (surpluses or deficits), it calculates the sensitivity (as defined above) to variations of interest rates. This sensitivity is defined as the variation of the net present value of the fixed-rate positions for a 1% instantaneous parallel increase of the yield curve.

In addition to this analysis, the Group also analyses the sensitivity to different yield curve configurations of the fixed rate position (steepening and flattening of the yield curve). The measurement of the net interest income sensitivity is also used by the Group to quantify the structural interest rate risk of significant entities.

Throughout 2009, the Group's global sensitivity to interest rate risk remained below 1% of Group risk-based capital and within the EUR 500 million limit.

The following observations can be made with regard to the businesses' structural interest rate risk:

- within the French retail networks, the outstanding amounts of customer deposits, generally considered to be fixed-rate, exceed fixed-rate loans for maturities of more than 6 years. Indeed, thanks to macro-hedging, essentially through the use of interest rate swaps and caps, the French retail networks' (Societe Generale and Crédit du Nord) sensitivity to interest rate risk (on the basis of the adopted scenarios) has been kept to a low level. At end-December 2009, the sensitivity of the French retail networks' economic value, based on their euro-denominated assets and liabilities, was EUR -33 million;
- transactions with large companies are generally micro-hedged and therefore present no residual interest rate risk;
- transactions with clients of the financial services subsidiaries are generally macro-hedged and therefore present only a very low interest rate risk;
- client transactions carried out in our subsidiaries and branches located in countries with weak currencies can generate structural interest rate risk, which remains limited at Group level. These entities may have problems optimally hedging interest rate risk due to the low development of the financial markets in some countries;
- proprietary transactions are generally well hedged. Residual positions are limited and arise primarily from shareholders' equity that has not been fully reinvested on the expected maturity dates.

The sensitivity to interest rate variations of the main entities of the Group represented EUR -77 million at December 31, 2009 (for a 1% parallel and instantaneous rise in the yield curve). These entities account for 82% of the Group's credit oustandings.

Table 1: Measurement of the entities' sensitivity to a 1% interest rate variation, at December 31, 2009, indicated by maturity

(In millions of euros)

Less than one year	between 1 and 7 years	More than 7 years	**Total sensitivity**
26	(196)	93	**(77)**

The results of the gap measurements (difference between liability and asset outstandings, at a fixed rate, by maturity) for the same entities are as follows (liabilities minus assets/figures in millions of euros):

Table 2: Interest rate gaps by maturity at December 31, 2009

(In millions of euros)

Maturities	**1 year**	**3 years**	**5 years**	**7 years**
Amount of gap	(7,803)	(1,978)	1,476	1,285

Structural exchange rate risk

Structural exchange rate risk is mainly caused by:

- foreign currency–denominated capital contributions and equity investments financed through the purchase of foreign currencies;
- retained earnings in foreign subsidiaries;
- investments made by some subsidiaries in a currency other than the one used for their equity funding for regulatory reasons.

Objective of the Group

The Group's policy is to immunise its solvency ratio against fluctuations in currencies in which it has significant balance sheet positions (USD, CZK, GBP, JPY, etc.). To do this, it may decide to purchase currencies to finance very long-term foreign currency-denominated investments, thus creating structural foreign exchange positions. Any valuation differences for these structural positions are subsequently booked as translation reserves.

For the other currencies, the Group's policy is to reduce its structural foreign exchange positions as much as possible.

Measurement and monitoring of structural exchange rate risks

The Group quantifies its exposure to structural exchange rate risks by analysing all assets and liabilities denominated in foreign currencies, arising from commercial operations and proprietary transactions.

The Balance Sheet Management Department monitors structural exchange rate positions and manages the immunisation of the solvency ratio against exchange rate fluctuations.

In 2009, the Group successfully neutralised the sensitivity of its solvency ratio to fluctuations in strong currencies by managing its structural positions in these currencies (the sensitivity of the solvency ratio is limited to a basis point variation in the case of a 10% variation in the exchange rate of one of the main currencies).

LIQUIDITY RISK

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

A structural liquidity position is defined as resulting from the maturities of all balance sheet or off-balance sheet outstanding positions, according to their liquidity profile, determined either based on the contractual maturity of the transactions, or, for non-maturing products, based on a maturity modelled using historic client behaviour or a conventional maturity.

The Group manages this exposure using a specific framework designed to manage liquidity risk both under normal day-to-day conditions and in the event of a potential liquidity crisis.

Organisation of liquidity risk management

The principles and standards applicable to liquidity risk management are defined at Group level. The operating entities are responsible for managing their own liquidity and for respecting applicable regulatory constraints, while the Balance Sheet Management Department manages liquidity for the overall Group, in conjunction with the Treasury Department of the Corporate and Investment Banking division.

- The Group Finance Committee, chaired by the General Management and composed of members of the Executive Committee and Finance Division:
  - validates the organisational principles and monitoring of the Group's liquidity risk;
  - examines the reports on liquidity risk provided by the Balance Sheet Management Department;
  - reviews the liquidity crisis scenarios and the limit system;
  - validates the Group's funding programmes.
- The Group's Executive Committee:
  - validates the internal liquidity pricing policy.

- The Balance Sheet Management Department, which is part of the Group Finance Division:
  - defines the standards for liquidity risk management;
  - validates the models used by the entities;
  - centralises, consolidates and reports on liquidity risk exposure, and carries out Level 2 controls (independently of the operational management supervising the entities);
  - validates the liquidity crisis scenarii;
  - plans the Group's funding programmes;
  - proposes the internal liquidity pricing policy.
- The Treasury Department of the Corporate and Investment Banking division is responsible for managing short-term liquidity (less than one year), within the limits defined by the Finance Committee. The liquidity stress scenarios are implemented in collaboration with the Balance Sheet Management Department.
- The operating entities are responsible for managing their own liquidity risk.

To this end, they apply the standards defined at Group level, develop models, measure their liquidity positions and finance their activities or reinvest surplus liquidity via the treasury departments (subject to regulatory and fiscal constraints).

The entities submit reports on their liquidity risk to the Group via a shared IT system.

Objective of the Group

The Group's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.

The main principles of the Group's liquidity management are as follows:

- as far as possible, central management of liquidity by transferring the liquidity positions of the entities (liquidity surpluses and requirements) to the Group's treasury departments;
- central management of market resources using the access to the markets of the Group's main treasury departments (Paris, New York, London, Tokyo, Hong Kong, Singapore, etc.);
- diversification of sources of funding, both in terms of geographic regions and activity sectors;
- optimised management of resources by limiting the number of issuers within the Group (Societe Generale, SG Acceptance NV, SG North America, Societe Generale SCF, etc.);
- management of short-term liquidity in accordance with the regulatory framework, and within the scope of the Group's main treasury departments, with the use of internal stress scenarios.

Measurement and monitoring of liquidity risk

The Group's liquidity management framework comprises the following processes:

- an assessment of the Group's structural liquidity profile and its development over time;

Risk analysis is conducted using reports submitted by the different entities, listing their respective on and off-balance sheet outstandings according to currency of denomination and residual maturity. The principle adopted enables assets and liabilities to be categorised in terms of maturity. Maturities on outstanding positions are determined on the basis of the contractual terms of transactions, models of historic client behaviour patterns (regulated savings accounts, early repayments, etc.), as well as conventional assumptions relating to certain balance sheet items (principally shareholders' equity and sight deposits).

The breakdown of liabilities and contractual commitments by maturity are disclosed in Note 31.

Medium- and long-term issues featuring a clause providing for the option of early repayment to the issuer are included in the repayment timetables at their first call date for subordinated issues and at their contractual maturity for structured issues (specific monitoring is applied to the amounts repaid for these issues).

- monitoring of the diversification of funding sources:

Societe Generale maintains a broadly diversified range of funding sources, firstly including a large base of customer deposits that represents a large share of its medium-term resources, and secondly market resources.

For its deposit base, the Group relies on inflows from the Retail Banking Networks (France and abroad), and the Private Banking structure.

For its medium- and long-term market resources, the Group operates a diversified funding policy relying on various types of debt and forms of issue, currencies and investor pools.

In 2009, the Group was able to refinance the roll over of its debt maturing during the year as well as the growth of its businesses, thanks to an active and diversified funding programme on the capital markets (issues of vanilla and structured private placements, and senior and subordinate benchmark issues), and thanks to additional deposit inflows and the contribution of the SFEF (*Société de Financement de l'Economie Française*) under the French Government's economic stimulus plan.

The Group monitors the risk of the early repayment of its medium- and long-term debt instruments:

- the Group's medium- and long-term issue programmes feature no clauses that could generate an early repayment risk linked to a decline in the Group's credit quality;
- the proportion of medium- and long-term issues featuring a clause providing for early repayment options to investors is limited (less than EUR 1.5 billion).

- an assessment of the Group's funding needs on the basis of budget forecasts in order to plan appropriate funding solutions;
- an analysis of liquidity risk exposure using liquidity crisis scenarios;
- close monitoring of long-term liquidity.

A long-term funding plan aims to keep a medium- and long-term surplus liquidity gap.

The issue policy aims to execute the funding plan in a regular and non-opportunistic way.

- conservative short-term liquidity management.

The Treasury Department of the Corporate and Investment Banking division, which manages by delegation the Group's short-term liquidity, monitors its liquidity gap in stress scenarios taking into account assets eligible for central bank refinancing operations.

A weekly liquidity committee meeting, chaired by the Chief Financial Officer and attended by the Chief Risk Officer, the Head and Treasurer of SGCIB and the Head of the Balance Sheet Management Department, assesses the Bank's short-term liquidity position and makes management decisions according to the market environment by delegation from the Finance Committee.

- active management of eligible assets.

The Group works to optimise the management of the pool of assets eligible for the various refinancing mechanisms (central bank refinancing operations, Société de Crédit Foncier, securitisations, etc.) using a centralised application that creates an inventory of saleable assets to allow an optimum allocation and secure management of these asset pools.

The regulatory one-month liquidity ratio is calculated on a monthly basis, and concerns the Societe Generale Company (which comprises the head office in mainland France and its branches). In 2009, Societe Generale systematically maintained a ratio above the required regulatory minimum.

OPERATIONAL RISKS

Operational risk management: organisation and structure

Over the last few years, Societe Generale has developed processes, management tools and a full control infrastructure to enhance the control and management of the operational risks that are inherent to its various activities. These include, *inter alia*, general and specific procedures, permanent supervision, business continuity plans, New Product Committees and functions dedicated to the oversight and management of specific types of operational risks, such as fraud, risks pertaining to payment systems, legal risks, information system security risks and non-compliance risks.

THE OPERATIONAL RISK DEPARTMENT

Incorporated in 2007 within the Group's Risk Division, the Operational Risk Department works in close cooperation with operational risk staff in the business and functional divisions.

The Operational Risk Department is notably responsible for:

- running the Operational Risk structure;
- devising and implementing Societe Generale's operational risk control strategy, in cooperation with the business and functional divisions;
- promoting an operational risk culture throughout the Group;

- defining, at Group level, methods for identifying, measuring, monitoring, reducing and/or transferring operational risk, in cooperation with the business and functional divisions, and in order to ensure consistency across the Group;
- preparing a global Group business continuity plan (BCP) and crisis management policy, managing the policy and coordinating its implementation.

THE OPERATIONAL RISK STRUCTURE

In addition to the Operational Risk Department, the operational risk organisation includes Operational Risk Managers (ORM) in the business and functional divisions, who are functionally attached to the Group's Chief Operational Risk Officer.

ORMs operate throughout the Group's entities, and are responsible for implementing the Group's procedures and guidelines, and monitoring and managing operational risks, with the support of dedicated operational risk staff in the business lines and entities and in close collaboration with the respective entities' line management.

Operational risk committees have been set up at Group level, as well as at business division, functional division and subsidiary level.

Operational risk measurement

Since 2004, Societe Generale has been using the Advanced Measurement Approach (AMA) as proposed by the Capital Requirement Directive to measure operational risk. This approach notably makes it possible to:

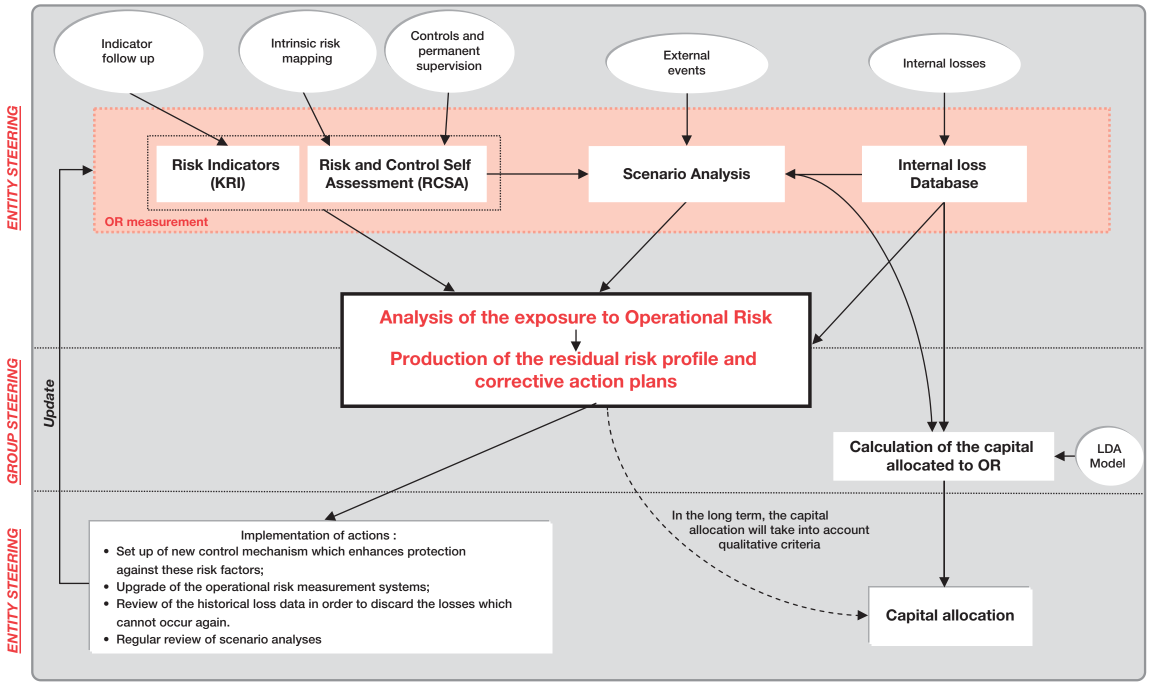
- identify i) the businesses that have the greatest risk exposures and, ii) the types of risk that have the greatest impact on the Group's risk profile and overall capital requirement;
- enhance the Group's operational risk culture and overall management, by introducing a virtuous circle of risk identification, improved risk management and risk mitigation and reduction.

Following its in-depth review in 2007, the French Banking Commission (*Commission bancaire*) approved the use of the most advanced measurement approach (AMA), as defined under the Basel II agreement, to calculate Societe Generale's regulatory capital requirements related to operational risks, as of January 1, 2008. Although some subsidiaries use the Standardised Approach, the AMA's application to the Group's activities covers more than 90% of total net banking income.

Operational risk monitoring process

The frameworks specifically established by the Basel II regulations (the Capital Requirement Directive and "sound practices for the management and supervision of operational risk") have been implemented, on the basis of existing procedures wherever possible, to support the "virtuous circle" referred to previously. They notably include:

- collecting internal data on operational risk losses;
- drafting Risk and Control Self-Assessment (RCSA) processes in every business unit;
- determining Key Risk Indicators (KRI);
- formulating scenario analyses;
- cross-referencing its own data with external loss data analyses.



Societe Generale's classification of operational risks in eight event categories and forty-nine mutually exclusive sub-categories is the cornerstone of its risk modelling, ensuring consistency throughout the system and enabling analyses across the Group.

Commercial disputes	Fraud and other criminal activities
Disputes with authorities	Rogue trading
Pricing or risk evaluation errors	Loss of operating resources
Execution errors	IT system interruptions

INTERNAL LOSS DATA COLLECTION

Internal loss data has been compiled throughout the Group since 2003, enabling staff to:

- build expertise in operational risk management concepts and tools;
- achieve a deeper understanding of their risk areas;
- help disseminate an operational risk culture throughout the Group.

The minimum threshold above which a loss is recorded is EUR 10,000 throughout the Group, except for Corporate and Investment Banking, where this threshold is EUR 25,000 due to the scope of its activity, the volumes involved and the relevance of capital modelling points. Below these thresholds, loss information is collected by the Group's various divisions but is not identified by the Risk Division. The threshold's impact is therefore taken into account in the capital requirement calculation model.

RISK AND CONTROL SELF-ASSESSMENT (RCSA)

The purpose of Risk and Control Self-Assessment (RCSA) is to assess and then measure the Group's exposure to operational risks. This involves:

- identifying and assessing the operational risks to which each of the Group's businesses is inherently exposed (the "intrinsic" risks), while disregarding the impact of risk prevention and mitigation measures;
- assessing the quality of risk prevention and mitigation measures, including their existence and effectiveness in detecting and preventing risks and/or their capacity to reduce their financial impact;
- measuring the risk exposure of each Group business that remains once the risk prevention and mitigation measures are taken into account (the "residual exposure"), while disregarding insurance coverage;

- correcting any inadequacies in risk prevention and mitigation measures and implementing corrective action plans;
- facilitating and/or supporting the implementation of key risk indicators (KRI);
- adapting the risk insurance strategy, if necessary.

KEY RISK INDICATORS (KRI)

KRIs complement the overall operational risk management system, by providing a dynamic view of changes in business risk profiles as well as a warning signal. Regular KRI monitoring assists both management and staff in their assessment of the Group's operational risk exposure obtained from the RCSA, the analysis of internal losses and scenario analyses, by providing them with:

- a quantitative and verifiable risk measurement;
- a regular assessment of the improvements or deteriorations in the risk profile and the control and prevention environment which require particular attention or an action plan.

KRIs that may have a significant impact on the entire Group are reported to the Group's General Management.

SCENARIO ANALYSES

Scenario analyses serve two purposes: informing the Group about potential significant areas of risk and contributing to the calculation of the capital required to cover the operational risk.

For the calculation of capital, the Group uses scenario analyses to:

- measure its exposure to potential losses arising from low frequency/high severity events;
- provide an estimate of loss distribution for event categories whose internal loss data history is insufficient.

In practice, for each event category, various scenarii are reviewed by experts, who gauge the magnitude of the potential impact for the bank, in terms of severity and frequency, by factoring in internal and external loss data and the external (regulatory, business, etc.) and internal (controls and prevention systems) environment. The potential impacts of various scenarii are combined to obtain the loss distributions for the risk category in question.

Scenario analyses fall into two broad categories:

- major Group stress scenarii, involving very severe events that cut across businesses and departments, have an external cause and require a business continuity plan (BCP). The ten scenarii analysed so far have helped to develop the Business Impact Analysis aspects of the BCPs;
- business scenarii that do not fall into the category of business continuity in its strictest sense, but are used to measure the unexpected losses to which the businesses may be exposed. Around 100 scenarii have been prepared so far.

ANALYSIS OF EXTERNAL LOSSES

Finally, Societe Generale also uses externally available loss databases to supplement the identification and assessment of the Group's operational risk exposures, by benchmarking internal loss records against industry-wide data.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY PLANNING

Moreover, the Group is reinforcing its crisis management by working on the intrinsic resilience of its activities and incorporating it in its existing business continuity plans.

Risk modelling

The method used by the Group for operational risk modelling is based on the Loss Distribution Approach (LDA).

This statistical approach models the annual distribution of operational losses, through historical data on internal or external losses or scenario analyses, according to a bottom-up process producing a matrix of losses in the different operational risk categories and business divisions with a potential granularity of 32 event categories.

The annual loss distributions are modelled for each element of the matrix, then aggregated to obtain the annual loss distributions of the Divisions and then the Group. This loss distribution indicates the loss amounts the Group may be exposed to, and associates a probability of occurrence with each of these amounts.

The Group's regulatory capital requirements for operational risk are then defined as the 99.9% quantile of the Group's annual loss distribution.

The correlation between events, their frequency and their severity is also factored in throughout the calculation process.

Based on the Group's models, Societe Generale's capital requirements on account of operational risks were EUR 3,766 million at the end of 2009, representing EUR 47,080 million in risk-weighted assets.

INSURANCE COVER IN RISK MODELLING

As permitted under the Basel II Capital Framework, Societe Generale has developed a method that enables the calculated regulatory capital to be reduced by as much as 20% when insurance policies meet the Basel II regulatory requirements, and are able to cover, at least partly, operational losses.

Group-wide mapping is used to identify insurance policies that are able to cover the various operational risk categories and their corresponding characteristics: deductibles, coverage and coverage probability.

The modelling process therefore takes into account the effect of Group insurance policies that cover major banking risks, i.e. civil liability, fraud, fire and theft, as well as policies covering systems interruptions and operating losses due to a loss of operating capacities.

Insurance is an operational risk mitigation factor that may be included in the model for both internal losses and scenario analyses. In Societe Generale's model, insurance has an impact on the severity distributions by reducing the loss amounts ultimately booked. The modelled frequency distribution however remains unchanged.

For regulatory requirements, two calculations are carried out, one including, and the other excluding, cover from existing insurance policies. The aim is to verify that the reduction applied to the total capital requirement as a result of these policies remains below the maximum 20% threshold set by the regulations.

The capital relief arising from Societe Generale's insurance cover calculated using the Advanced Measurement Approach (AMA) represents 5% of its total capital requirement on account of operational risk.

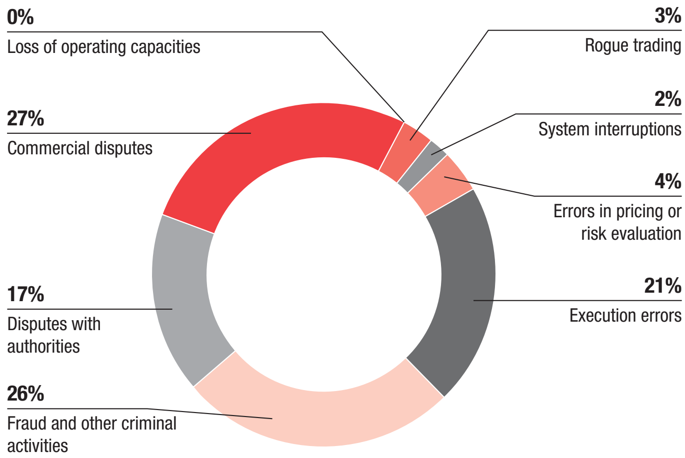
GOVERNANCE OF THE REGULATORY CAPITAL CALCULATION PROCESS

The operational risk capital calculation process is subject to specific governance, particularly with respect to roles, responsibilities and frequency.

QUANTITATIVE DATA

The following chart breaks down the operational losses by risk category for the period 2005-2009.

OPERATIONAL RISK LOSSES (EXCLUDING EXCEPTIONAL ROGUE TRADING LOSS): BREAKDOWN BY SG RISK EVENT TYPE (AVERAGE FROM 2005 TO 2009)



NON-COMPLIANCE AND REPUTATIONAL RISKS

In 2006, an independent Compliance structure was set up within the Societe Generale Group. The Group's Corporate Secretary is responsible for Group Compliance. He chairs the Group Compliance Committee, which meets monthly. Incidents are reported to the Board of Directors in accordance with the regulations.

In 2009, the Group issued a directive to its employees defining its policy for detecting, assessing and preventing reputational risk.

(see Chapter 5, Report of the Chairman on Internal Control and Risk Management and Chapter 8, Compliance and Prevention of Money Laundering)

LEGAL RISKS

Risks and disputes

- Risks arising out of material litigation proceedings initiated, or likely to be initiated, against the Group are subject to a quarterly review. To this end, the managers of the branches and of the consolidated companies, in France and abroad, draw up a report every quarter setting forth these litigations and assessing the potential loss if any. These reports are forwarded to the Parisian Headquarters, where they are reviewed by a committee headed by the Corporate Secretary and composed of members of the Financial, Legal and Risk Divisions. This committee gives grounded advice on the basis of which the General management decides on the amount of reserves or their reversal.
- Like many financial institutions, Societe Generale is subject to numerous litigations, including securities class action lawsuits in the U.S., and to regulatory investigations. The consequences, as assessed on December 31, 2009, of those that are liable to have, or have recently had, a material impact on the Group's financial situation, its results or its business have been provisioned in the Group's financial statements. Details concerning the major cases are provided below. Other litigation proceedings have no material effect on the Group's financial situation or it is still too early to determine at this stage whether they may have such an impact or not.
- After conducting investigations on tax frauds allegedly committed by buyers of certain types of companies in Belgium since 1997, the Belgian State and the liquidator of some of these companies have brought actions against the various participants in these transactions in an attempt to recover the tax evaded or to seek damages. Societe Generale and one of its affiliates have been implicated because of the role played as counsel to the buyers in several transactions by an ex-employee of the bank, now deceased, who concealed from Societe Generale that he continued to play this role in spite of the prohibition of which he was informed by his supervisor several years ago, after the risks of such transactions had been identified. Societe Generale cooperated fully with the Belgian State's investigations. These investigations having given rise to the opening of criminal proceedings, Societe Generale and its affiliate have also filed a complaint.

  In the meantime Societe Generale and the Belgian State have reached an out-of-court settlement. The provision has been used in part.
- In October 2005, the official receivers in charge of the restructuring plans for Moulinex and Brandt, companies that were put into bankruptcy in 2001, initiated a lawsuit against member banks of syndicated loans granted to Moulinex in 1997 and to Brandt in 1998. They are seeking compensatory damages to indemnify the creditors for the banks' alleged improper financial support to the aforementioned companies.

  Societe Generale and Crédit du Nord only held a share of the syndicated loans. They intend to vigorously contest the claims, since after trying to support Moulinex and Brandt on the grounds of serious and credible recovery plans, the banks were the first victims of the collapses of Moulinex and Brandt.

  All reasonably foreseeable expenses relating to the management of these proceedings have been taken into account.

- Societe Generale, along with numerous other banks, financial institutions and brokers, is subject to investigations in the United States by the Internal Revenue Service, the Securities and Exchange Commission and the Antitrust Division of the Department of Justice, for alleged non-compliance with various laws and regulations relating to their conduct in the provision to government entities of Guaranteed Investment Contracts (GICs) and related products in connection with the issuance of tax-exempt municipal bonds. Furthermore, in 2008, several local U.S. authorities began parallel investigations into the same alleged conduct. Societe Generale is cooperating fully with the Investigating authorities.

  Several putative class action lawsuits were initiated in US courts in 2008 against Societe Generale and numerous other banks, financial institutions and brokers, alleging violation of US antitrust laws in connection with the bidding and sale of GICs and derivatives to municipalities. These lawsuits have been consolidated in the US District Court for the Southern District of New York in Manhattan. Some of these lawsuits are proceeding under a consolidated class action complaint. In April 2009, the court granted the defendants' joint motion to dismiss the consolidated class action complaint against Societe Generale and all of the other defendants except three. A second consolidated and amended class action complaint was filed in June 2009. In addition, there are other actions that are proceeding separately from the consolidated class action complaint, including another purported class action under the US antitrust laws and California state law as well as lawsuits brought by individual local government agencies. Motions have been filed to dismiss the second consolidated amended class action complaint and all of these other related proceedings.
- Lyxor Asset Management S.A. ("Lyxor"), a subsidiary of the Group, was named as a defendant in a lawsuit filed in the Grand Court of the Cayman Islands on July 25, 2007 and served to Lyxor in October 2007. The plaintiff was the only purchaser of approximately USD 550 million of certain structured Cayman Island unit trusts managed by Lyxor, which offered partial principal protection if held to maturity in 2015. The plaintiff alleged, among other things, that Lyxor understated the value of the product by more than USD 110 million. Following discovery and prior to trial, this matter was resolved by the parties.
- In January 2008, Societe Generale became aware of a fraud committed by one of its traders who had taken huge positions, fraudulently and outside his remit, that were fictitiously hedged on the equity index futures markets. Societe Generale was obliged to unwind these positions without delay under particularly unfavourable market conditions. Societe Generale has filed a criminal claim. Criminal investigations are being conducted and the trader has been put under investigation for forgery, use of forgery, fraudulent access to IT systems, breach of trust and attempted fraud. Societe Generale has subsequently filed a civil claim in connection with the criminal case. Some of the small shareholders joined the lawsuit, but their civil claims were rejected. The investigations resulted in an order for the trader's trial before the Correctional Court. The case should come to court in 2010.

  The French Securities regulator (AMF) has initiated an investigation into the Societe Generale stock market and financial report. This investigation ended without any sanctions against the bank.

  The French Banking Commission (*Commission bancaire*) launched an investigation. As a result of its investigation, on July 3, 2008, the French Banking Commission (*Commission bancaire*) fined Societe Generale EUR 4 million for breaching regulatory provisions relating to internal control procedures (French Banking and Financial Regulation Committee regulation No. 97-02). The Commission found the bank liable but noted that Societe Generale has already taken significant steps towards remedying the deficiencies identified, using both short-term and structural measures, as stated in the reports by the Special Committee appointed by the Board of Directors. Societe Generale has accepted this sanction and has chosen not to appeal.

  In March 2008, three putative class action lawsuits were filed in the US District Court for the Southern District of New York in Manhattan. These lawsuits were consolidated into a single proceeding, called Societe Generale Securities Litigation, alleging damages to purchasers of Societe Generale securities outside the US, as well as US purchasers of American Depository Receipts, acquired from August 1, 2005 to January 23, 2008. After a motion to dismiss was filed, and before the court ruled, the plaintiffs filed a second amended complaint in January 2010. In this complaint, the plaintiffs allege that Societe Generale, and certain of its present and former senior officers and directors, gave misleading information on the bank's exposure to subprime mortgages and on the effectiveness of its internal control procedures. The complaint further alleges insider trading claims against certain present and former senior officers and directors. Societe Generale intends to file a motion to dismiss the complaint.
- In 2003, Societe Generale set up "gold consignment" lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to the risk of fraud and embezzlement of the gold reserves held at Goldas. These suspicions were rapidly confirmed following failure to pay for the gold purchased. In order to recover the sums owed by the Goldas Group and to protect its interests, Societe Generale brought civil proceedings in the United Kingdom and in Turkey against its insurance carriers and the Goldas Group entities. In light of the suspicions of fraud, Societe Generale also filed criminal proceedings in Turkey, which have been dismissed. A provision has been made.

- In 1990, Australian and European banks, including Societe Generale Australia, received guarantees from the Bell Group to cover loans granted to companies within the Group. These guarantees were enforced when the Group went bankrupt. The liquidator demanded that the banks reimburse the corresponding sums. In October 2008, the Australian court partially supported the liquidator's claims and ordered the banks to return the funds in addition to interest capitalised since 1991. An appeal has been filed. A provision has been made.
- Societe Generale Algeria (SGA) and several of its branch directors have been prosecuted for breaches of local laws on exchange rates and capital transfers with other countries. The defendants are accused of having failed to make complete or accurate disclosures to the Bank of Algeria on movements of capital in connection with exports or imports made by SGA clients. The facts in question were discovered during investigations carried out by the Bank of Algeria since 2004. The Bank of Algeria subsequently filed civil claims. Heavy convictions were delivered against SGA and its agents who have filed the appropriate appeals. Several local and foreign banks were also convicted on the same grounds.
- In May 2009, (i) Lehman Brothers Holdings, Inc. ("LBHI") and Lehman Brothers Special Financing, Inc. ("LBSF") (together the "Lehman Parties") and (ii) Societe Generale, Libra CDO Limited ("Libra"), and Libra's trustee, Bank of America N.A., as successor to LaSalle Bank National Association (together the "Libra Parties"), filed separate litigations against each other in the US Bankruptcy Court for the Southern District of New York in Manhattan. Libra is a hybrid (i.e., partly synthetic) collateralised debt obligation ("CDO"); Societe Generale provides a super-senior funding facility to Libra. The dispute arises from Libra's designation, following the LBSF and LBHI bankruptcy filings, of an Early Termination Date in respect of credit default swap transactions between Libra and LBSF. The parties seek, among other things, declarations concerning the validity of the swap terminations. The Lehman Parties allege that the terminations were prohibited by Libra's Indenture and hence void, while the Libra Parties contend that the terminations were proper. If the terminations are found to be invalid, then the swap transactions would remain in effect, subject to a possible assumption by the LBSF bankruptcy estate and assignment to a non-bankrupt third party. In that scenario, Societe Generale could be liable, under its funding facility, to finance payments owed by Libra to LBSF's assignee. The parties' cross-motions for summary judgment, which address the termination issue, have been fully briefed and argued, and the motions are now pending before the court. The Lehman Parties have raised similar arguments in connection with another hybrid CDO, MKP Vela CBO Ltd. ("Vela"), and its designation of an Early Termination Date in respect of credit default swap transactions between Vela and LBSF. Societe Generale also provides a super-senior funding facility to Vela. No litigation has commenced as to Vela.
- In January 2010, Societe Generale brought suit in the US District Court for the Southern District of New York in Manhattan against Financial Guaranty Insurance Company ("Financial Guaranty") and FGIC Credit Products, LLC ("FGIC Credit") (together the "FGIC Parties"), in connection with the purported termination by the FGIC Parties of twenty-two credit default swap transactions insuring various structured credit obligations of Societe Generale for an alleged failure by Societe Generale to timely pay premiums on two transactions. Societe Generale contends, among other things, that the terminations were improper and made in bad faith and should be invalidated by the Court. Further, in an amended complaint filed in February 2010, Societe Generale seeks a declaration that its subsequent termination of the twenty-two transactions on account of Financial Guaranty's repudiation of the insurance policies it issued covering the credit default swap transactions between Societe Generale and FGIC Credit was proper. The FGIC Parties have indicated that they intend to move to dismiss the complaint.
- In February 2010, several former employees of Trust Company of the West ("TCW"), including its former Chief Investment Officer, Jeffrey Gundlach, filed a cross-complaint against TCW alleging, among other things, that it breached an oral agreement governing Mr. Gundlach's employment and compensation, and the compensation of Mr. Gundlach's team. In the cross-complaint, the former TCW employees contend that TCW agreed to pay Mr. Gundlach and his team a percentage of management fees and profits of the investment accounts managed by Mr. Gundlach. According to the cross-complaint, the damages owing to Mr. Gundlach and the other former TCW employees could exceed US$1.25 billion. TCW denies all of the allegations of the cross-complaint. The claims propounded in the cross-complaint were asserted in response to a January 2010 lawsuit brought by TCW against Mr. Gundlach and the other former TCW employees and their new investment management firm, DoubleLine Capital ("DoubleLine"), that was formed by Mr. Gundlach in order to compete with TCW. In its original Complaint, TCW contends that, among other things, Mr. Gundlach and the other former TCW employees conspired to steal confidential and proprietary TCW data, including client and portfolio holdings data and client contact information, in order to unfairly compete with TCW at DoubleLine.

ENVIRONMENTAL RISKS

See pages 149 to 157.

OPERATIONAL RISK INSURANCE

Description of insurance policies

General policy

Since 1993, Societe Generale has implemented a global policy of hedging Group operational risks through insurance. This consists in looking on the market for the broadest and highest levels of guarantee with regard to the risks incurred and to enable all entities to benefit from these guarantees wherever possible. Guarantees are taken out with leading insurers, which enable us to meet Basel II regulation criteria. When required by local legislation, local policies are taken out, which are then reinsured by insurers that are part of the global programme.

In addition, specific guarantees may be subscribed to by entities which exercise a particular activity.

A Group internal reinsurance company intervenes in several policies in order to pool frequent, low-level risks between entities. This approach contributes to the improvement of the Group's knowledge and management of its risks.

Against a very difficult backdrop for banks, the Group has maintained, and even improved, its financial activity insurance programme and its cover to protect its operations and assets.

Description of cover

General risks

1. Buildings and their contents, including IT equipment, are insured at their replacement value. The guarantee covering acts of terrorism abroad has been renewed.
2. Liability other than professional liability (i.e. relating to operations, Chief Executive Officers and Directors, vehicles, etc.) is covered by insurance policies around the world. The amounts insured vary from country to country to meet operating requirements.

Risks arising from activity

Insurance is only one of the financing methods that can be used to offset the consequences of the risks inherent in the Group's activity, and as such it complements the Group's risk management policy.

1. HOUSING LOANS

Housing loans granted by the bank are, barring exception, accompanied by life insurance policies covering the borrower.

2. THEFT/FRAUD

These risks are included in a "global bank" policy that insures all the Bank's financial activities around the world. With regard to fraud, the cover includes actions committed by an employee or a third-party acting alone or with another employee with the intention of achieving illegal personal gain. Acts of malice assume the desire to cause harm to the Group.

3. PROFESSIONAL LIABILITY

The consequences of any lawsuits are insured under a global policy.

4. OPERATING LOSSES

The consequences of any accidental interruptions in activity are insured under a global policy. This policy supplements the business continuity plans. The amounts insured are designed to cover losses incurred between the time of the event and the implementation of an emergency solution.

OTHER RISKS

The Group is aware of no other risk to be mentioned in this respect.

REGULATORY RATIOS

Basel II solvency ratio

The June 2004 Basel accord implemented new regulations which modified the way minimum capital requirements are calculated, notably in order to better align them with the risks banks face and their economic reality. This new system was drafted into European law and then French law in 2006.

According to the Basel II solvency ratio, minimum capital requirements are set at 8% of the sum of weighted credit risks and the capital requirement multiplied by 12.5 for market risks (interest rate, exchange rate, equity and commodity risk) and operational risks. The latter is a new element introduced by Basel II.

The calculation of credit risk-weighted assets was also refined under Basel II in order to better take into account the operational risk profile. There are two possible approaches for determining risk-weighted assets: the standardised approach (based on fixed weightings) or the internal (IRB) approach. The latter is based on internal counterparty rating models (the Foundation IRB method), or on internal counterparty and operational rating models (Advanced IRB method). In December 2007, the French Banking Commission (*Commission bancaire*) authorised Societe Generale to apply the advanced methods to credit risk (AIRB) and operational risk (AMA). In accordance with current regulations, the models are monitored and regularly backtested.

With regard to risk-based capital, further deductions are required which apply half to Tier 1 capital and half to additional capital (holdings in companies of a financial nature, securitisation positions, insufficient provisions).

The Basel II solvency ratio came out at 13.0% at December 31, 2009 (with a Basel II Tier 1 ratio of 10.7% and a Core Tier 1 ratio[1] of 8.4%).

(1) The Core Tier 1 is defined as the total Tier 1 capital minus hybrid capital.

RISK-BASED CAPITAL, RISK-WEIGHTED ASSETS AND BASEL II SOLVENCY RATIOS

(in millions of euros)	Dec. 31, 2009	Dec. 31, 2008
Shareholders' equity (IFRS)	42,204	36,085
Deeply subordinated notes	(6,252)	(5,969)
Perpetual subordinated notes	(824)	(812)
Shareholders' equity, net of deeply subordinated and perpetual subordinated notes	35,128	29,303
Minority interests	2,930	3,035
Deeply subordinated notes	6,397	6,069
Preference shares	1,445	1,455
Intangible assets	(1,403)	(1,437)
Acquisition goodwill	(7,620)	(6,530)
Proposed dividends	(392)	(843)
Other regulatory adjustments	473	668
Tier 1 capital	36,957	31,721
Basel II deductions*	(2,264)	(1,398)
Total Tier 1 capital	34,693	30,323
Upper Tier 2 capital**	1,159	1,188
Lower Tier 2 capital	11,814	13,092
Total Tier 2 capital	12,974	14,280
Basel II deductions*	(2,264)	(1,398)
Insurance affiliates	(3,406)	(2,971)
Total regulatory capital	41,996	40,234
Total risk-weighted assets	324,080	345,518
Credit risk	263,101	277,195
Market risk	13,900	23,068
Operational risk	47,080	45,256
Solvency ratios		
Tier 1 ratio***	10.7%	8.8%
Total capital ratio***	13.0%	11.6%

** Basel II deductions are deducted 50% from Tier 1 capital and 50% from Total capital.*

*** Including Euro 145 million in 2008 on account of the positive difference between portfolio-based provisions and expected losses on IRB-weighted performing loans.*

**** Does not reflect additional minimum capital requirements (in 2008, the Basel II requirement cannot be lower than 90% of CAD requirements).*

Group shareholders' equity at end-December 2009 totalled EUR 42.2 billion (compared to EUR 36.1 billion at December 31, 2008). After taking into account minority interests, US preference shares and prudential deductions (including the new deductions introduced by the Basel II regulations), prudential Tier 1 capital under Basel II came out at EUR 34.7 billion.

Risk-weighted assets (EUR 324.1 billion) by type of activity break down as follows:

- credit risks[1] accounted for 81.2% of risk-weighted assets at December 31, 2009, totalling EUR 263.1 billion (compared to EUR 277.2 billion at December 31, 2008);
- market risks accounted for 4.3% of risk-weighted assets at December 31, 2009, totalling EUR 13.9 billion (compared to EUR 23.1 billion at December 31, 2008);
- operational risks accounted for 14.5% of risk-weighted assets at December 31, 2009, totalling EUR 47.1 billion (compared to EUR 45.3 billion at December 31, 2008);

The credit risk on derivatives essentially relates to instruments with maturities under five years (a detailed analysis of these instruments is included in Note 31 to the consolidated financial statements).

Moreover, as the Societe Generale Group has been classified as a financial conglomerate, it is subject to additional supervision by the French Banking Commission (*Commission bancaire*).

Ratio of large exposures

The ratio of large exposures is calculated on a quarterly basis.

It is complied with on an ongoing basis by the Societe Generale Group:

- the total risk incurred by Societe Generale in respect of any debtor taken individually does not exceed 25% of consolidated net equity;
- the total risk incurred by Societe Generale in respect of all debtors which, taken individually, represent risks of over 10% of consolidated net equity, does not exceed eight times consolidated net equity.

Liquidity ratio

Societe Generale's one-month liquidity ratio, which is used to monitor short-term liquidity, averaged 129% over 2009. At the end of each month in 2009, it was above the minimum regulatory requirement of 100%.

(1) Including counterparty, dilution and settlement-delivery risks

10 FINANCIAL INFORMATION

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS

(In millions of euros)		IFRS December 31, 2009	IFRS December 31, 2008
Cash, due from central banks	Note 5	14,394	13,745
Financial assets at fair value through profit or loss	Note 6	400,157	488,415
Hedging derivatives	Note 7	5,561	6,246
Available-for-sale financial assets	Note 8	90,433	81,723
Due from banks	Note 9	67,655	71,192
Customers loans	Note 10	344,543	354,613
Lease financing and similar agreements	Note 12	28,856	28,512
Revaluation differences on portfolios hedged against interest rate risk		2,562	2,311
Held-to-maturity financial assets	Note 13	2,122	2,172
Tax assets	Note 14	5,493	4,674
Other assets	Note 15	37,438	51,469
Non-current assets held for sale	Note 16	375	37
Deferred profit-sharing	Note 33	320	3,024
Investments in subsidiaries and affiliates accounted for by the equity method		2,001	185
Tangible and intangible fixed assets	Note 17	15,171	15,155
Goodwill	Note 18	6,620	6,530
Total		**1,023,701**	**1,130,003**

Consolidated balance sheet (continued)

LIABILITIES

(In millions of euros)		IFRS December 31, 2009	IFRS December 31, 2008
Due to central banks		3,100	6,503
Financial liabilities at fair value through profit or loss *	Note 6	302,753	414,256
Hedging derivatives *	Note 7	7,348	7,426
Due to banks	Note 19	90,086	115,270
Customer deposits	Note 20	300,054	282,514
Securitised debt payables	Note 21	133,246	120,374
Revaluation differences on portfolios hedged against interest rate risk		774	583
Tax liabilities	Note 14	1,423	981
Other liabilities	Note 22	48,800	57,817
Non-current liabilities held for sale	Note 16	261	35
Underwriting reserves of insurance companies	Note 33	74,451	67,147
Provisions	Note 24	2,311	2,291
Subordinated debt	Note 26	12,256	13,919
Total liabilities		**976,863**	**1,089,116**
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Common stock		925	726
Equity instruments and associated reserves		23,544	17,727
Retained earnings		18,336	17,775
Net income		678	2,010
Sub-total		**43,483**	**38,238**
Unrealised or deferred capital gains and losses	Note 28	(1,279)	(2,153)
Sub-total equity, Group share		**42,204**	**36,085**
Minority interests		**4,634**	**4,802**
Total equity		**46,838**	**40,887**
Total		**1,023,701**	**1,130,003**

* *Amounts reclassified following a correction of presentation with respect to the published financial statements as at December 31, 2008.*

Consolidated income statement

(In millions of euros)		IFRS December 31, 2009	IFRS December 31, 2008
Interest and similar income	Note 34	30,545	40,188
Interest and similar expense	Note 34	(18,910)	(32,240)
Dividend income		329	466
Fee income	Note 35	10,445	10,505
Fee expense	Note 35	(2,633)	(3,090)
Net gains and losses on financial transactions		947	4,770
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 36*	*1,002*	*4,677*
o/w net gains and losses on available-for-sale financial assets	*Note 37*	*(55)*	*93*
Income from other activities	Note 38	18,281	15,383
Expenses from other activities	Note 38	(17,274)	(14,116)
Net banking income		**21,730**	**21,866**
Personnel expenses	Note 39	(9,157)	(8,616)
Other operating expenses		(5,679)	(6,040)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(930)	(872)
Gross operating income		**5,964**	**6,338**
Cost of risk	Note 41	(5,848)	(2,655)
Operating income		**116**	**3,683**
Net income from companies accounted for by the equity method		15	(8)
Net income/expense from other assets (1)		711	633
Impairment losses on goodwill	Note 18	(42)	(300)
Earnings before tax		**800**	**4,008**
Income tax	Note 42	308	(1,235)
Consolidated net income		**1,108**	**2,773**
Minority interests		430	763
Net income, Group share		**678**	**2,010**
Earnings per ordinary share *	**Note 43**	**0.45**	**3.20**
Diluted earnings per ordinary share *	**Note 43**	**0.45**	**3.19**

** Amounts adjusted with respect to the published financial statements as at December 31, 2008.*

(1) The sale of the assets and liabilities to Crédit Agricole Asset Management as part of Amundi operation generated a net gain of EUR 732 million on December 31, 2009 (see note 2). When creating Newedge, a gain of EUR 602 million was realised in 2008 on the sale of 50% of the Fimat shares owned by the Group.

Statement of net income and gains and losses recognised directly in equity

(In millions of euros)		IFRS December 31, 2009	IFRS December 31, 2008
Net income		**1,108**	**2,773**
Translation differences		(74)	(708)
Revaluation of available-for-sale financial assets		1,512	(3,335)
Cash flow hedge derivatives revaluation		(149)	297
Gains and losses recognised directly in equity for companies accounted for by the equity method		10	-
Tax		(414)	797
Total gains and losses recognised directly in equity	**Note 28**	**885**	**(2,949)**
Net income and gains and losses recognised directly in equity		**1,993**	**(176)**
O/w Group share		1,552	(789)
O/w minority interests		441	613

Changes in shareholders' equity

(In millions of euros)	Capital and associated reserves			Consolidated reserves	Gains and losses recognised directly in equity								
	Common stock	**Equity instruments and associated reserves**	**Elimination of treasury stock**	**Retained earnings**	**Translation reserves**	**Change in fair value of assets available-for-sale**	**Change in fair value of hedging derivatives**	**Tax impact**	**Shareholders' equity, Group share**	**Minority interests (see Note 27)**	**Gains and losses recognised directly in equity, minority interests**	**Shareholders' equity, minority interests**	**Total consolidated shareholders' equity**
Shareholders' equity at December 31, 2007	**583**	**10,978**	**(3,464)**	**18,498**	**(503)**	**1,200**	**101**	**(152)**	**27,241**	**3,925**	**109**	**4,034**	**31,275**
Increase in common stock	143	4,474							4,617				4,617
Elimination of treasury stock			1,974	(9)					1,965				1,965
Issuance of equity instruments		3,576		95					3,671				3,671
Equity component of share-based payment plans		189							189				189
2008 Dividends paid				(581)					(581)	(340)		(340)	(921)
Effect of acquisitions and disposals on minority interests				(224)					(224)	495		495	271
Sub-total of changes linked to relations with shareholders	***143***	***8,239***	***1,974***	***(719)***	***-***	***-***	***-***	***-***	***9,637***	***155***	***-***	***155***	***9,792***
Change in value of financial instruments and fixed assets having an impact on equity						(2,950)	306		(2,644)		(60)	(60)	(2,704)
Change in value of financial instruments and fixed assets recognised in income						(340)			(340)		6	6	(334)
Tax impact on change in value on financial instruments and fixed assets having an impact on equity or recognised in income								797	797				797
Translation differences and other changes				(4)	(612)				(616)		(96)	(96)	(712)
2008 Net income for the period				2,010					2,010	763		763	2,773
Sub-total	***-***	***-***	***-***	***2,006***	***(612)***	***(3,290)***	***306***	***797***	***(793)***	***763***	***(150)***	***613***	***(180)***
Change in equity of associates and joint ventures accounted for by the equity method													
Shareholders' equity at December 31, 2008	**726**	**19,217**	**(1,490)**	**19,785**	**(1,115)**	**(2,090)**	**407**	**645**	**36,085**	**4,843**	**(41)**	**4,802**	**40,887**
Increase in common stock (see Note 27)	199	5,322		-					5,521			-	5,521
Elimination of treasury stock [(1)]			(25)	(80)					(105)			-	(105)
Issuance of equity instruments (see Note 27)		286		115					401			-	401
Equity component of share-based payment plans [(2)]		234							234	-		-	234
2009 Dividends paid (see Note 27)				(1,144)					(1,144)	(342)		(342)	(1,486)
Effect of acquisitions and disposals on minority interests [(3)(4)]				(341)					(341)	(267)		(267)	(608)
Sub-total of changes linked to relations with shareholders	***199***	***5,842***	***(25)***	***(1,450)***	***-***	***-***	***-***	***-***	***4,566***	***(609)***	***-***	***(609)***	***3,957***
Change in value of financial instruments and fixed assets having an impact on equity (see note 28)						1,447	(147)		1,300		49	49	1,349
Change in value of financial instruments and fixed assets recognised in income (see note 28)						(2)	(1)		(3)		16	16	13
Tax impact on change in value on financial instruments and fixed assets having an impact on equity or recognised in income (see note 28)								(399)	(399)		(13)	(13)	(412)
Translation differences and other changes (see note 28)				1	(34)				(33)	-	(41)	(41)	(74)
2009 Net income for the period				678					678	430		430	1,108
Sub-total	***-***	***-***	***-***	***679***	***(34)***	***1,445***	***(148)***	***(399)***	***1,543***	***430***	***11***	***441***	***1,984***
Change in equity of associates and joint ventures accounted for by the equity method						10	1	(1)	10			-	10
Shareholders' equity at December 31, 2009	**925**	**25,059**	**(1,515)**	**19,014**	**(1,149)**	**(635)**	**260**	**245**	**42,204**	**4,664**	**(30)**	**4,634**	**46,838**

(1) At December 31, 2009, the Group held 29,097,881 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 3.93% of the capital of Societe Generale.

The amount deducted by the Group from its net book value for equity instruments (shares and derivatives) came to EUR 1,515 million, including EUR 328 million for shares held for trading purposes.

The change in treasury stock over 2009 breaks down as follows:

(In millions of euros)	**Transaction-related activities**	**Buybacks and active management of Shareholders' equity**	**Total**
Purchases net of disposals	(125)	100	(25)
	(125)	**100**	**(25)**
Capital gains net of tax on treasury shares and treasury share derivatives, booked under shareholders' equity	3	(96)	(93)
Related dividends, removed from consolidated results	2	11	13
	5	**(85)**	**(80)**

(2) Share-based payments settled in equity instruments in 2009 amounted to EUR 234 million:

EUR 29 million for the stock-option plans, EUR 131 million for the free shares attribution and EUR 74 million for Global Employee Share Ownership Plan.

(3) In compliance with the accounting principles indicated in note 1, transactions relative to minority interests were treated for accounting purposes as equity transactions. Accordingly:

- *capital gains and losses on the disposal of fully-consolidated subsidiaries which do not lead to a loss of exclusive control are booked under shareholders' equity;*
- *additional goodwill linked to buyback commitments afforded to minority shareholders in fully-consolidated subsidiaries and minority interest buybacks following the acquisition of exclusive control is booked under shareholders' equity.*

In the balance sheet, net income attributable to the minority interests of shareholders holding a put option on their Group shares was allocated to consolidated reserves.

Adjustments details as at December 31, 2009:

Gains on sales cancellation	8
Minority interests buybacks not subject to any put options	(358)
Transactions and variation of value on put options granted to minority shareholders	7
Net income attributable to the minority interests of shareholders holding a put option on their Group shares allocated to consolidated reserves	2
Total	(341)

(4) Movements booked in the amount of EUR -267 million under minority interest reserves correspond to:

- *EUR 132 million to the capital increase among which EUR 37 million relative to Rosbank and EUR 80 million relative to Geniki,*
- *EUR 73 million of positive effect on minority interests buybacks not subject to any put options,*
- *EUR -472 million of negative effect of the variations in scope including EUR -387 million relative to the acquisition of Credit du Nord's minorities interests, EUR 35 million in the launch of a new internet bank named Selfbank in Spain, owned jointly by Boursorama and Caixa and EUR -80 million in the acquisition of the Rosbank's minorities interests.*

Cash flow statement

(In millions of euros)	December 31, 2009	December 31, 2008
NET CASH INFLOW (OUTFLOW) RELATED TO OPERATING ACTIVITIES		
Net income (I)	**1,108**	**2,773**
Amortisation expense on tangible fixed assets and intangible assets	2,815	2,665
Depreciation and net allocation to provisions * (1)	10,081	(1,696)
Net income/loss from companies accounted for by the equity method	(15)	8
Deferred taxes	(1,695)	768
Net income from the sale of long-term available-for-sale assets and subsidiaries	(126)	(1,018)
Change in deferred income	69	(134)
Change in prepaid expenses	30	(25)
Change in accrued income *	440	198
Change in accrued expenses *	(1,733)	603
Other changes *	2,907	568
Non-monetary items included in net income and others adjustments (not including income on financial instruments at fair value through P&L) (II)	**12,773**	**1,937**
Income on financial instruments at fair value through P&L (2) (III)	**(1,002)**	**(4,677)**
Interbank transactions	(19,930)	(16,449)
Customers transactions	18,767	(43,820)
Transactions related to other financial assets and liabilities	(8,682)	55,695
Transactions related to other non-financial assets and liabilities *	3,794	(5,147)
Net increase / decrease in cash related to operating assets and liabilities (IV)	**(6,051)**	**(9,721)**
NET CASH INFLOW (OUTFLOW) RELATED TO OPERATING ACTIVITIES (A) = (I) + (II) + (III) + (IV)	**6,828**	**(9,688)**
NET CASH INFLOW (OUTFLOW) RELATED TO INVESTMENT ACTIVITIES		
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long-term investments	(1,453)	(811)
Tangible and intangible fixed assets	(2,131)	(3,293)
NET CASH INFLOW (OUTFLOW) RELATED TO INVESTMENT ACTIVITIES (B)	**(3,584)**	**(4,104)**
NET CASH INFLOW (OUTFLOW) RELATED TO FINANCING ACTIVITIES		
Cash flow from / to shareholders (3)	4,216	9,235
Other net cash flows arising from financing activities	(1,626)	1,644
NET CASH INFLOW (OUTFLOW) RELATED TO FINANCING ACTIVITIES (C)	**2,590**	**10,879**
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**5,834**	**(2,913)**
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at start of the year		
Net balance of cash accounts and accounts with central banks	7,242	8,320
Net balance of accounts, demand deposits and loans with banks	4,533	6,368
Cash and cash equivalents at end of the year		
Net balance of cash accounts and accounts with central banks	11,303	7,242
Net balance of accounts, demand deposits and loans with banks	6,306	4,533
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS	**5,834**	**(2,913)**

** Amounts reclassified with respect to the published financial statements at December 2008.*

(1) O/w EUR 6,382 million at December 2008 of reversals linked to provisions for the loss linked to the closing of unauthorised and concealed trading activities positions.

(2) Income on financial instruments at fair value through P&L includes realised and unrealised income.

(3) O/w several capital increases and decreases for EUR 199 million with EUR 5,384 million of issuing premiums net of the EUR 62 million expenses after tax linked to the capital increase using preferred subscription rights, i.e. a net amount of issuing premiums of EUR 5,322 million.

O/w three super subordinated loans issued in February (USD 450 million), September (EUR 1,000 million) and October (USD 1,000 million).

O/w reimbursement of the deeply subordinated notes amounting to EUR 1,700 million (issued on December 11, 2008) and reimbursement premiums of EUR 60 million.

O/w 2009 Dividends paid for EUR 1,486 million (see note 27).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on February 17, 2010.

Note 1

Significant accounting principles

In accordance with European Regulation 1606/2002 of July 19, 2002 on the application of International Accounting Standards, the Societe Generale Group ("the Group") prepared its consolidated financial statements for the year ending December 31, 2009 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date (these standards are available on European Commission Website at: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission).

The standards comprise IFRS 1 to 8 and International Accounting Standards (IAS) 1 to 41, as well as the interpretations of these standards adopted by the European Union as at December 31, 2009.

The Group also continued to make use of the provisions of IAS 39 as adopted by the European Union for applying macro-fair value hedge accounting (IAS 39 "carve-out").

The consolidated financial statements are presented in euros.

IFRS AND IFRIC INTERPRETATIONS APPLIED BY THE GROUP AS OF JANUARY 1, 2009

Accounting standards or Interpretations	Publication dates by IASB	Adoption dates by the European Union
IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions"	November 2, 2006	June 1, 2007
IFRS 8 "Operating Segments"	November 30, 2006	November 21, 2007
Amendment to IAS 23 "Borrowing Costs"	March 29, 2007	December 10, 2008
Amendment to IFRS 2 "Vesting conditions and cancellations"	January 17,2008	December 16, 2008
IFRIC 13 "Customer Loyalty Programmes"	June 28, 2007	December 16, 2008
IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"	July 4, 2007	December 16, 2008
IAS 1 (Revised) "Presentation of Financial Statements"	September 6, 2007	December 17, 2008
Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation"	February 14, 2008	January 21, 2009
Improvements to IFRS – May 2008 – except IFRS 5	May 22, 2008	January 23, 2009
Amendments to IFRS 1 and IAS 27 "Cost of an Investment in a subsidiary, joint-controlled entity or associate"	May 22, 2008	January 23, 2009
Amendments to IAS 39 and IFRS 7 "Reclassification: Effective Date and Transition"	November 27, 2008	September 9, 2009
Amendments to IFRS 7 and IFRS 4 "Improvements on Derivative Instruments Disclosures"	March 5, 2009	November 27, 2009
Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives"	March 12, 2009	November 27, 2009

The application of these new measures has no effect on net income or shareholders' equity of the Group.

- **IFRIC 11 "IFRS 2 – Group and treasury share transactions"**

This interpretation of IFRS 2 "Share-based payment" outlines the accounting treatment of share-based payments that involve two or more entities within a same group (parent company or other entity of a same group) in the individual financial statements of each entity within a group that benefits from the goods or services in question. As the application of this interpretation governing the individual financial statements of Group entities in no way modifies the accounting treatment at a Group level, its application by the Group has no impact on its financial statements.

- **IFRS 8 "Operating segment"**

This standard will modify segment reporting definition and disclosure of related information. It requires to be the same information reported to the main chiefs operating decision maker for the purposes of allocating resources to the segment and assessing its performance. It does not have an impact on segment information previously disclosed.

- **Amendment to IAS 23 "Borrowing costs"**

This amendment eliminates the option to expense immediately borrowing costs and mandatory requiring their capitalisation when they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of this amendment by the Group will consequently have no effect on its net income or shareholders' equity. The Group already used this allowed alternative treatment that is required to be applied by this amendment.

- **Amendment to IFRS 2 "Vesting conditions and cancellations"**

This amendment to IFRS 2 clarifies the definition of vesting and non-vesting conditions and the accounting treatment of cancellations to a share-based payment.

- **IFRIC 13 "Customer loyalty programmes"**

This interpretation explains the accounting treatment for loyalty programmes. The current accounting treatment is similar to this interpretation. In the future, it will consequently have no effect on net income or shareholders' equity of the Group.

- **IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"**

This interpretation clarifies the accounting treatment for the effect of any statutory or contractual funding requirements when a surplus (in the form of refunds from the plan or reductions in future contributions to the plan) in a pension plan can be recognised.

- **IAS 1 (Revised) "Presentation of financial statements"**

This revised standard sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

As part of this revision, the Group maintains its presentation of the consolidated income statement in order to list the components of net income and presents in a new statement starting with income statement and the detail of gains and losses recognised directly in equity (statement of net income and gains and losses recognised directly in equity).

The new additional informations related to gains and losses recognised directly in equity required by the revised standard IAS 1 are described in note 28:

- informations on reclassification out of gains and losses recognised directly in equity to net income and,
- informations on income tax relating to each component of gains and losses recognised directly in equity.

- **Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation"**

These amendments explain the accounting classification of puttable financial instruments and obligations arising on liquidation.

- **Improvements to IFRSs – May 2008 – except IFRS 5**

As part of the annual Improvements to International Financial Reporting Standards, the IASB has published 35 minor amendments to 20 accounting standards. They are required to be applied from January 1, 2009, except for the amendments to IFRS 5 "Non-current Assets Held for Sale and Discounted Operations", which are required to be applied from July 1, 2009.

- **Amendments to IFRS 1 and IAS 27 "Cost of an Investment in a Subsidiary, Joint-controlled Entity or Associate"**

These amendments will have to be applied by IFRS first-time adopters only. They have no effect on net income or shareholders' equity of the Group.

- **Amendments to IAS 39 and IFRS 7 "Reclassification of financial assets"**

This additional amendment relating to reclassification of financial assets explains conditions for a possible retrospective reclassification on July 1, 2008. Any reclassification made after November 1, 2008 takes effect from the date of reclassification.

This new amendment will have no effect on the reclassification made by the Group on October 1, 2008.

- **Amendments to IFRS 7 and IFRS 4 "Improvements on Derivative instruments Disclosures"**

These amendments clarify and enhance the existing requirements for the disclosure on financial instruments and especially for liquidity risk and for fair value measurement.

- **Amendments to IFRIC 9 and IAS 39 "Embedded derivatives"**

For entities that make use of the reclassification amendment to IAS 39 and IFRS 7, these new amendments clarify that all embedded derivatives have to be assessed initially and, if necessary, separately accounted for in financial statements.

IFRS EARLY APPLIED BY THE GROUP AS OF JANUARY 1, 2009

- **IFRS 3 (Revised) "Business Combinations" and IAS 27 (Revised) "Consolidated and Separate Financial Statements"**

These revised standards, published by the IASB on January 10, 2008 and adopted by the European Union on June 3, 2009 have been applied earlier by the Group from January 1, 2009. They modify the accounting treatment for acquisitions and disposals of consolidated subsidiaries. The main changes concern the accounting treatment for all acquisition-related costs, contingent consideration, calculation of goodwill, measurement of the non-controlling interest in the acquiree, step acquisition and calculation of gains and losses on disposal of an investment in a subsidiary that results in a loss of control. The application of these revised standards will have no effect on business combinations that occurred before January 1, 2009.

The main valuation and presentation rules used in drawing up the consolidated financial statements are shown below. Except the application of these new IFRS and IFRIC interpretations described above, these accounting methods and principles were applied consistently in 2008 and 2009.

USE OF ESTIMATES

When applying the accounting principles disclosed below for the purpose of preparing the consolidated financial statements of the Group, the Management makes assumptions and estimates that may have an impact on figures booked in the income statement, on valuation of assets and liabilities in the balance sheet, and on information disclosed in the notes to the consolidated financial statements.

In order to make assumptions and estimates, the Management uses information available at the date of preparation of the financial statement and can exercise its judgment. By nature, valuations based on estimates include, especially in the context of the financial crisis that grew up since 2008, risks and uncertainties relating to their occurrence in the future. Consequently actual future results may differ from these estimates and have a significant impact on the financial statements.

The use of estimates principally concern the following valuations:

- fair value in the balance sheet of financial instruments non-quoted in an active market which are classified as *Financial assets and liabilities at fair value through profit or loss*, *Hedging derivatives* or *Available-for-sale financial assets* (described in notes 1 and 3) and fair value of unlisted instruments for which this information shall be disclosed in the notes to the financial statements;
- the amount of impairment of financial assets (*Loans and receivables, Available-for-sale financial assets, Held-to-maturity financial assets*), lease financing and similar agreements, tangible or intangible fixed assets and goodwill (described in notes 1, 4 and 18);
- provisions recognised under liabilities, including provisions for employee benefits or underwriting reserves of insurance companies as well as the deferred profit-sharing on the asset side of the balance sheet (described in notes 1, 23, 24, 25 and 33);
- initial value of goodwill determined for each business combination (described in notes 1 and 2);
- in case of loss of control on a consolidated subsidiary, fair value used to remeasure the portion possibly kept by the Group in this entity (described in note 1).

1. Consolidation principles

The consolidated financial statements of Societe Generale include the financial statements of the Parent Company and of the main French and foreign companies making up the Group. Since the financial statements of foreign subsidiaries are prepared in accordance with accepted accounting principles in their respective countries, any necessary restatements and adjustments are made prior to consolidation so that they comply with the accounting principles used by the Societe Generale Group.

CONSOLIDATION METHODS

The consolidated financial statements comprise the financial statements of Societe Generale, including the bank's foreign branches and all significant subsidiaries over which Societe Generale exercises control. Companies with a fiscal year ending more than three months before or after that of Societe Generale prepare pro-forma statements for a twelve-month period ended December 31. All significant balances, profits and transactions between Group companies are eliminated.

When determining voting rights for the purpose of establishing the Group's degree of control over a company and the appropriate consolidation methods, potential voting rights are taken into account where they can be freely exercised or converted at the time the assessment is made. Potential voting rights are instruments such as call options on ordinary shares outstanding on the market or rights to convert bonds into new ordinary shares.

The results of newly acquired subsidiaries are included in the consolidated financial statements from the date the acquisition became effective and results of subsidiaries disposed of are included up to the date where the Group relinquished control.

The following consolidation methods are used:

- **Full consolidation**

This method is applied to companies over which Societe Generale exercises sole control. Sole control over a subsidiary is defined as the power to govern the financial and operating policies of the said subsidiary so as to obtain benefits from its activities. It is exercised:

- either by directly or indirectly holding the majority of voting rights in the subsidiary;
- or by holding the power to appoint or remove the majority of the members of the subsidiary's governing, management or supervisory bodies, or to command the majority of the voting rights at meetings of these bodies;
- or by the power to exert a controlling influence over the subsidiary by virtue of an agreement or provisions in the company's charter or by laws.

- **Proportionate consolidation**

Companies over which the Group exercises joint control are consolidated by the proportionate method.

Joint control exists when control over a subsidiary run jointly by a limited number of partners or shareholders is shared in such a way that the financial and operating policies of the said subsidiary are determined by mutual agreement.

A contractual agreement must require the consent of all controlling partners or shareholders as regards the economic activity of the said subsidiary and any strategic decisions.

- **Equity method**

Companies over which the Group exercises significant influence are accounted for under the equity method. Significant influence is the power to influence the financial and operating policies of a subsidiary without exercising control over the said subsidiary. In particular, significant influence can result from Societe Generale being represented on the board of directors or supervisory board, from its involvement in strategic decisions, from the existence of significant intercompany transactions, from the exchange of management staff, or from the company's technical dependency on Societe Generale. The Group is assumed to exercise significant influence over the financial and operating policies of a subsidiary when it holds directly or indirectly at least 20% of the voting rights in this subsidiary.

SPECIFIC TREATMENT FOR SPECIAL PURPOSE VEHICLES (SPV)

Independent legal entities ("special purpose vehicles") set up specifically to manage a transaction or group of similar transactions are consolidated whenever they are substantially controlled by the Group, even in cases where the Group holds none of the capital in the entities.

Control of a special purpose vehicle is generally considered to exist if any one of the following criteria applies:

- the SPV's activities are being conducted on behalf of the Group so that the Group obtains benefits from the SPV's operation;
- the Group has the decision-making powers to obtain the majority of the benefits of the SPV, whether or not this control has been delegated through an "autopilot" mechanism;
- the Group has the ability to obtain the majority of the benefits of the SPV;
- the Group retains the majority of the risks of the SPV.

In consolidating SPVs considered to be substantially controlled by the Group, the shares of said entities not held by the Group are recognised as debt in the balance sheet.

TRANSLATION OF FOREIGN ENTITY FINANCIAL STATEMENTS

The balance sheet items of consolidated companies reporting in foreign currencies are translated at the official exchange rates prevailing at year-end. Income statement items of these companies are translated at the average month-end exchange rates. Gains and losses arising from the translation of capital, reserves, retained earnings and income are included in shareholders' equity under *Unrealised or deferred capital gains and losses – Translation differences*. Gains and losses on transactions used to hedge net investments in foreign consolidated entities or their income in foreign currencies, along with gains and losses arising from the translation of the capital contribution of foreign branches of Group banks are also included in changes in consolidated shareholders' equity under the same heading.

In accordance with the option allowed under IFRS 1, the Group allocated all differences arising on translation of foreign entity financial statements at January 1, 2004 to consolidated reserves. As a result, if any of these entities are sold, the proceeds of the sale will only include writebacks of those translation differences arising since January 1, 2004.

TREATMENT OF ACQUISITIONS AND GOODWILL

- **Transactions occurred before December 31, 2008:**

The Group uses the purchase method to record its business combinations. The acquisition cost is calculated as the total fair value, at the date of acquisition, of all assets given, liabilities incurred or assumed and equity instruments issued in exchange for the control of the acquired company plus all costs directly attributable to the business combination.

At the acquisition date, all assets, liabilities, off-balance sheet items and contingent liabilities of the acquired entities that are identifiable under the provisions of IFRS 3 "Business Combinations" are valued individually at their fair value regardless of their purpose. The analysis and professional appraisals required for this initial valuation must be carried out within 12 months of the date of acquisition as must any corrections to the value based on new information.

All excess of the price paid over the assessed fair value of the proportion of net assets acquired is booked on the assets side of the consolidated balance sheet under *Goodwill*. Any deficit is immediately recognised in the income statement.

Goodwill is carried in the balance sheet at its historical cost denominated in the subsidiary's reporting currency, translated into euros at the official exchange rate at the balance sheet date for the period.

In case of increase in Group stakes in entities over which it already exercises sole control: the difference between the price paid for the additional stake and the assessed fair value of the proportion of net assets acquired is henceforth booked under the Group's *consolidated reserves*. Also, any reduction in the Group's stake in an entity over which it keeps sole control is accounted for as an equity transaction between shareholders.

Goodwill is reviewed regularly by the Group and tested for impairment of value whenever there is any indication that its value may have diminished, and at least once a year. At the acquisition date, each item of goodwill is attributed to one or more cash-generating units expected to derive benefits from the acquisition. Any impairment of goodwill is calculated based on the recoverable value of the relevant cash-generating units.

If the recoverable amount of the cash-generating units is less than their carrying amount, an irreversible impairment is booked to the consolidated income statement for the period under *Impairment losses on goodwill*.

- **Transactions occurred after January 1, 2009:**

The accounting methods described above have been amended due to the early application of the revised standards IFRS 3 ("Business Combinations") and IAS 27 ("Consolidated and Separate Financial Statements"). The main changes are as follows:

- The costs directly linked to business combinations are now recognised in the income statement for the period.
- Any contingent consideration is included in the acquisition cost at its fair value on the acquisition date, even if its occurence is only potential. It is recognised under equity or debt in the balance sheet depending on the settlement alternatives; its subsequent adjustments are booked under income for the financial liabilities in accordance with IAS 39 and within the scope of appropriate standards for the other debts. For equity instruments, these subsequent adjustments are not recognised.
- Minority interests may, on the acquisition date, be valued at fair value (a portion of the goodwill being allocated to these minority interests), or based on their stake in the fair value of the identifiable assets and liabilities of the acquired entity (the former method described above is in this case maintained). The choice between these two approaches must be made individually for each business combination. Subsequent acquisitions of minority interests are systematically recognised under equity whatever the option retained at the acquisition date.
- In case of business combinations, contingent liabilities are recognised in the consolidated balance sheet when there is a present obligation (and not a possible obligation like previously) at the acquisition date and if their fair value can be measured reliably.

- Deferred tax assets of the acquiree not recognised at the acquisition date are subsequently recorded in the income statement and without any adjustment on goodwill.
- On the date of acquisition of an entity, any stake in this entity already held by the Group is revalued at fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by referring to the fair value on the acquisition date rather than the fair value of the assets and liabilities acquired on each transaction date.
- At the date when the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary is revalued at fair value through profit or loss.

COMMITMENTS TO BUY OUT MINORITY SHAREHOLDERS IN FULLY CONSOLIDATED SUBSIDIARIES

The Group has awarded minority shareholders in some fully consolidated Group subsidiaries commitments to buy out their stakes. For the Group, these buyouts commitments are put options sales. The exercise price for these options can be based on a formula agreed at the time of the acquisition of the shares of the subsidiary that takes into account its future performance or can be set as the fair value of these shares at the exercise date of the options.

The commitments are booked in the accounts as follows:

- in accordance with IAS 32, the Group booked a financial liability for put options granted to minority shareholders of the subsidiaries over which it exercises sole control. This liability is initially recognised at the present value of the estimated exercise price of the put options under *Other liabilities;*
- the obligation to recognise a liability even though the put options have not been exercised means that, in order to be consistent, the Group has followed the same accounting treatment as that applied to transactions on minority interests. As a result, the counterpart of this liability is a write-down in value of the minority interests underlying the options with any balance deducted from the Group's *consolidated reserves;*
- subsequent variations in this liability linked to changes in the exercise price of the options and the carrying value of minority interests are booked in full in the Group's *consolidated reserves;*
- if the stake is bought, the liability is settled by the cash payment linked to the acquisition of minority interests in the subsidiary in question. However if, when the commitment reaches its term, the purchase has not occurred, the liability is written off against the minority interests and the Group's *consolidated reserves;*
- whilst the options have not been exercised, the results linked to minority interests with a put option are recorded under *Minority interests* on the Group's consolidated income statement.

For the accounting treatments of commitments to buy out minority shareholders related to business combinations occurred after January 1, 2009, the application of the revised standards IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" does not modify the accounting principles applied until now by the Group in accordance with the treatment of minority interests buy outs. These accounting principles are likely to be revised over the coming years in line with amendments that could be proposed by IASB or IFRIC.

SEGMENT REPORTING

The Group is managed on a matrix basis that takes account of its different business lines and the geographical breakdown of its activities. Segment information is therefore presented under both criteria.

The Group includes in the results of each subdivision all operating income and expenses directly related to its activity. Income for each sub-division, except for the Corporate Centre, also includes the yield on capital allocated to it, based on the estimated rate of return on Group capital. On the other hand, the yield on the sub-division's book capital is reassigned to the Corporate Centre. Transactions between subdivisions are carried out under identical terms and conditions to those applying to non-Group customers.

The Group is organised into five core business lines:

- French Networks**,** which include Societe Generale and Crédit du Nord networks in France and cash management activities. The real estate subsidiaries previously attached to Corporate and Investment Banking have been incorporated in the French Networks since January 1, 2009 and the 2008 comparative data have been restated accordingly;
- International Retail Banking, which covers retail banking activities abroad;
- Specialised Financing and Insurance**,** which comprises Specialised Financing subsidiaries serving businesses (equipment and vendor finance, IT asset leasing and management, operational vehicle leasing and fleet management), and individuals (consumer finance) and providing life and non-life insurance;

- Private Banking, Global Investment Management and Services including Asset Management, Private Banking, Securities Services and Online Savings. The Securities Services division includes the Group's brokerage arm, operated by Newedge, together with the securities and employee savings business. The Online Savings business is operated by the direct bank "Boursorama";
- Corporate and Investment Banking consisting of:
  - "Global Markets", which encompasses all market activities, "Equities" and "Fixed Income, Currencies & Commodities",
  - "Financing & Advisory", which covers all strategy, capital raising and structured financing advisory services,
  - "Legacy Assets", which manages financial assets that have become illiquid in the wake of the financial crisis.

These operating divisions are complemented by the Corporate Centre, which acts as the Group's central funding department vis-à-vis the divisions. As such, it recognises the financing cost of equity investments in subsidiaries and related dividend payments, as well as income and expenses stemming from the Group's Asset and Liability Management and income from the Group's management of its assets (management of its industrial and bank equity portfolio and of its real estate assets). Income and expenses that do not relate directly to the activity of the core businesses are also allocated to the Corporate Centre. This means that, since January 1, 2009, the debt revaluation differences linked to own credit risk and the revaluation differences of the credit derivatives hedging the loans and receivables portfolios have been allocated to the Corporate Centre, instead of Corporate and Investment Banking as previously. The 2008 comparative figures have been restated accordingly.

Segment income is presented taking into account internal transactions in the Group, while segment assets and liabilities are presented after their elimination. The tax rate levied on each business line is based on the standard tax rate applicable in each country where the division makes profits. Any difference with respect to the Group's tax rate is allocated to the Corporate Centre.

For the purpose of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the booking entities.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A fixed asset or group of assets and liabilities is deemed to be "held for sale" if its carrying value will primarily be recovered via a sale and not through its continuing use. For this classification to apply, the asset must be immediately available-for-sale and its sale must be highly probable. Assets and liabilities falling under this category are reclassified as *Non-current assets held for sale* and *Liabilities directly associated with non-current assets held for sale,* with no netting.

Any negative differences between the fair value less cost to sell of non-current assets and groups of assets held for sale and their net carrying value is recognised as an impairment loss in profit or loss. Moreover, *non-current assets held for sale* are no longer depreciated.

An operation is classified as discontinued at the date the Group has actually disposed of the operation, or when the operation meets the criteria to be classified as held for sale. Discontinued operations are recognised as a single item in the income statement for the period, at their net income for the period up to the date of sale, combined with any net gains and losses on their disposal or on the fair value less cost to sell of the assets and liabilities making up the discontinued operations. Similarly, cash flows generated by discontinued operations are booked as a separate item in the statement of cash flow for the period.

2. Accounting policies and valuation methods

TRANSACTIONS DENOMINATED IN FOREIGN CURRENCIES

At balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted into euros (the Group's functional currency) at the prevailing spot exchange rate. Realised or unrealised foreign exchange losses or gains are recognised in the income statement.

Forward foreign exchange transactions are recognised at fair value based on the forward exchange rate for the remaining maturity. Spot foreign exchange positions are valued using the official spot rates applying at the end of the period. Unrealised gains and losses are recognised in the income statement.

Non-monetary financial assets denominated in foreign currencies, including shares and other variable income securities that are not part of the trading portfolio, are converted into euros at the exchange rate applying at the end of the period. Currency differences arising on these financial assets are booked to shareholders' equity and are only recorded in the income statement when sold or impaired or where the currency risk is fair value hedged. In particular, non-monetary assets funded by a liability denominated in the same currency are converted at the spot rate applying at the end of the period by booking the impact of exchange rate fluctuations to income subject to a fair value hedge relationship existing between the two financial instruments.

DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The first choice in determining the fair value of a financial instrument is the quoted price in an active market. If the instrument is not traded in an active market, fair value is determined using valuation techniques.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and they reflect actual and regular market transactions on an arm's length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in trading volume and the level of activity in the market, a sharp disparity in prices over time and between various market participants mentioned above, or on the fact that the latest transactions dealt on an arm's length basis are not recent enough.

When the financial instrument is traded in several markets to which the Group has immediate access, the fair value is the price at which a transaction would occur in the most advantageous active market. Where no price is quoted for a particular instrument but its components are quoted, the fair value is the sum of the various quoted components incorporating bid or asking prices for the net position as appropriate.

If the market for a financial instrument is not or is no longer considered as active, its fair value is established using a valuation technique (in-house valuation models). Depending on the instrument under consideration, these may use data derived from recent transactions concluded on an arm's length basis, from the fair value of substantially similar instruments, from discounted cash flow or option pricing models, or from valuation parameters.

If market participants frequently use some valuation techniques and if those techniques have proved that they provide a reliable estimation of prices applied on real market transactions, then the Group can use those techniques. To use own hypothesis for future cash flows and discount rates, correctly adjusted for the risks that any market participant would take into account, is permitted. Such adjustments are made in a reasonable and appropriate manner after examining the available information. Notably, own hypothesis consider counterparty risk, non-performance risk, liquidity risk and model risk, if necessary.

Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price. If the valuation parameters used are observable market data, the fair value is taken as the market price, and any difference between the transaction price and the price given by the in-house valuation model, i.e. the sales margin, is immediately recognised in the income statement. However, if valuation parameters are not observable or the valuation models are not recognised by the market, the fair value of the financial instrument at the time of the transaction is deemed to be the transaction price and the sales margin is then generally recognised in the income statement over the lifetime of the instrument. For some instruments, due to their complexity, this margin is recognised at their maturity or in the event of early sale. Where substantial volumes of issued instruments are traded on a secondary market with quoted prices, the sales margin is recognised in the income statement in accordance with the method used to determine the instruments price. When valuation parameters become observable, any portion of the sales margin that has not yet been booked is recognised in the income statement at that time.

FINANCIAL ASSETS AND LIABILITIES

Purchases and sales of non-derivative financial assets at fair value through profit or loss, financial assets held-to-maturity and available-for-sale financial assets (see below) are recognised in the balance sheet on the settlement date while derivatives are recognised on the trade date. Changes in fair value between the trade and settlement dates are booked in the income statement or to shareholders' equity depending on the relevant accounting category. Loans and receivables are recorded in the balance sheet on the date they are paid or on the maturity date of the invoiced services.

When initially recognised, financial assets and liabilities are measured at fair value including transaction costs (except for financial instruments recognised at fair value through profit or loss) and are classified under one of the following categories.

- **Loans and receivables**

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and neither held for trading purposes nor intended for sale from the time they are originated or contributed. Loans and receivables are recognised in the balance sheet under *Due from banks* or *Customer loans* depending on the type of counterpart. Thereafter, they are valued at amortised cost using the effective interest method and an impairment loss may be recorded if appropriate.

- **Financial assets and liabilities at fair value through profit or loss**

These are financial assets and liabilities held for trading purposes. They are booked at fair value at the balance sheet date and recognised in the balance sheet under *Financial assets or liabilities at fair value through profit or loss*. Changes in fair value are recorded in the income statement for the period as *Net gains and losses on financial instruments at fair value through profit or loss*.

This category also includes non-derivative financial assets and liabilities designated by the Group upon initial recognition to be carried at fair value through profit or loss in accordance with the option available under IAS 39. The Group's aim in using the fair value option is:

- first to eliminate or significantly reduce discrepancies in the accounting treatment of certain financial assets and liabilities.

  The Group thus recognises at fair value through profit or loss some structured bonds issued by Societe Generale Corporate and Investment Banking. These issues are purely commercial and the associated risks are hedged on the market using financial instruments managed in trading portfolios. The use of the fair value option enables the Group to ensure consistency between the accounting treatment of these issued bonds and that of the derivatives hedging the associated market risks, which have to be carried at fair value.

  The Group also books at fair value through profit or loss the financial assets held to guarantee unit-linked policies of its life insurance subsidiaries to ensure their financial treatment matches that of the corresponding insurance liabilities. Under IFRS 4, insurance liabilities have to be recognised according to local accounting principles. The revaluations of underwriting reserves on unit-linked policies, which are directly linked to revaluations of the financial assets underlying their policies, are therefore recognised in the income statement. The fair value option thus allows the Group to record changes in the fair value of the financial assets through the income statement so that they match fluctuations in value of the insurance liabilities associated with these unit-linked policies;

- second so that the Group can book certain compound financial instruments at fair value thereby avoiding the need to separate out embedded derivatives that would otherwise have to be booked separately. This approach is notably used for valuation of the convertible bonds held by the Group.

- **Held-to-maturity financial assets**

These are non-derivative financial assets with fixed or determinable payments and a fixed maturity, that are quoted in an active market and which the Group has the intention and ability to hold to maturity. They are valued after acquisition at their amortised cost and may be subject to impairment as appropriate. The amortised cost includes premiums and discounts as well as transaction costs and they are recognised in the balance sheet under *Held-to-maturity financial assets*.

- **Available-for-sale financial assets**

These are non-derivative financial assets held for an indeterminate period which the Group may sell at any time. By default, these are any assets that do not fall into one of the above three categories. These financial assets are recognised in the balance sheet under *Available-for-sale financial assets* and measured at their fair value at the balance sheet date. Interest accrued or paid on fixed-income securities is recognised in the income statement using the effective interest rate method under *Interest and similar income – Transactions on financial instruments*. Changes in fair value other than income are recorded in shareholders' equity under *Unrealised or deferred gains and losses*. The Group only records these changes in fair value in the income statement when assets are sold or impaired, in which case they are reported as *Net gains and losses on available-for-sale financial assets*. Depreciations regarding equity securities recognised as Available-for-sale financial assets are irreversible. Dividend income earned on these securities is booked in the income statement under *Dividend income*.

RECLASSIFICATION OF FINANCIAL ASSETS

When initially recognised, financial assets may not be later reclassified into *Financial assets at fair value through profit or loss*.

A non-derivative financial asset, initially recognised as asset held for trading purpose among *Financial assets at fair value through profit or loss* may be reclassified out of its category when it fulfils the following condition:

- if a financial asset with fixed or determinable payments, initially held for trading purposes, is no more, after acquisition, negotiable on a active market and the Group has the intention and ability to hold it for the foreseeable future or until maturity, then this financial asset, may be reclassified into the *Loans and receivables* category, provided that the eligibility criteria to this category are met.
- If rare circumstances generate a change of the holding purpose of non-derivative debt or equity financial assets held for trading, then these assets may be reclassified into *Available-for-sale financial assets* or into *Held-to-maturity financial assets*, provided in that latter case, that the eligibility criteria to this category are met.

In any case, financial derivatives and financial assets measured using fair value option shall not be reclassified out of *Financial assets at fair value through profit or loss.*

A financial asset initially recognised as *Available-for-sale financial assets* may be reclassified into *Held-to-maturity financial assets,* provided that the eligibility criteria to this category are met. Furthermore if a financial asset with fixed or determinable payments initially recognised as *Available-for-sale financial assets* is subsequently no longer negotiable on a active market and if the Group has the intention and ability to hold it for the foreseeable future or until maturity, then this financial asset, may be reclassified into *Loans and receivables* provided that the eligibility criteria to this category are met.

These reclassified financial assets are transferred to their new category at their fair value on the date of reclassification and then are measured according to the rules that apply to the new category. Amortised cost of these financial assets reclassified out of *Financial assets at fair value through profit or loss* or *Available-for-sale financial assets* to *Loans and receivables* and amortised cost of the financial assets reclassified out of *Financial assets at fair value through profit or loss* to *Available-for-sale financial assets* are determined on the basis of estimated future cash flows measured at the date of reclassification. The estimated future cash flows should be reviewed at each closing. In case of increase of estimated future cash flows, as a result of increase of their recoverability, the effective interest rate is adjusted prospectively. On the contrary, if there is objective evidence that financial asset has been impaired as a result of an event occurring after reclassification and that loss event has a negative impact on the estimated future cash flows of the financial asset, the impairment of this financial asset is recognised under *Cost of risk* in the income statement.

DEBT

Group borrowings that are not classified as financial liabilities recognised through profit or loss are initially recognised at cost, measured as the fair value of the amount borrowed net of transaction fees. These liabilities are valued at period end and at amortised cost using the effective interest rate method, and are recognised in the balance sheet under *Due to banks, Customer deposits* or *Securitised debt payables*.

• Amounts due to banks and customer deposits

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand (demand deposits and current accounts) and time deposits and borrowings in the case of banks; regulated savings accounts and other deposits in the case of customers. They also include securities sold to banks and customers under repurchase agreements.

Interest accrued on these accounts is recorded as *Related payables* and in the income statement.

• Securitised debt payables

These liabilities are classified by type of security: loan notes, interbank market certificates, negotiable debt instruments, bonds and other debt securities excluding subordinated notes which are classified under *Subordinated debt.*

Interest accrued is recorded as *Related payables* and as an expense in the income statement. Bond issuance and redemption premiums are amortised at the effective interest rate over the life of the related borrowings. The resulting charge is recognised under *Interest expenses* in the income statement.

SUBORDINATED DEBT

This item includes all dated or undated borrowings, whether or not in the form of securitised debt, which in the case of liquidation of the borrowing company may only be redeemed after all other creditors have been paid. Interest accrued and payable in respect of long-term subordinated debt, if any, is booked as *Related payables* and as an expense in the income statement.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

The Group derecognises all or part of a financial asset (or group of similar assets) when the contractual rights to the cash flows on the asset expire or when the Group has transferred the contractual rights to receive the cash flows and substantially all of the risks and rewards linked to the ownership of the asset.

Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of its ownership and has effectively not retained control of the financial asset, the Group derecognises it and, where necessary, books a separate asset or liability to cover any rights and obligations created or retained as a result of the asset's transfer. If the Group has retained control of the asset, it continues to recognise it in the balance sheet to the extent of its continuing involvement in that asset.

When a financial asset is derecognised in its entirety, a gain or loss on disposal is recorded in the income statement for the difference between the carrying value of the asset and the payment received for it, adjusted where necessary for any unrealised profit or loss previously recognised directly in equity.

The Group only derecognises all or part of a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.

FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

All financial derivatives are recognised at fair value in the balance sheet as financial assets or financial liabilities. Changes in the fair value of financial derivatives, except those designated as cash flow hedges (see below), are recognised in the income statement for the period.

Financial derivatives are divided into two categories:

- **Trading financial derivatives**

Derivative instruments are considered to be trading financial derivatives by default, unless they are designated as hedging instruments for accounting purposes. They are booked in the balance sheet under *Financial assets or liabilities at fair value through profit or loss.* Changes in fair value are recorded in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss.*

Changes in the fair value of financial derivatives, which involve counterparties who have been later in default, are recorded under *Net gains and losses on financial instruments at fair value through profit or loss* until the termination date of these instruments. On this termination date, receivables and debts on theses counterparties are recognised at fair value in the balance sheet. Any further impairment on these receivables is recognised under *Cost of risk* in the income statement.

- **Derivative hedging instruments**

To designate an instrument as a derivative hedging instrument, the Group must document the hedging relationship at the inception of the hedge. This documentation specifies the asset, liability, or future transaction hedged, the risk to be hedged, the type of financial derivative used and the valuation method applied to measure its effectiveness. The derivative designated as a hedging instrument must be highly effective in offsetting the variation in fair value or cash flows arising from the hedged risk, both when the hedge is first set up and throughout its life. Derivative hedging instruments are recognised in the balance sheet under *Derivative hedging instruments.*

Depending on the risk hedged, the Group designates the derivative as a fair value hedge, cash flow hedge, or currency risk hedge for a net foreign investment.

Fair value hedge

In a fair value hedge, the carrying value of the hedged item is adjusted for gains and losses attributable to the hedged risk which are reported under *Net gains and losses on financial instruments at fair value through profit or loss.* As the hedging is highly effective, changes in the fair value of the hedged item are faithfully reflected in the fair value of the derivative hedging instrument. As regards interest rate derivatives, accrued interest income or expenses are booked to the income statement under *Interest income and expense – Hedging derivatives* at the same time as the interest income or expense related to the hedged item.

If it becomes apparent that the derivative has ceased to meet the effectiveness criteria for hedge accounting or if it is sold, hedge accounting is prospectively discontinued. Thereafter, the carrying amount of the hedged asset or liability ceases to be adjusted for changes in fair value and the cumulative adjustments previously recognised under the hedge accounting are amortised over its remaining life. Hedge accounting is discontinued automatically if the hedged item is sold before maturity or redeemed early.

Cash flow hedge

In a cash flow hedge, the effective portion of the changes in fair value of the hedging derivative instrument is recognised in a specific equity account, while the ineffective portion is recognised in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss*.

Amounts directly recognised in equity under cash flow hedge accounting are reclassified in *Interest income and expenses* in the income statement at the same time as the cash flows being hedged. Accrued interest income or expense on hedging derivatives is booked to the income statement under *Interest income and expense – Hedging derivatives* at the same time as the interest income or expense related to the hedged item.

Whenever the hedging derivative ceases to meet the effectiveness criteria for hedge accounting or is terminated or sold, hedge accounting is prospectively discontinued. Amounts previously recognised directly in equity are reclassified under *Interest income and expense* in the income statement over the periods where the interest margin is affected by cash flows arising from the hedged item. If the hedged item is sold or redeemed earlier than expected or if the forecast transaction hedged ceases to be highly probable, unrealised gains and losses booked to equity are immediately reclassified in the income statement.

Hedging of a net investment in a foreign operation

As with the cash flow hedge, the effective portion of the changes in the fair value of the hedging derivative designated for accounting purposes as hedging a net investment is recognised in equity under *Unrealised or deferred capital gains and losses* while the ineffective portion is recognised in the income statement.

Macro-fair value hedge

In this type of hedge, interest rate derivatives are used to globally hedge structural interest rate risks usually arising from Retail Banking activities. When accounting for these transactions, the Group applies the IAS 39 “carve-out” standard as adopted by the European Union, which facilitates:

- the application of fair value hedge accounting to macro-hedges used for asset-liability management including customer demand deposits in the fixed-rate positions being hedged;
- the carrying out of effectiveness tests required by IAS 39 as adopted by the European Union.

The accounting treatment for financial derivatives designated as a macro-fair value hedge is similar to that for other fair value hedging instruments. Changes in fair value of the portfolio of macro-hedged instruments are reported on a separate line in the balance sheet under *Revaluation differences on portfolios hedged against interest rate risk* through profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument. If this hybrid instrument is not valued at fair value through profit or loss, the Group separates out the embedded derivative from its host contract if, at the inception of the operation, the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risk profile of the host contract and it would separately meet the definition of a derivative. Once separated out, the derivative is recognised at its fair value in the balance sheet under *Financial assets or liabilities at fair value through profit or loss* and accounted for as above.

IMPAIRMENT OF FINANCIAL ASSETS

- **Financial assets valued at amortised cost**

At each balance sheet date, the Group assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognised (a “loss event”) and whether that loss event (or events) has (have) an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. In spite of the existence of guarantee, the criteria of assessment of an objective evidence of credit risk include the existence of unpaid installments overdue by over three months (over six months for real estate loans and over nine months for loans to local authorities) or independently of the existence of any unpaid amount, the existence an objective evidence of credit risk counterparty or when the counterparty subject to judiciary proceedings.

If there is objective evidence that loans or other receivables, or financial assets classified as *Held-to-maturity financial assets* are impaired, a depreciation is booked for the difference between the carrying amount and the present value of estimated future recoverable cash flows, taking into account any guarantees, discounted at the financial assets' original effective interest rate. This depreciation is booked to *Cost of risk* in the income statement and the value of the financial asset is reduced by a depreciation amount. Allocations to and reversals of depreciations are recorded under *Cost of risk.* The impaired loans or receivables are remunerated for accounting purposes by the reversal over time of the discounting to present value, which is recorded under *Interest and similar income* in the income statement.

Where a loan is restructured, the Group books a loss in *Cost of risk* representing the changes in the terms of the loan if the present value of expected recoverable future cash flows, discounted at the loan's original effective interest rate, is less than the amortised cost of the loan.

In case there is no objective evidence that an impairment loss has been incurred on a financial instrument considered individually, be it significant or not, the Group includes that financial asset in a group of financial assets having similar characteristics in terms of credit risk and tests the whole group for impairment.

In a homogenous portfolio, as soon as a credit risk is incurred on a group of financial instruments, a depreciation is recognised without waiting for the risk to individually affect one or more receivables. Homogeneous portfolios thus depreciated can include :

- receivables on counterparties which have encountered financial difficulties since these receivables have been initially recognised without any objective evidence of impairment that has not yet been identified at the individual level (sensitive amounts) or;
- receivables on counterparties linked to economic sectors considered as being in crisis further to the occurrence of losses events or;
- receivables on geographical sectors or countries on which a deterioration of credit risk has been assessed.

The amount of depreciation on a group of homogeneous assets is notably determined on the basis of historical loss for assets with credit risk characteristics similar to those in the portfolio, or using hypothetical extreme loss scenarii or, if necessary, *ad-hoc* studies. These factors are then adjusted to reflect any relevant current economic conditions. Allocations to and reversals of such depreciations are recorded under *Cost of risk.*

- **Available-for-sale financial assets**

Impairment loss on an Available-for-sale financial asset is recognised through profit or loss if there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of this asset.

For listed equity instruments, a significant or prolonged decline of their price below their acquisition cost is an objective evidence of impairment. For this purpose, the Group considers as impaired listed shares showing on the balance sheet date an unrealised loss greater than 50% of acquisition price, as wells as listed shares which quoted prices have been below their acquisition price in every trading days for at least the last 24 months before the balance sheet date. Further factors, like the financial situation of the issuer or its development prospective can lead the Group to estimate that the cost of its investment may not be recovered even if the above-mentioned criteria are not met. An impairment loss is then recorded through profit or loss equal to the difference between the last quoted price of the security on the balance sheet date and its acquisition price.

For unlisted equity instruments, the criteria used for the assessing the evidence of impairment are similar to those above-mentioned; the value of these instruments at the balance sheet date is carried out using the valuation methods described in note 3.

The criteria for the impairment of debt instruments are similar to those for the impairment of financial assets measured at amortised cost.

When a decline in the fair value of an *Available-for-sale financial asset* has been recognised directly in the shareholders' equity account under *Unrealised or deferred capital gains and losses* and subsequent objective evidence of impairment emerges, the Group recognises the total accumulated unrealised loss previously booked to shareholders' equity in the income statement under *Cost of risk* for debt instruments and under *Net gains and losses on available-for-sale financial assets* for equity securities.

This cumulative loss is measured as the difference between acquisition cost (net of any repayments of principal and amortisation) and the current fair value, less any loss of value on the financial asset that has already been booked through profit or loss.

Impairment losses recognised through profit or loss on an equity instrument classified as available-for-sale are only reversed through profit or loss when the instrument is sold. Once a shareholders' equity instrument has been recognised as impaired, any further loss of value is booked as an additional impairment loss. For debt instruments, however, an impairment loss is reversed through profit or loss if they subsequently recover in value.

LEASE FINANCING AND SIMILAR AGREEMENTS

Leases are classified as finance leases if they substantially transfer all the risks and rewards incident to ownership of the leased asset to the lessee. Otherwise they are classified as operating leases.

Lease finance receivables are recognised in the balance sheet under *Lease financing and similar agreements* and represent the Group's net investment in the lease, calculated as the present value of the minimum payments to be received from the lessee, plus any unguaranteed residual value, discounted at the interest rate implicit in the lease.

Interest included in the lease payments is booked under *Interest and similar income* in the income statement such that the lease generates a constant periodic rate of return on the lessor's net investment. If there has been a reduction in the estimated unguaranteed residual value used to calculate the lessor's gross investment in the finance lease, the present value of this reduction is booked as a loss under *Expenses from the other activities* in the income statement and as a reduction of receivables on lease financing on the assets side of the balance sheet.

Fixed assets arising from operating lease activities are presented in the balance sheet under *Tangible and intangible fixed assets*. In the case of buildings, they are booked under *Investment property*. Lease payments are recognised in the income statement on a straight-line basis over the life of the lease under *Income from other activities.* The accounting treatment of income invoiced for maintenance services provided in connection with leasing activities aims to show a constant margin on these products in relation to the expenses incurred, over the life of the lease.

TANGIBLE AND INTANGIBLE FIXED ASSETS

Operating and investment fixed assets are carried at their purchase price on the assets side of the balance sheet. Borrowing expenses incurred to fund a lengthy construction period for the fixed assets are included in the acquisition cost, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets.

Software developed internally is recorded on the assets side of the balance sheet in the amount of the direct cost of development. This includes external expenditures on hardware and services and personnel expenses which can be directly attributed to the production of the asset and its preparation for use.

As soon as they are fit for use, fixed assets are depreciated over their useful life. Any residual value of the asset is deducted from its depreciable amount. In case of subsequent decrease or increase of this initial residual value the depreciable amount of the asset is adjusted leading to a prospective modification of the depreciation schedule.

Where one or several components of a fixed asset are used for different purposes or to generate economic benefits over a different time period from the asset considered as a whole, these components are depreciated over their own useful life through profit or loss under *Amortisation, depreciation and impairment of tangible and intangible fixed assets*. The Group has applied this approach to its operating and investment property, breaking down its assets into at least the following components with their corresponding depreciation periods:

Infrastructure	Major structures	50 years
	Doors and windows, roofing	20 years
	Façades	30 years
Technical installations	Elevators	10 to 30 years
	Electrical installations	
	Electricity generators	
	Air conditioning, extractors	
	Technical wiring	
	Security and surveillance installations	
	Plumbing	
	Fire safety equipment	
Fixtures and fittings	Finishings, surroundings	10 years

Depreciation periods for fixed assets other than buildings depend on their useful life which are usually estimated within the following ranges:

Plant and equipment	5 years
Transport	4 years
Furniture	10 to 20 years
Office equipment	5 to 10 years
IT equipment	3 to 5 years
Software, developed or acquired	3 to 5 years
Concessions, patents, licenses, etc.	5 to 20 years

Fixed assets are tested for impairment whenever there is any indication that their value may have diminished and, for intangible assets with indefinite useful life, at least once a year. Evidence of a loss in value is assessed at every balance sheet date. Impairment tests are carried out on assets grouped by cash-generating unit. Where a loss is established, an impairment loss is booked to the income statement under *Amortisation, depreciation and impairment of tangible and intangible fixed assets*. It may be reversed when the factors that prompted impairment have changed or no longer exist. This impairment loss will reduce the depreciable amount of the asset and so also affect its future depreciation schedule.

Realised capital gains and losses on operating fixed assets are recognised under *Net income from other assets*, while profits or losses on investment real estate are booked as *Net Banking Income* under *Income from other activities.*

PROVISIONS

Provisions, other than those for credit risk or employee benefits, represent liabilities whose timing or amount cannot be precisely determined. Provisions may be booked where, by virtue of a commitment to a third-party, the Group will probably or certainly incur an outflow of resources to this third-party without receiving at least equivalent value in exchange.

The expected outflows are then discounted to present value to determine the amount of the provision, where this discounting has a significant impact. Allocations to and reversals of provisions are booked through profit or loss under the items corresponding to the future expense.

COMMITMENTS UNDER "CONTRATS EPARGNE-LOGEMENT" (MORTGAGE SAVINGS AGREEMENTS)

The *comptes d'épargne-logement* (CEL or mortgage savings accounts) and *plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers which are governed by Law 65-554 of July 10, 1965 and combine an initial deposits phase in the form of an interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans. Under the current regulation, this last phase is subject to the prior existence of the savings phase and is therefore inseparable from it. The savings deposits collected and loans granted are booked at amortised cost.

These instruments create two types of commitments for the Group: the obligation to remunerate customer savings for an indeterminate future period at an interest rate fixed at the inception of the mortgage savings agreement, and the obligation to subsequently lend to the customer at an interest rate also fixed at the inception of the savings agreement.

If it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Group, a provision is booked on the liabilities side of the balance sheet. Any variations in these provisions are booked as *Net Banking Income* under *Net interest income*. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between different PEL generations, and for all mortgage saving accounts (CEL) which constitute a single generation.

During the savings phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of savings and the minimum expected amount. These two amounts are determined statistically on the basis of the historical observed past behaviour of customers.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable on the basis of the amount of balance sheet loans at the date of calculation and the historical observed past behaviour of customers.

A provision is booked if the discounted value of expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated on the basis of interest rates available to individual customers for equivalent savings and loan products, with similar estimated life and date of inception.

LOAN COMMITMENTS

The Group initially recognises at fair value loan commitments that are not considered as financial derivatives. Thereafter, these commitments are provisioned as necessary in accordance with the accounting principles for Provisions.

FINANCIAL GUARANTEES ISSUED

When considered as financial non-derivative instruments, financial guarantees issued by the Group are initially recognised in the balance sheet at fair value. Thereafter, they are measured at the higher of the amount of the obligation and the amount initially recognised less, when appropriate, the cumulative amortisation of a guarantee commission. Where there is objective evidence of a loss of value, a provision for the financial guarantees given is booked to balance sheet liabilities.

LIABILITIES/SHAREHOLDERS' EQUITY DISTINCTION

Financial instruments issued by the Group are booked in whole or in part to debt or to equity depending on whether or not they contractually oblige the issuer to remunerate the holders of the security in cash.

- **Perpetual subordinated notes (TSDI)**

Given their terms, perpetual subordinated notes (TSDI) issued by the Group and that do not include any discretionary features governing the payment of interest, as well as shares issued by a Group subsidiary in order to fund its property leasing activities are classified as debt instruments.

These perpetual subordinated notes (TSDI) are then classified under *Subordinated debt*.

On the contrary, perpetual subordinated notes (TSDI) issued by the Group and that include some discretionary features governing the payment of interest are classified as equity and recorded under *Equity instruments and associated reserves.*

- **Preferred shares**

Due to the discretionary nature of the decision to pay dividends to shareholders, preferred shares issued by the Group are classified as equity and recognised under *Minority interests.* Remuneration paid to preferred shareholders is recorded under *Minority interests* in the income statement.

- **Deeply subordinated notes**

Given the discretionary nature of the decision to pay interest in order to remunerate the deeply subordinated notes issued by the Group, these notes have been classified as equity and recognised under *Equity instruments and associated reserves*.

TREASURY SHARES

Societe Generale shares held by the Group and shares in subsidiaries over which the Group exercises sole control are deducted from consolidated equity irrespective of the purpose for which they are held. Income on these shares is eliminated from the consolidated income statement.

Financial derivatives that have Societe Generale shares as their underlying instrument or shares in subsidiaries over which the Group exercises sole control and whose liquidation entails the payment of a fixed amount in cash (or another financial asset) against a fixed number of Societe Generale shares (other than derivatives) are initially recognised as equity. Premiums paid or received on these financial derivatives classified as equity instruments are booked directly to equity. Changes in the fair value of the derivatives are not recorded.

Other financial derivatives that have Societe Generale shares as their underlying instrument are booked to the balance sheet at fair value in the same manner as derivatives with other underlying instruments.

INTEREST INCOME AND EXPENSE

Interest income and expense are booked to the income statement for all financial instruments valued at amortised cost using the effective interest rate method.

The effective interest rate is taken to be the rate that discounts future cash inflows and outflows over the expected life of the instrument in order to establish the book value of the financial asset or liability. The calculation of the rate considers the future cash flows based on the contractual provisions of the financial instrument without taking account of possible future loan losses and also includes commissions paid or received between the parties where these may be assimilated to interest, transaction costs and all types of premiums and discounts.

When a financial asset or group of similar financial assets has been impaired following an impairment of value, subsequent interest income is booked through profit or loss under *Interest and similar income* based on the effective interest rate used to discount the future cash flows when measuring the loss of value. Moreover, except for those related to employee benefits, provisions booked as balance sheet liabilities generate interest expenses that are calculated using the same interest rate as is used to discount the expected outflow of resources.

NET FEES FOR SERVICES

The Group recognises fee income and expense for services provided and received in different ways depending on the type of service.

Fees for continuous services, such as some payment services, custody fees, or web-service subscriptions are booked as income over the lifetime of the service. Fees for one-off services, such as fund movements, finder's fees received, arbitrage fees, or penalties following payment incidents are booked to income when the service is provided under *Fees paid for services provided and other.*

In syndication deals, underwriting fees and participation fees proportional to the share of the issue placed are booked to income at the end of the syndication period provided that the effective interest rate for the share of the issue retained on the Group's balance sheet is comparable to that applying to the other members of the syndicate. Arrangement fees are booked to income when the placement is legally complete. These fees are recognised in the income statement under *Fee income – Primary market transactions.*

PERSONNEL EXPENSES

The *Personnel expenses* account includes all expenses related to personnel, notably the cost of the legal employee profit-sharing and incentive plans for the year as well as the costs of the various Group pension and retirement schemes and expenses arising from the application of IFRS 2 "Share-based payments".

EMPLOYEE BENEFITS

Group companies, in France and abroad, may award their employees:

- post-employment benefits, such as pension plans or retirement benefits;
- long-term benefits such as deferred variable remunerations, long service awards or the *Compte Epargne Temps* (CET) flexible working provisions;
- termination benefits.

• Post-employment benefits

Pension plans may be defined contribution or defined benefit.

Defined contribution plans limit the Group's liability to the subscriptions paid into the plan but do not commit the Group to a specific level of future benefits. Contributions paid are booked as an expense for the year in question.

Defined benefit plans commit the Group, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the medium or long-term risk.

Provisions are booked on the liabilities side of the balance sheet under *Provisions,* to cover the whole of these retirement obligations. This is assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

When these plans are financed from external funds classed as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance (return on plan assets) are booked as actuarial gains and losses. They are amortised in the income statement according to the "corridor" method: i.e. over the expected average remaining working lives of the employees participating in the plan, as soon as they exceed the greater of:

- 10% of the present value of the defined benefit obligation (before deducting plan assets);
- 10% of the fair value of the assets at the end of the previous financial year.

Where a new or amended plan comes into force, the cost of past services is spread over the remaining period until vesting.

An annual charge is booked under *Personnel expenses* for defined benefit plans, consisting of:

- the additional entitlements vested by each employee (current service cost);
- the financial expense resulting from the discount rate;
- the expected return on plan assets (gross return);
- the amortisation of actuarial gains and losses and past service cost;
- the settlement or curtailment of plans.

• Long-term benefits

These are benefits paid to employees more than 12 months after the end of the period in which they provided the related services. Long-term benefits are measured in the same way as post-employment benefits, except for the treatment of actuarial gains and losses and past service costs which are booked immediately to income.

PAYMENTS BASED ON SOCIETE GENERALE SHARES OR SHARES ISSUED BY A CONSOLIDATED ENTITY

Share-based payments include:

- payments in equity instruments of the entity;
- cash payments whose amount depends on the performance of equity instruments.

Share-based payments systematically give rise to a personnel expense booked to *Personnel expenses* under the terms set out below.

- **Global Employee Share Ownership Plan**

Every year the Group carries out a capital increase reserved for current and former employees as part of the Global Employee Share Ownership Plan. New shares are offered at a discount with an obligatory five-year holding period. The resultant benefit to the employees is booked by the Group as an expense for the year under *Personnel expenses – Employee profit-sharing and incentives*. This benefit is measured as the difference between the fair value of each security acquired and the acquisition price paid by the employee, multiplied by the number of shares subscribed. The fair value of the acquired securities is measured taking account of the associated legal obligatory holding period using market parameters (notably the borrowing rate) applicable to market participants which benefits from these not negotiable shares to estimate the free disposal ability.

- **Other share-based payments**

The Group can award some of its employees stock purchase or subscription options, free shares or rights to a future cash payment based on the increase in Societe Generale share price (SAR).

The options are measured at their fair value when the employees are first notified, without waiting for the conditions that trigger the award to be met, nor for the beneficiaries to exercise their options.

Group stock-option plans are valued using a binomial formula when the Group has adequate statistics to take into account the behaviour of the option beneficiaries. When such data are not available, the Black & Scholes model or Monte Carlo model are used. Valuations are performed by independent actuaries.

For equity-settled share-based payments (free shares, stock purchase or subscription options), the fair value of these instruments, measured at the assignment date, is spread over the vesting period and booked to *Equity instruments and associated reserves* under shareholders' equity. At each accounting date, the number of these instruments is revised taking into account performance and service conditions and the overall cost of the plan as originally determined is adjusted. Expenses booked to *Personnel expenses* from the start of the plan are then adjusted accordingly.

For cash-settled share-based payments (stock-options granted by unlisted companies or compensation indexed on Societe Generale shares), the fair value of the options is booked as an expense over the vesting period of the options against a corresponding liabilities entry booked in the balance sheet under *Other liabilities – Accrued social charges*. This payables item is then remeasured at fair value against income until settled.

COST OF RISK

The *Cost of risk* account is limited to allocations, net of reversals, to depreciation for counterparty risks and provisions for legal disputes. Net allocations to provisions are classified by type of risk in the corresponding accounts in the income statement.

INCOME TAX

- **Current taxes**

Current tax is based on taxable profits of each consolidated taxable entity and determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under *Income tax* in the consolidated income statement.

- **Deferred tax**

Deferred taxes are recognised whenever the Group identifies a timing difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments. Deferred tax assets and liabilities are measured in each consolidated taxable entity and in accordance with the rules established by the taxation authorities, upon which their income taxes are payable. This amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. These deferred taxes are adjusted in case of changes to tax rates. This amount is not discounted to the present value. Deferred tax assets can result from deductible temporary differences or from carryforward of tax losses. These deferred tax assets are recorded if it is probable that the entity is likely to be able to apply them within a set time. These temporary differences or carryforward of tax losses can also be utilised against future taxable profit.

Current and deferred taxes are booked in the income statement under *Income tax*. But the deferred taxes related to gains and losses booked under *Unrealised or deferred capital gains and losses* are also booked under the same caption of shareholders' equity.

INSURANCE ACTIVITIES

- **Financial assets and liabilities**

The financial assets and liabilities of the Group's insurance companies are recognised and measured according to the rules governing financial instruments explained above.

- **Underwriting reserves of insurance companies**

Underwriting reserves correspond to the commitments of insurance companies with respect to insured persons and the beneficiaries of policies.

In accordance with IFRS 4 on insurance contracts, life and non-life underwriting reserves continue to be measured under the same local regulations.

Life insurance underwriting reserves mainly comprise actuarial reserves, which correspond to the difference between the current value of commitments falling to the insurer an those falling to the policyholder, and reserves for claims incurred but not settled. The risks covered are principally death, invalidity and incapacity for work.

Underwriting reserves for unit-linked policies with discretionary profit-sharing or any other significant features, are valued at the balance sheet date on the basis of the current value of the assets underlying these policies.

Non-life insurance underwriting reserves comprise reserves for unearned premiums (share of premium income relating to following financial years) and for outstanding claims. The risks covered are principally risks linked to home, car and accident insurance guarantees.

Under the principles defined in IFRS 4, life insurance policies with discretionary profit-sharing features are subject to "mirror accounting", whereby the financial assets' value changes that may potentially affect policyholders is recorded in *Deferred profit-sharing*. This reserve is calculated to reflect the potential rights of policyholders to unrealised gains on financial instruments measured at fair value or their potential share for unrealised losses.

To demonstrate the recoverability of the deferred profit-sharing asset in the event of an unrealised net loss, two approaches are used to show that the liquidity requirements caused by an unfavourable economic environment would not require assets to be sold should there be unrealised losses:

The first consists of simulating deterministic stress scenarii ("standardised" or extreme). This is used to show that in these scenarii no significant losses would be realised on the assets existing on the balance sheet date for the scenarii tested.

The aim of the second approach is to ensure that in the long or medium-term the sale of assets to meet liquidity needs would not generate any significant losses. The approach is verified for projections based on extreme scenarii.

A liability adequacy test is also carried out semi-annually with a stochastic model based on parameter hypotheses consistent with those used for the MCEV (Market Consistent Embedded Value). This test takes into account all of the future cash flows from policies, including management charges, fees and policy options and guarantees.

3. Presentation of financial statements

CNC RECOMMENDED FORMAT FOR BANKS' SUMMARY FINANCIAL STATEMENTS

As the IFRS accounting framework does not specify a standard model, the format used for the financial statements is consistent with the format proposed by the French National Accounting Standards Board, the CNC, under Recommendation 2009-R-04 of July 2, 2009 which cancels and replaces Recommendation 2004-R-03 of October 27, 2004. This new Recommendation takes into account the amendment to IAS 1 as adopted by the European Union on December 17, 2008.

The Group maintains its presentation of the consolidated income statement in order to list the components of net income and presents in a new statement starting with income statement and the detail of gains and losses recognised directly in equity ("statement of net income and gains and losses recognised directly in equity")

The new additional informations related to gains and losses recognised directly in equity required by the revised standard IAS 1 are described in note 28:

- informations on reclassification out of gains and losses recognised directly in equity to net income and,
- informations on income tax relating to each component of gains and losses recognised directly in equity.

RULE ON OFFSETTING FINANCIAL ASSETS AND LIABILITIES

A financial asset and liability are offset and a net balance presented in the balance sheet when the Group is entitled to do so by law and intends either to settle the net amount or to realise the asset and to settle the liability at the same time.

The Group recognises in the balance sheet the net value of agreements to repurchase securities given and received where they fulfil the following conditions:

- the counterparty to the agreements is the same legal entity;
- they have the same certain maturity date from the start of the transaction;
- they are agreed in the context of a framework agreement that grants permanent entitlement, enforceable against third parties, to offset amounts for same-day settlement;
- they are settled through a clearing system that guarantees delivery of securities against payment of the corresponding cash sums.

The Group recognises in its balance sheet for their net amount the fair value of options on indexes traded on organised markets and whose underlyings are securities within a single legal entity, provided these options meet the following criteria:

- the market where they are traded requires a settlement on a net basis;
- they are managed according to the same strategy;
- they are traded on the same organised market;
- the settlement of options via the physical delivery of underlying assets is not possible on these organised markets;
- they have the same characteristics (offsetting of call options with other call options on the one hand and offsetting of put options with other put options on the other);
- they share the same underlying, currency and maturity date.

CASH AND CASH EQUIVALENTS

In the cash flow statement, *Cash and cash equivalents* includes cash accounts, demand deposits, loans and borrowings due to and from central banks and other credit establishments.

EARNINGS PER SHARE

Earnings per share are measured by dividing the net income attributable to ordinary shareholders by the weighted average number of shares outstanding over the period, except for treasury shares. The net profit attributable to ordinary shareholders takes account of dividend rights of preferred shareholders. Diluted earnings per share takes into account the potential dilution of shareholders' interests assuming the issue of all the additional ordinary shares envisaged under stock-options plans. This dilutive effect is determined using the share buyback method.

4. Accounting standards and interpretations to be applied by the Group in the future

Some accounting standards and interpretations have been published by the IASB as of December 31, 2009. Some have been adopted and others have not been yet adopted by the European Union. These accounting standards and interpretations are required to be applied from annual periods beginning on March 29, 2009 at the earliest or on the date of their adoption by the European Union. They have not been applied by the Group as of December 31, 2009.

ACCOUNTING STANDARDS, AMENDMENTS OR INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION

Accounting standards or Interpretations	Adoption dates by the European Union:	Effective dates: annual periods beginning on or after
IFRIC 12 "Service Concession Arrangements"	March 25, 2009	March 29, 2009
IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"	June 4, 2009	July 1, 2009
IFRIC 15 "Agreements for the Construction of Real Estate"	July 22, 2009	December 31, 2009
Amendment to IAS 39 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items"	September 15, 2009	July 1, 2009
IFRS 1 (Revised) "First-time adoption of IFRS"	November 25, 2009	January 1, 2010
IFRIC 17 "Distribution of Non-cash Assets to Owners"	November 26, 2009	October 31, 2009
IFRIC 18 "Transfers of Assets from Customers"	November 27, 2009	October 31, 2009
Amendment to IAS 32 "Classification of Rights Issues"	December 23, 2009	February 1, 2010

• IFRIC 12 "Service Concession Arrangements"

This interpretation explains the concession accounting treatment. This interpretation does not apply to Group operations and will consequently have no effect on net income or shareholders' equity of the Group.

• IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

The interpretation clarifies the accounting treatment for the hedge of a net investment in a foreign operation in an entity's consolidated financial statements.

• IFRIC 15 "Agreements for the Construction of Real Estate"

The interpretation clarifies the accounting treatment for the recognition of revenue among real Estate developers for sales of units, such as apartments or houses.

• Amendment to IAS 39 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items"

The amendment provides additional guidance on two particular situations in relation to hedge accounting under IAS 39: the identification of inflation as a hedged risk and how to consider the time value of an option in a hedge relationship. It must be applied retrospectively.

• IFRS 1 (Revised) "First-time adoption of International Financial Reporting Standards"

This revision of IFRS 1 improves the structure of the standard and makes it clearer and easier but its technical content remains unchanged. This new version is designed to better accommodate future changes.

• IFRIC 17 "Distribution of Non-cash Assets to Owners"

The interpretation provides guidance on the measurement and on the accounting treatment of distribution of non-cash assets to owners.

• IFRIC 18 "Transfers of Assets from Customers"

This interpretation clarifies the circumstances and requirements in which the revenue related to the transfer of asset from customer has to be recognised as part of commercial contract.

• Amendment to IAS 32 "Classification of Rights Issues"

This amendment addresses the accounting for rights issues (rights, options, warrants…) that are denominated in a currency other than the functional currency of the issuer. Such rights issues were previously accounted for as derivative liabilities. Provided certain conditions are met, they will be classified as equity regardless of the currency in which the exercise price is denominated.

AMENDMENTS OR INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION ON DECEMBER 31, 2009

Accounting standards or Interpretations	Publication dates by IASB	Effective dates: annual periods beginning on or after
Improvements to IFRSs – April 2009	April 16, 2009	July 1, 2009 at the earliest
Amendments to IFRS 2 "Group Cash-settled Share-based Payment Transactions"	June 18, 2009	January 1, 2010
Amendments to IFRS 1 "Additional Exemptions for First-time Adopters"	July 23, 2009	January 1, 2010
IAS 24 (Revised) "Related Party Disclosures"	November 4, 2009	January 1, 2011
IFRS 9 "Financial Instruments" (Phase 1: Classification and Measurement)	November 12, 2009	January 1, 2013
Amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement"	November 26, 2009	January 1, 2011
IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"	November 26, 2009	July 1, 2010

• Improvements to IFRSs – April 2009

As part of the annual Improvements to International Financial Reporting Standards, the IASB has published amendments to 12 accounting standards. They are required to be applied to annual periods beginning on July 1, 2009.

• Amendments to IFRS 2 "Group Cash-settled Share-based Payment Transactions"

IASB clarifies the accounting treatment in individual financial statements of a subsidiary for cash-settled share-based payment arrangements in a group. The subsidiary that receives goods or services must account them no matter which entity settles the transaction and no matter whether the transaction is settled in shares or cash.

• Amendments to IFRS 1 "Additional Exemptions for First-time Adopters"

These amendments introduce new exemptions for entities using the full cost method from retrospective application of IFRS (oil and gas assets, leasing contracts) and applying IFRS for first-time.

• IAS 24 (Revised) "Related Party Disclosures"

This revised standard simplifies the disclosure requirements for entities controlled (or jointly controlled) or significantly influenced by the same government and clarifies the definition of a related party.

• IFRS 9 "Financial Instruments" (Phase 1: Classification and Measurement)

This standard, which represents the first step of the replacement of IAS 39, introduces new requirements for classifying and measuring financial assets. The classification and measurement of financial liabilities, impairment methodology for financial assets and hedge accounting will expand IFRS 9 in further steps.

Financial assets are required to be classified into three categories (amortised cost, fair value through profit or loss and fair value through other comprehensive income) depending on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

All debt instruments (loans, receivables and bonds) will be measured at amortised cost only if the objective of the entity (business model) is to collect the contractual cash flows and if these cash flows are only payments of principal and interest. All other debt instruments will be measured at fair value through profit or loss.

All equity instruments will be measured at fair value through profit or loss except in case of irrevocable election made at initial recognition for measurement at fair value through other comprehensive income (providing these financial assets are not held for trading purposes and not measured at fair value through profit or loss)

Embedded derivatives will not be recognised separately when their host contracts are financial assets and the hybrid instrument in its entirety will then be measured at fair value through profit or loss.

- **Amendment to IFRIC 14 “Prepayments of a Minimum Funding Requirement”**

This amendment clarifies the circumstances in which an entity, subjected to minimum funding requirements, makes an early payment of contributions and can treat it as an asset.

- **IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”**

This interpretation provides for the debtor guidance on accounting treatment for the extinguishment of a financial liability by the issue of equity treatment. These equity instruments issued are measured at their fair value. The difference between the carrying value of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in profit or loss.

Note 2

Changes in consolidation scope

As at December 31, 2009, the Group’s consolidation scope includes 888 companies:

- ***745*** fully consolidated companies;
- ***93*** proportionately consolidated companies;
- ***50*** companies accounted for by the equity method.

The consolidation scope includes entities that have a significant impact on the Group’s consolidated financial statements. It means companies whose balance sheet exceeds 0.02% of the Group’s one, for full or proportionate consolidation, or companies in which the equity held by the Group exceeds 0.10% of the consolidated Group’s total equity. These criteria do not apply to sub-consolidated subsidiaries.

The main changes to the consolidation scope at December 31, 2009, compared with the scope applicable for the account at December 31, 2008 are as follows:

- In the first half of 2009:
  - The Societe Generale Group sold SG Asset Management Group Ltd to GLG Partners, Inc.
  - Mobiasbanca joined Group’s consolidation scope and is now fully consolidated. Societe Generale granted a put option to the minority shareholders on 8.84% of the company. In accordance with IAS 32, the Group accounted for this option as a liability.
  - The Societe Generale Group acquired an additional stake of 7.11% in Rosbank, bringing its interest rate to 64.68%.
  - The stake in Societe Generale de Banques au Burkina was increased by 6.45% compared to December 31, 2008 to reach 50.93%.
  - The Group consolidated by the equity method its partnership in the consumer finance activity with La Banque Postale. The Group’s share in this subsidiary is 35%.
  - Societe Generale acquired the non-financial entity New Esporta Holding Ltd in a debt for equity swap. This company is fully consolidated since then.
  - Gaselys previously proportionately consolidated, is now consolidated by the equity method.
  - The put options granted by Societe Generale to the minority shareholders on 6.57% of Boursorama’s shares expired without being exercised. The Societe Generale Group consequently cancelled the liability recognised until then in accordance with IAS 32.
  - Following a buy-out offer, the stake in La Marocaine Vie increased by 12.18% compared to December 31, 2008 to reach 85.93%.
  - The Global Commodities Finance Fund, Ltd, which is 100%-owned by the Group, was fully consolidated.
  - Societe Generale, through Boursorama, launched a new internet bank named Selfbank, which is 51%-owned by Boursorama.
- During the second half of 2009:
  - Amundi, the 25% held company resulting of the merger between Societe Generale Asset Management and Crédit Agricole Asset Management asset management activities, is consolidated by using the equity method. Assets and liabilities brought to Amundi were reclassified in *Non-current assets and liabilities held for sale* during the first half of 2009. Only assets that will be brought in 2010 remain classified in this category on December 31, 2009.

The net gain on sale related to this operation amounts to EUR 732 million.

- The Group decreased the stake in Groupama Bank by 20% following the exercise of a put option. This stake was reclassified as *Non-current assets held for sale* during the first half of 2009.
- The Group's stake in Geniki was increased by 1.65%, bringing its stake to 53.97% at the end of December 2009.
- The stake in Bank Republic was increased to 80%, i.e. a 20% increase compared to December 31, 2008 due to minority shareholders who have exercised their put options.
- The Societe Generale Group acquired the stake of 20% of Dexia in Crédit du Nord bringing its interest rate to 100%.
- The stake in Express Bank was increased by 1.74% compared to December 31, 2008 to reach 99.69%.
- The stake in BRD was increased by 0.83% compared to December 31, 2008 to reach 59.37%.
- The stake in Societe Generale de Banques au Burkina was increased by 0.26% compared to the first half of 2009 to reach 51.19%.
- The stake in La Marocaine Vie was increased by 0.04% compared to the first half of 2009 to reach 85.97%.
- The stake in Rosbank was increased by 0.65% compared to the first half of 2009 to reach 65.33% following the acquisition of treasury stock.
- Through SG Consumer Finance, the Group has fully consolidated the Family Credit individual financial services activities in India.

In application of IFRS 5 "*Non-current assets held for sale and discontinued operations*", the following items were classified in *Non-current assets and liabilities held for sale*:

- Assets and liabilities that will be sold to Amundi during 2010.
- IBK SGAM's assets and liabilities following the signing of an agreement with IBK.
- SG Cyprus's assets and liabilities following the project of transfer to SG Liban.

Note 3

Fair value of financial instruments

In a first part, this section specifies the valuation methods used by the Group to establish the fair value of the financial instruments presented in the following notes: note 6 "Financial assets and liabilities at fair value through profit or loss", note 7 "Hedging derivatives", note 8 "Available-for-sale financial assets", note 9 "Due from banks", note 10 "Customer loans", note 12 "Lease financing and similar agreements", note 13 "Held-to-maturity financial assets", note 19 "Due to banks", note 20 "Customer deposits" and note 21 "Securitised debt payables".

In a second part, this section details the valuation methods used by the Group to establish the fair value of the financial instruments affected by the financial crisis.

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

1. Valuation methods

1.1. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments recognised at fair value through profit or loss, fair value is determined primarily on the basis of the prices quoted in an active market. These prices might be adjusted if none are available on the balance sheet date or if the clearing value does not reflect transaction prices.

However, due notably to the varied characteristics of derivatives traded over-the-counter on the financial markets, a large number of financial products processed by the Group do not have quoted price in markets.

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for swaps or the Black & Scholes formula for certain options and using valuation parameters that reflect current market conditions as at the balance sheet date. Before being used, these valuation models are validated independently by the experts from the market risk department of the Group's Risk Division who also carry out subsequent consistency checks (back-testing). Furthermore, the parameters used in the valuation models, whether derived from observable market data or not, are subject to exhaustive monthly checks by specialists from the market risk department of the Group's Risk Division, and if necessary are supplemented by further reserves (such as bid-ask spreads and liquidity).

For information purposes, in the notes to the consolidated financial statements, financial instruments carried at fair value through profit or loss are classified using a fair value hierarchy that reflects the significance of the inputs used:

- Level 1 (L1): instruments valued on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 (L2): instruments valued using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 (L3): instruments valued using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Observable data must be: independent of the bank (non-bank data), available, publicly distributed, based on a narrow consensus and backed up by transaction prices.

For example, consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For high maturities, theses consensus data are not observable data, that is the case for the implicit volatility used for the valuation of the derivative instruments such as more than seven years maturity option on shares. On the other hand, when the residual maturity of the instrument is less than seven years, its fair value becomes sensitive to observable parameters.

In the case of particular tensions on the markets, leading to a lack of usual reference data for the valuation of a financial instrument, the Risk Division may implement a new model in accordance with pertinent available data, similar to methods used by other market players. This was the case during the first half of the year 2008 for some American CDO (Collateralised Debt Obligations), CLO (Collateralised Loan Obligations), ABS (Asset Backed Securities), CMBS (Credit Commercial Mortgage Backed Securities) (see § 2 – Financial instruments affected by the financial crisis).

- **Shares and other variable income securities**

For listed shares, fair value is taken to be the quoted price on the balance sheet date. For unlisted shares, fair value is determined depending on the type of financial instrument and according to one of the following methods:

- valuation based on a recent transaction involving the company (third-party buying into the issuing company's capital, appraisal by professional valuer, etc.);
- valuation based on a recent transaction in the same sector as the issuing company (income multiple, asset multiple, etc.);
- share adjusted net asset value held.

For unlisted securities in which the Group has significant holdings, valuations based on the above methods are checked against a discounted future cash flow valuation based on business plans or on valuation's multiples of similar companies.

- **Debt (fixed-income) instruments held in portfolio, issues of structured securities measured at fair value and financial derivatives**

The fair value of these financial instruments is determined based on the quoted price on the balance sheet date or prices provided by brokers on the same date, when available. For unlisted financial instruments, fair value is determined by valuation techniques (see note 1 "Significant accounting principles"). Concerning liabilities measured at fair value, the on-balance sheet amounts include changes in the Group's issuer credit risk.

- **Other debt**

For listed financial instruments, fair value is taken as their closing quoted price on the balance sheet date. For unlisted financial instruments, fair value is determined by discounting future cash flows to present value at market rates (including counterparty risks, non-performance and liquidity risks).

1.2. FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments that are not recognised at fair value in the balance sheet, the figures given in the notes should not be taken as an estimate of the amount that would be realised if all such financial instruments were to be settled immediately.

The fair values of financial instruments include accrued interest as applicable.

- **Loans, receivables and lease financing agreements**

The fair value of loans, receivables and lease financing transactions for large corporates is calculated, in the absence of an actively-traded market for these loans, by discounting expected cash flows to present value based on the market rates (the benchmark maturity yield published by the Banque de France and the zero coupon yield) on the balance sheet date for loans with broadly similar terms and maturities. These discount rates are adjusted for borrower credit risk.

The fair value of loans, receivables and lease financing transactions for retail banking customers, essentially comprised of individuals and small or medium-sized companies, is determined, in the absence of an actively-traded market for these loans, by discounting the associated expected cash flows to present value at the market rates in force on the balance sheet closing date for similar type of loans and similar maturities.

For all floating-rate loans, receivables and lease financing transactions and fixed-rate loans with an initial maturity of less than one year, fair value is taken to be the same as book value, assuming there is no significant changes in credit spreads on the concerned counterparties since they were recognised in the balance sheet.

- **Customer deposits**

The fair value of retail customer deposits, in the absence of an actively-traded market for these liabilities, is taken to be the same as the value of future cash flows discounted to present value at the market rates prevailing on the balance sheet closing date.

For floating-rate deposits, demand deposits and borrowings with an initial maturity of less than one year, fair value is taken to be the same as book value.

2. Financial instruments affected by the financial crisis

The year 2009 was affected by the continuation of the crisis involving all financial instruments related to the residential and commercial mortgage market in the United States.

Consequently, the Societe Generale Group was primarily affected by:

- its positions on super senior and senior tranches of RMBS CDOs (Collateralised Debt Obligations);
- its RMBS (Residential Mortgage Backed Securities) trading positions;
- its CMBS (Commercial Mortgage Backed Securities) trading positions;
- its exposure to counterparty risk on monoline insurers.

2.1. SUPER SENIOR AND SENIOR CDO TRANCHES OF RMBS

In the absence of observable transactions, the valuation of super senior and senior CDO tranches of RMBS was carried out using parameters that were neither observable nor quoted in an active market.

As and when observable data become available, the model results are compared and adjusted so as to converge. The Societe Generale Group's approach focuses on the valuation of individual mortgage pools underlying structured bonds, in order to estimate the fundamental value of RMBS bonds, and consequently of CDO tranches, using a prospective credit stress scenario, as opposed to a Marked-to-Market approach.

Four key variables are used to value mortgage pools: the probability of default, the loss in given default, the pre-payment speed and the timing of default. These key variables continued to be adjusted throughout 2009 to reflect changes in the economic environment, such as the delinquency and default rates, home price appreciation, and observed losses. Indeed, the Societe Generale Group increased its cumulative losses assumptions on the underlying loans, following a degradation of US residential mortgage market (acceleration of default rates, increase in the loss severity). Furthermore, in order to complete the valuation of CDO tranches, all non-RMBS positions were discounted based on their rating and type of asset.

As a reminder, additional discounts were performed so as to reflect the illiquidity of the relevant tranches. This liquidity add-on is defined as the additional loss caused by a 10% increase in cumulative loss assumptions in the credit scenario (e.g. from 15% to 16.5% on 2005 RMBS), completed, for 2006 and 2007 subprime loans, by an additional add-on resulting from an alignment to the ABX indices.

On December 31, 2009, gross exposure to super senior and senior US RMBS CDO tranches carried at fair value on the balance sheet, totalled EUR 1.6 billion (versus EUR 1.8 billion at December 31, 2008). Concerning this position, write-downs recorded in 2009 amounted to EUR 0.4 billion and negatively affected bonds and other debt instruments at fair value through profit or loss booked on the assets side of the consolidated balance sheet. On December 31, 2009, the net exposure to US RMBS CDO tranches was EUR 0.4 billion.

The sensitivity of fair value to cumulative loss rates was estimated at December 31, 2009 for unhedged US RMBS CDOs, based on a fixed variation, for each vintage, in the cumulative loss rates for these CDOs' super senior and senior tranches. A +10% rise in these cumulative loss rates (i.e. a change from 20% to 22%) would reduce the value of these tranches by EUR 76 million.

CUMULATIVE LOSSES RATES * ON SUBPRIME ASSETS (CALCULATED ON THE ORIGINAL AMOUNT)

	2004	2005	2006	2007
Assumptions for cumulative losses at the end of 2008	4.8%	12.1%	27.5%	29.7%
Assumptions for cumulative losses at the end of 2009	6.1%	16.5%	39.6%	49.5%

* *Including liquidity add-on.*

2.2. RMBS *(RESIDENTIAL MORTGAGE BACKED SECURITIES)*

For positions relative to bonds whose underlying is subprime risks on US residential mortgage exposure, it has become difficult to establish reliable prices on all securities individually ever since the second half of 2007.

In these conditions, the valuation technique was based on using observable prices on benchmark indices, in particular the ABX Index. A weighted-average life was determined for the various ABX Indices and RMBS investments held in portfolio, including default, recovery, and pre-payment scenarii. The implied credit spread of the indices was subsequently determined based on their prices.

Each RMBS bond was valued using the credit spread of its ABX reference index (same vintage, same rating). The valuation method includes the base (spread between cash instruments and derivative indices) as well as the liquidity aspect.

The subprime RMBS portfolio has been widely hedged through the acquisition of protection on ABX indices or sold. The residual exposure net of hedging, carried at fair value on the balance sheet totalled EUR 245 million(1) as at December 31, 2009.

2.3. CMBS *(COMMERCIAL MORTGAGE BACKED SECURITIES)*

In a similar way to RMBS, CMBS are valued using market parameters. Each CMBS US bond was valued using the credit spread of its CMBX reference index (same vintage, same rating). The valuation method includes the base (spread between cash instruments and derivative indices) as well as the liquidity aspect.

The CMBS portfolio has been widely hedged through the acquisition of protection on CMBX indexes or sold. As at December 31, 2009, the residual exposure net of hedging at fair value totalled EUR 176 million(1).

2.4. EXPOSURE TO COUNTERPARTY RISK ON MONOLINES

The relevant exposures are included under *Financial assets at fair value through profit or loss*. The fair value of the Group's exposure to monoline insurers that have granted credit enhancements on assets, including those whose underlying is US real estate, takes into account the deterioration in the estimated counterparty risk on these players.

The tightening of the credit spreads as well as the commutations and disposals undertaken during the year 2009 on certain assets hedged by monolines resulted in a decrease in the fair value of the protection purchased from monolines.

However, counteracting this positive effect was the deterioration of the American residential market that led to the revision of the cumloss rates on US RMBS CDOs.

Consequently, the estimate of the amounts that may be due to the Societe Generale Group from monoline guarantees decreased from EUR 4.2 billion as at December 31, 2008 to EUR 3.9 billion as at December 31, 2009.

The Group continued its conservative approach maintaining a hedging rate (CDS + reserves) amounting to 77% of gross exposure at December 31, 2009.

In 2009, the value adjustments calculated for credit risk on monolines increased by EUR 0.2 billion for a total of EUR 2.3 billion (these figures exclude ACA and Bluepoint). This adjustment is calculated based on applying severe cumulative loss rates (up to 90% for the most poorly rated monoline insurers).

In 2009, the Group reviewed the methodology used to determine the value adjustment rate. The previously used fundamental ratings-based approach (provisioning rate being a function of the internal rating of the monoline) was complemented with the use of market indications (CDS spreads for a given monoline and expected recovery rates). These elements are used to derive an expected loss estimation and the appropriate impairment rate.

(1) *Excluding Exotic credit derivative portfolio.*

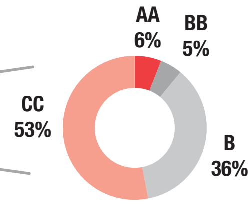
The impairment rate of each monoline is reviewed quarterly and adjusted when needed.

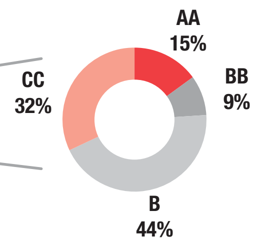
The Group's exposure to counterparty risk on monoline insurers can be broken down into three parts:

- exposure linked to CDO tranches of RMBS, for which our methodology and parameters applied are the same as for unhedged CDOs;
- exposure linked to non-RMBS CDO, CLO and the infrastructure finance, using a mark-to-stress methodology (maximum historical cumulative loss over five years for each asset class) and a liquidity reserve based on Marked-to-Market;
- exposure linked to other secured financial instruments measured at Marked-to-Market.

COUNTERPARTY RISK EXPOSURE TO MONOLINES (IMMEDIATE DEFAULT SCENARIO FOR ALL THE SOCIETE GENERALE GROUP COUNTERPARTY MONOLINE [(a)] INSURERS)

(In billions of euros)	Dec 31, 2008	Dec 31, 2009
Fair value of protection before value adjustments	4.2	3.9
Nominal amount of hedges purchased *	(0.9)	(0.7)
Fair value of protection net of hedges and before value adjustments	3.3	3.2
Value adjustments for credit risk on monolines (booked under protection)	(2.1)	(2.3)
Residual exposure to counterparty risk on monolines	1.2	0.9
Total fair value hedging rate	*73%*	*77%*





(a) Excluding defaulting counterparties: ACA from end-2007, Bluepoint as of September 30, 2008.

* The nominal amount of hedges purchased from bank counterparties had a EUR +345m Marked-to-Market impact as at December 31, 2009, which has been neutralised since 2008 in the income statement.

The rating used is the lowest issued by Moody's or S&P (as at December 31, 2009)
AA: Assured Guaranty
BB: Radian, Syncora Capital Assurance
B: MBIA
CC: Ambac, CIFG, FGIC

3. Sensitivity of fair value

Unobservable parameters are assessed carefully and conservatively, particularly in the financial crisis context. However, by their very nature, unobservable parameters imply a degree of uncertainty in their valuation.

To quantify this, sensitivity of fair value at December 31, 2009 was estimated on instruments whose valuation is based on unobservable parameters. This estimate was made:

- using a fixed 10% variation: this involves the Cumloss used to model the super senior and senior CDO tranches of US RMBS and the non-RMBS CDO (the Cumloss is the estimated loss rate per year of production of the underlying assets); for a 10% rise (e.g. from 25% to 27.5%), valuation would decrease by EUR 285 million, and, for a 10% drop, valuation would increase by EUR 328 million[(1)].

(1) The exposures taken into account in this calculation:
- *include the possible hedges on the bonds considered (CDS),*
- *include, where applicable, the provisions made on monoline CDS.*

- either using a standardised[1] variation of unobservable parameters.

Sensitivity to a standardised variation of the unobservable parameters – absolute value in millions of euros

Shares, other equity instruments and derivatives	
Equity instruments volatility	39
Dividends	8
Correlation	16
Mutual Funds volatility	22
Hedge Funds volatility	86
Bonds, other debt instruments and derivatives	
Correlations between exchange rates	9
Correlations between exchange and interest rates	6
Time to default correlation (CDO)	62
Correlation between exchange rates and time to default CDO)	0.3
Unobservable credit spreads (CDO)	17
Others	
Commodities correlations	6

It should be noted that, given the already conservative valuation levels (see 1.1 – Financial instruments carried at fair value on the balance sheet), the probability attached to this uncertainty is higher for a favourable impact on results than for an unfavourable impact.

Note 4

Risk management linked to financial instruments

This note describes the main risks linked to financial instruments and the way they are managed by the Group according to IFRS7 requirements.

The risks associated with Societe Generale'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 **counterparty 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 to a given risk or to certain groups of counterparties.
- **Market risk**: risk of losses resulting from changes in the price of market products, in volatility and correlations.
- **Liquidity risk:** risk of the Group not being able to meet its obligations as they come due.
- **Structural interest and exchange rates risk:** risk of loss or of residual depreciation in the bank's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and Corporate Centre transactions (operations concerning equity capital, investments and bond issues).

In the specific context of the financial crisis, the Group has strengthened its risk measurement and analysis practices by improving procedures and alert devices and by gathering modelling and portfolio analysis teams.

1. Organisation, procedures and methods

1.1. RISK MANAGEMENT STRATEGY

Given the diversity of businesses, markets and regions in which the Group operates, the implementation of a high performance and efficient risk management structure is a critical undertakings for Societe Generale. Specifically, main objectives of the Group risk management are:

- to contribute to the development of the Group's various business lines by optimising their overall risk-adjusted profitability;
- to guarantee the Group's sustainability as a going concern, through the implementation of a high quality infrastructure for risk measurement and monitoring.

In defining the Group's overall risk appetite, the management takes various considerations and variables into account, including:

- the relative risk/reward of the bank's various activities;
- earnings sensitivity to economic cycles and credit or market events;
- sovereign and macro-economic risks, notably for businesses based in emerging markets;
- the aim of achieving a well-balanced portfolio of earnings streams.

1.2. RISK MANAGEMENT GOVERNANCE, CONTROL AND ORGANISATION PRINCIPLES

The Societe Generale Group's risk management governance is based on:

- strong managerial involvement, throughout the entire organisation, from the Board of Directors down to operational field management teams;

(1) *Meaning:*
- *either the standard deviation of consensus prices used to assess the parameter (TOTEM…); or*
- *the standard deviation of historical data used to assess the parameter.*

- a tight framework of internal procedures and guidelines;
- continuous supervision by an independent body to monitor risks and to enforce rules and procedures.

The Group's risk management is organised around two key principles:

- independence of risk assessment departments from the operating divisions;
- consistent approach to risk assessment and monitoring applied throughout the Group.

Compliance with these principles forms part of the integration plans for subsidiaries acquired by the Group.

Group risk management is governed by two main bodies: the Board of Directors, via the Audit, Internal Control and Risk Committee, and the Risk Committee. The Group's Functional Divisions, such as the Risk Division and Finance Division, which are independent from the operating divisions, are dedicated to permanent risk management and control under the authority of the General Management.

The Board of Directors

The Board of Directors defines the Group's strategy and supervises risk control. In particular, it ensures the adequacy of the Group's risk management infrastructure, monitors the global risk exposure of its activities and approves the annual risk limits for market and credit risk. Presentations on the main aspects of, and notable changes to the Group's risk management strategy, are regularly made to the Board by the General Management.

The Audit, Internal Control and Risk Committee

Within the Board of Directors, the Audit, Internal Control and Risk Committee plays a crucial role in the assessment of the quality of the Group's internal control. More specifically it is responsible for examining the internal framework for risk monitoring to ensure consistency and compliance with existing procedures, laws and regulations. With the benefit of specific presentations made by the General Management, the Committee reviews the procedures for controlling market risks as well as the structural interest rate risk and is consulted about the setting of the related risk limits. It also issues an opinion on the Group's overall provisioning policy as well as on large specific provisions. Lastly, it examines the risk and control procedure assessment report which is submitted each year to the French Banking Commission (*Commission bancaire*).

The risk Committee

The Risk Committee (CORISQ) is chaired by the General Management and meets at least once a month with the Group's Executive Committee. The mandate of this committee is to define the framework required to manage risk, review changes in the characteristics and risks of Group portfolios and decide on any necessary strategic changes. The Group also has a Large Exposures Committee, which focuses on reviewing large individual exposures.

Risk Division

The Group Risk Division is in charge of credit, market and operational risks. It is completely separate from the business entities and reports directly to the General Management. Its role is to contribute to the development and profitability of the Group by ensuring that the risk management system is adequate and effective by overseeing all transactions carried out within the Group.

Accordingly, the Risk Division is responsible for:

- identifying the financial (credit and market risks) and operational risks borne by the Group;
- defining or validating risk analysis, assessment, approval and monitoring methods and procedures;
- assessing the risks incurred on transactions proposed by the Group's sales managers and analysing portfolios;
- ensuring the adequacy of information systems and risk assessment tools;
- anticipating levels of risk provisioning for the Group.

The new product Committee

Each department is responsible for submitting all new products and activities or products under development to the New Product Committee. The New Product Committee aims to ensure that, prior to the launch of a new activity or product, **all associated risks** are fully understood, measured, approved and subjected to adequate procedures and controls, using the appropriate information systems and processing chains.

The finance Division

Structural interest rate, exchange rate and liquidity risks as well as the Group's long-term refinancing programme are managed within the Balance Sheet Management Department, whereas capital requirements and equity structure are managed within the Financial Management and Capital Department. Both of these departments report to the Group Finance Division.

The Finance Division is also responsible for assessing and managing the other major types of risk, namely strategic, business risks, etc.

The Finance Committee, a General Management body, validates the methods used to analyse and measure risks, as well as the exposure limits for each Group entity. It also provides advice to both the business lines and entities.

Societe Generale's risk measurement and assessment processes are integrated in the bank's Internal Capital Adequacy Assessment (ICAAP) process. Alongside capital management, the ICAAP is aimed at providing guidance to both the CORISQ and the COFI in defining the Group's overall risk appetite and setting risk limits.

2. Credit risk

2.1. RISK MANAGEMENT GENERAL PRINCIPLES

2.1.1. Risk approval and limits

Societe Generale's credit policy is based on the principle that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, the purpose, nature and structure of the transaction and the sources of repayment. Credit decisions must also ensure that risk mitigants taken on the transaction will sufficiently hedge the risk of loss in case of default. Risk approval forms part of the Group's risk management strategy in accordance with its risk appetite.

The risk approval process is based on four core principles:

- all transactions involving counterparty risk (credit risk, risk of non-settlement or non-delivery and issuer risk) must be pre-authorised;
- staff assessing credit risk are fully independent from the decision-making process;
- responsibility for analysing and approving risk lies with the most appropriate business line or credit risk unit. The business line and credit risk unit examine all authorisation requests relating to a specific client or client group, to ensure a consistent approach to risk management;
- all credit decisions systematically factor in internal counterparty risk ratings, as provided by business lines and vetted by the Risk Division.

The Risk Division submits recommendations to the Risk Committee on the concentration limits it deems appropriate for particular countries, geographic regions, sectors, products or customer types, in order to reduce sector risks with strong correlations. The allocation of limits is subject to final approval by the Group's General Management and is based on a process that involves the business divisions exposed to risk and the Risk Division.

Finally, the supervision provided by the CORISQ is supplemented by the Large Exposures Risk Committee. This is an ad-hoc committee in charge of vetting the risk-taking and marketing policy vis-à-vis the bank's large key client group, notably by proposing exposure limits.

2.1.2. Counterparty risk management

The counterparty or replacement risk corresponds to the Marked-to-Market value of transactions with counterparties. It represents the current cost of replacing transactions having a positive value to the Group in the event of a counterparty default. Transactions giving rise to counterparty risk are, inter alia, security repurchase agreements, security lending and borrowing and over-the-counter derivative contracts such as swaps, options and futures.

Societe Generale places great emphasis on carefully monitoring its replacement risk exposure in order to minimise its losses in case of default. Furthermore counterparty limits are assigned to all counterparties (banks, other financial institutions, corporates and public institutions)

A significant weakening in the bank's counterparties also prompts urgent internal rating reviews and a specific supervision and approval process for more sensitive counterparties or more complex trading instruments.

In 2009, the Societe Generale Group continued the reinforced monitoring of the risk on financial counterparties that were significantly affected by the crisis.

2.2. RISK MEASUREMENT AND INTERNAL RATINGS

In December 2007, Societe Generale obtained authorisation from its supervisory authorities to apply the internal ratings (AIRB) method for most of its exposures – this is the most advanced method for calculating capital requirements in respect of credit risk.

The Group's rating system is based on three key pillars:

- the internal ratings models used to measure both counterparty risk (expressed as a probability of default by the borrower within one year) and transaction risk (expressed as the amount that would be lost should a borrower default) in accordance with the Basel II principles;

- a set of procedures defining guidelines for the use of ratings (scope, frequency of rating revision, procedure for approving ratings, etc.) and for the supervision, the back-testing and the validation of models;
- reliance on human judgment to look critically at model results.

The Group's internal models enable a quantitative assessment of counterparty and transaction risk that is factored into loan applications for the measurement of the credit risk and the calculation of the risk-adjusted return on capital. They are used by staff (credit analysts and customer relationship managers) and decision-makers as a tool for structuring, pricing and approving transactions.

As such, counterparty ratings are one of the criteria for determining the decision-making approval limits granted to operational staff and risk division.

These models used to estimate the Probability of Default (PD) in relation to counterparties and the Loss Given Default (LGD) cover the vast majority of the Group's credit portfolios (Retail Banking and Corporate & Investment Banking). Most of them were AIRB-validated (Advanced Internal Ratings Based Approach) in 2007 and have since undergone regular performance assessments.

2.3. CREDIT RISK EXPOSURE

The table below outlines the maximum credit risk exposure of the Group's financial assets, net of depreciation and before any bilateral netting agreement and collateral (notably any cash, financial or non-financial assets received as collateral and any guarantees received from corporates), including revaluation differences on items hedged or listed at fair value on the balance sheet.

(In millions of euros)	December 31, 2009	December 31, 2008
Financial assets measured at fair value through profit or loss (excluding variable income securities)	310,198	430,963
Hedging derivatives	5,561	6,246
Available-for-sale financial assets (excluding variable income securities)	78,668	71,261
Due from banks	67,655	71,192
Customers loans	344,543	354,613
Lease financing and similar agreements	28,856	28,512
Held-to-maturity financial assets	2,122	2,172
Exposure to balance sheet commitments, net of depreciation	**837,603**	**964,959**
Loans commitments granted	145,557	136,797
Guarantee commitments granted	62,460	64,325
Provisions for commitments granted and endorsements	(200)	(176)
Exposure to off-balance sheet commitments, net of depreciation	**207,817**	**200,946**
Total net exposure *	**1,045,420**	**1,165,905**

* *The unused portion of the loans is held in its entirety.*

2.4. CREDIT RISK MITIGATION

Minimising risk is an integral part of the commercial process. Protections may be purchased at the origination of the transaction or later if necessary, for the life of the loan until maturity.

- **Guarantees and collateral**

Guarantees and collateral are used to partially or fully protect the bank against the risk of debtor insolvency (e.g. mortgage or hedging through a Crédit Logement guarantee for mortgage loans granted to individuals). Guarantor ratings are reviewed internally at least once a year and collateral is subject to revaluation at least once a year.

Besides, the Societe Generale Group has strengthened the guarantees and collaterals process and updating of their valuation (data collection of the guarantees and collateral, operational procedures).

The Societe Generale Group therefore proactively manages its guarantees with the aim of reducing the risks it takes by diversifying guarantees: physical collateral, guarantees (including CDS).

- **Credit derivatives**

The Group uses credit derivatives in the management of its corporate loan portfolio, essentially to reduce single name, sector and geographic concentrations, and to implement a proactive risk and capital management policy. The Group's overconcentration management policy has led it to take major individual hedging positions: for example, the ten most-hedged names account for 32% of the total amount of purchased individual protections.

The notional value of credit derivatives purchased for this purpose is booked in the off-balance sheet commitments under guarantee commitments received.

Almost all protection purchases were carried out with banking counterparties rated A- or above, the average being between AA- and A+. Concentration with any particular counterparty is carefully monitored.

2009 was marked by the tightening of credit spreads after the significant widening recorded in 2008. To limit the sensitivity of the hedging portfolio, measures to reduce positions were introduced. In 2009, the Credit Default Swap (CDS) portfolio decreased from EUR 28.2 billion to EUR 13.2 billion as at December 31, 2009.

Futhermore, the senior protection (synthetical Collateral Debt Obligations, CDO) purchased the previous years have been unwound.

The bank also has a credit derivatives trading activity (both buy and sell positions). The level of risk of this activity is measured in VaR.

In accordance with IAS 39, all credit derivatives regardless of their purpose shall be recognised at fair value through profit or loss and cannot be booked as hedging instruments.

- **Master netting agreements**

In order to reduce its credit risk exposure, the Societe Generale Group has signed a number of master netting agreements with various counterparties (ISDA contracts governing financial derivative transactions). In the majority of cases, these agreements do not result in any netting of assets or liabilities on the books, but the credit risk attached to the financial assets covered by a master netting agreement is reduced insofar as, in the event of a default, the amounts due are settled on the basis of their net value.

2.5. CREDIT PORTFOLIO ANALYSIS

- **2.5.1. Breakdown of on-balance sheet credit portfolio.**

Outstanding loans in the on-balance sheet credit portfolio before impairment (debt instruments, customer loans, due from banks, lease financing and similar agreements) can be broken as follows:

	December 31, 2009				December 31, 2008			
(Gross outstanding in billions of euros)	Debt instruments (1)	Customer loans (2)	Due from banks	Total	Debt instruments (1)	Customer loans (2)	Due from banks	Total
Outstanding performing assets	79.29	354.60	40.82	474.72	72.27	372.53	44.00	488.80
of which including past due amount		6.87	0.01	6.88		7.33	0.02	7.35
Impaired	0.70	23.73	0.38	24.81	0.23	14.67	0.24	15.14
Total gross outstanding loans	**79.99**	**378.33**	**41.21**	**499.53**	**72.51**	**387.20**	**44.24**	**503.95**
Other (impairment, repos, ...)	0.80	(4.93)	26.44	22.31	0.93	(4.07)	26.95	23.80
Total	**80.79**	**373.40**	**67.65**	**521.84**	**73.43**	**383.13**	**71.19**	**527.75**

(1) Available-for-sale and held-to-maturity assets.

(2) Including Lease Financing and similar agreements.

Performing loans including past due amounts account for 1.7% of unimpaired on-balance sheet assets and include loans that are past due for technical reasons.

The relative stability compared to the proportion observed on December 31, 2008 (1.8% of outstanding performing loans) results from a compensation between the increase of performing loans including past due amounts because of the deterioration of the economy and the decrease of such amounts following to restructurations and depreciations.

2.5.2. Information on risk concentration

The Societe Generale Group proactively manages its risk concentrations, both at the individual and portfolio levels (geographic and industry concentration). The individual concentration is a parameter managed when at the time of granting of the loan. The counterparts representing the most important exposures of the bank are regularly reviewed by the General Management.

As at December 31, 2009, the Group's commitments (balance sheet and off-balance sheet) on its ten largest corporate(1) counterparties accounted for 5% of this portfolio.

Portfolio analysis, globally and also in terms of geographic regions and industry sectors, are performed and are periodically presented to the General Management.

As at December 31, 2009, only one sector accounts for more than 10% of the Group corporate portfolio on and off-balance sheet assets standing for EUR 280 billion exposure at default(2).

As at December 31, 2009, the five main sectors were Financial Activities (18%), Business Services (8%), Real Estate (8%), Wholesale trade (8%) and Transport, Postal Services and Logistics (8%) and expressed as a percentage of Corporate on and off-balance sheet assets measured as exposure at default.

As at December 31, 2008, the five main sectors were Financial Activities (20%), Business Services (8%), Transport, Postal Services and Logistics (7%), Real Estate (7%), Utilities (7%) and expressed as a percentage of Corporate on and off-balance sheet assets measured as exposure at default.

As at December 31, 2009, on-balance sheet and off-balance sheet loans commitments are divided between the following main four geographic regions: France, Western Europe and Eastern Europe within the EU, Northern America, and Africa, Near and Middle East (representing 43%, 31%, 12% and 4% of the on and off-balance sheet commitments exposure at default standing for EUR 664 billion).

As at December 31, 2008, the four main regions were France, Western Europe and Eastern Europe within the EU, Northern America, Central and Eastern Europe (respectively 41%, 25%, 13% and 11%, respectively, of the on and off-balance sheet EAD standing for EUR 700 billion).

2.5.3. Breakdown of unimpaired past due loans

As at December 31, 2009. unimpaired past due loans accounted for 1.7% of the on-balance sheet portfolio of performing loans, against 1.8% at December 31, 2008. They can be broken down as follows:

	December 31, 2009			December 31, 2008		
(Gross outstanding loans in billions of euros)	**Customers**	**Banks**	**% of Gross outstanding loans**	**Customers**	**Banks**	**% of Gross outstanding loans**
Past due amounts less than 90 days old	6.36	0.01	92.6%	6.9	0.01	94.1%
Included less than 29 days old	*3.91*	*-*	*57.0%*	*5.05*	*0.01*	*69.0%*
Past due amounts between 90 and 179 days old	0.38	-	5.5%	0.3	-	4.1%
Past due amounts over 180 days old	0.13	-	1.9%	0.13	-	1.8%
TOTAL	**6.87**	**0.01**		**7.33**	**0.01**	

(1) Corporate according to the Basel II definition includes insurances companies, hedge fund as well as small and medium companies and specialised financial services.

(2) Exposure at Default (EAD) adds the portion of loans drawn and converts off-balance sheet commitments using average credit conversion factor to calculate the exposure recorded in the balance sheet at the moment of the counterparty's default.

The amounts presented in the table above include past due loans for technical reasons, with past due loans mainly belonging to the category "less than 29 days old". Loans past due for technical reasons are loans that are classified as past due on account of a delay between the accounting in the customer account and the payment value date.

Total unimpaired past due loans declared are all receivables (outstanding balance, interests and past due amount) with at least one recognised past due amount, regardless of its size (an oustanding debt with a past due of one euro would thus be included). These outstanding loans are monitored as soon as the first payment is missed and can be placed on a watch list at that time as of then.

Once an installment has been past due for 90 days, the counterparty is deemed to be in default (with the exception of certain categories of outstanding loans, particularly those relating to Public Sector entities).

2.5.4. Renegotiated outstanding loans

Within the Societe Generale Group, renegotiated outstanding loans relate to loans made to any type of customer (retail clients and legal entities). These loans have been restructured (in terms of principal and/or interest rates and/or maturities) on the grounds of the likelihood of the counterparty being unable to pay.

These amounts do not include any renegotiation of commercial terms pertaining to adjustments of conditions on interest rates and/or repayment periods granted by the Bank for the purpose of maintaining the quality of the Bank's relationship with a client.

The Societe Generale Group's banking practices call for most clients whose loans have been renegotiated to be maintained in the "unperforming" category, as long as the bank remains uncertain of their ability to meet their future commitments (definition of default under Basel II).

This approach explains the low number of unimpaired renegotiated loans and the volatility of this asset class.

The renegotiated outstanding loans during the year 2009 amount EUR 163 million (EUR 50 million in 2008).

2.5.5. Fair value of guarantees and collateral for impaired outstanding loans and non-doubtful outstanding loans with past due installments

Guarantees and collateral relating to past due, unimpaired outstanding loans and impaired outstanding loans can be broken down as follows:

	December 31, 2009		December 31, 2008	
(In millions of euros)	Retail	Non-retail	Retail	Non-retail
Guarantees and collaterals related to past due, unimpaired outstanding loans	1,249	557	1,030	808
Guarantees and collaterals related to impaired outstanding loans	1,740	1,688	1,324	1,046

The amounts of the guarantees and collaterals presented in the table above correspond to the amounts of the Basel II eligible guarantees and collaterals, limited to the amounts remaining due. Some guarantees and collaterals, among which personal guarantees provided by a business owner and pledge over unlisted securities, for instance, are not included in these amounts.

The Risk department is responsible for validating the operational procedures established by the business divisions for the regular valuation of guarantees and collateral either automatically or based on an expert's opinion, both during the decision phase for a new loan or upon the annual renewal of the credit application.

2.6. IMPAIRMENT ANALYSIS

2.6.1. Individual provisions for credit risk

Decisions to book individual provisions on certain counterparties are taken where there is objective evidence of default. The amount of depreciation depends on the probability of recovering the sums due. The expected cash flows are based on the financial position of the counterparty, its economic prospects and the guarantees called up or which may be called up.

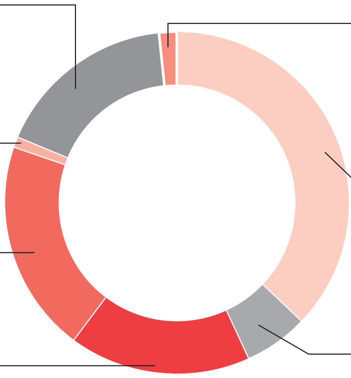
A counterparty is deemed to be in default when at least one of the three following conditions is verified:

- a significant financial degradation of the borrower prevents it from fulfilling its overall commitments (credit obligations) hence a risk of loss to the bank; and/or
- one or several past due of more than 90 days are recorded and/or an out of court settlement procedure is initiated, (with the exception of certain asset categories, such as loans to local authorities); and/or
- a legal proceeding such as a bankruptcy, legal settlement or compulsory liquidation is in progress.

Sovereign issuers are deemed to be in default when the debt service is no longer paid or where an exchange offer is proposed, involving a loss in value for the creditors.

As at December 31, 2009, impaired outstanding loans stood at EUR 24.2 billion (EUR 14.9 billion at December 31, 2008), including EUR 3.6 billion on assets that were reclassified in 2008.

As at December 31, 2009, the breakdown of impaired outstanding assets is as follows:



As at December 31, 2008, the impaired outstanding loans can be broken down as follow: 43% France, 21% Western Europe and Eastern Europe EU, 18% Central and Eastern Europe excluding EU, 10% Africa, Near and Middle East, 4% Northern America, 2% Latin America and Caribbean, 2% Asia Pacific.

2.6.2. Depreciation on groups of homogeneous assets

Depreciations on groups of homogeneous assets are collective depreciations booked:

- for groups of receivables which are homogeneous in terms of sensitivity to risk factors (list of counterparties in financial difficulties, identified as sensitive);
- for portfolio segment which have suffered an impairment in value following a deterioration in risk (country or sector risk).

These provisions are calculated on the basis of observed historical losses, adjusted to reflect any relevant current economic conditions, and regular analyses of the portfolio by industrial sector, country or counterparty type. They are reviewed quarterly by the Risk division.

As at December 31, 2009, provisions on groups of homogeneous assets amounted to EUR 1,181 million; it totalled EUR 1,070 million at December 31, 2008.

2.6.3. Depreciation

Impairment on assets are broken down as follows:

(In millions of euros)	Amount at December 31, 2008	Net allocations to provisions for impairment	Reversal used	Currency and scope effects	Amount at December 31, 2009
Specific impairments (Bank loan + Customer loan + lease financing)	8,293	4,994	(1,359)	(280)	11,648
Impairments on groups of similar assets	1,070	138	-	(27)	1,181
Assets available-for-sales, fixed income instruments	192	238	-	-	430
Others	1,608	1,545	(36)	256	3,373
Total	**11,163**	**6,915**	**(1,395)**	**(51)**	**16,632**

3. Market risks

Market risk is the risk of losses resulting from unfavourable changes in market parameters. It concerns all the trading book transactions as well as some of the banking book portfolio valued through the Marked-to-Market approach.

3.1. MARKET RISK MANAGEMENT STRUCTURE

Although the front-office managers naturally assume primary responsibility in terms of risk exposure, risk global management relies on an independent structure: the Market Risk Department of the Risk Division. The Department's key mission is to continually monitor, independently from front office, the positions and risks generated by the Group's market activities, and to compare these positions and risks to authorised limits.

It carries out the following tasks:

- daily analysis (independently from the front office) of the exposure and risks incurred by the Group's market activities and comparison of those exposure and risks to approved limits;

- definition of risk-measurement methods and control procedures, approval of valuation models used to calculate risks and results and setting of provisions for market risks (reserves and adjustments to earnings);
- definition of the functionalities of the databases and systems used to assess market risks;
- approval of the limit applications submitted by the operating divisions, within the global authorisation limits set by the General Management, and monitoring of their use;
- centralisation, consolidation and reporting of the Group's market risks;
- proposals to the Group Risk Committee of the levels of authorised risk by type of activity.

Besides these specific market risk functions, the department also monitors the gross notional value of trading exposures. This system, based on alert levels applying to all instruments and desks, contributes to the detection of possible rogue trading operations.

Within each entity that incurs market risk, risk managers are appointed to implement Level 1 risk controls. The main tasks of these managers, carried out independently from front office, include:

- the ongoing analysis of exposure and results, in collaboration with the front offices;
- the verification of the market parameters used to calculate risks and results;
- the daily calculation of market risks, based on a formal and secure procedure;
- the daily monitoring of the limits set for each activity, and constant control that appropriate limits have been set for each activity.

A daily report on the use of VaR limits, Stress Tests and general sensitivity to interest rates compared to the limits set out at Group level is submitted to General Management and the managers of the business lines, in addition to a monthly report which summarises key events in the area of market risk management and specifies the use of the limits set by General Management and the Board of Directors.

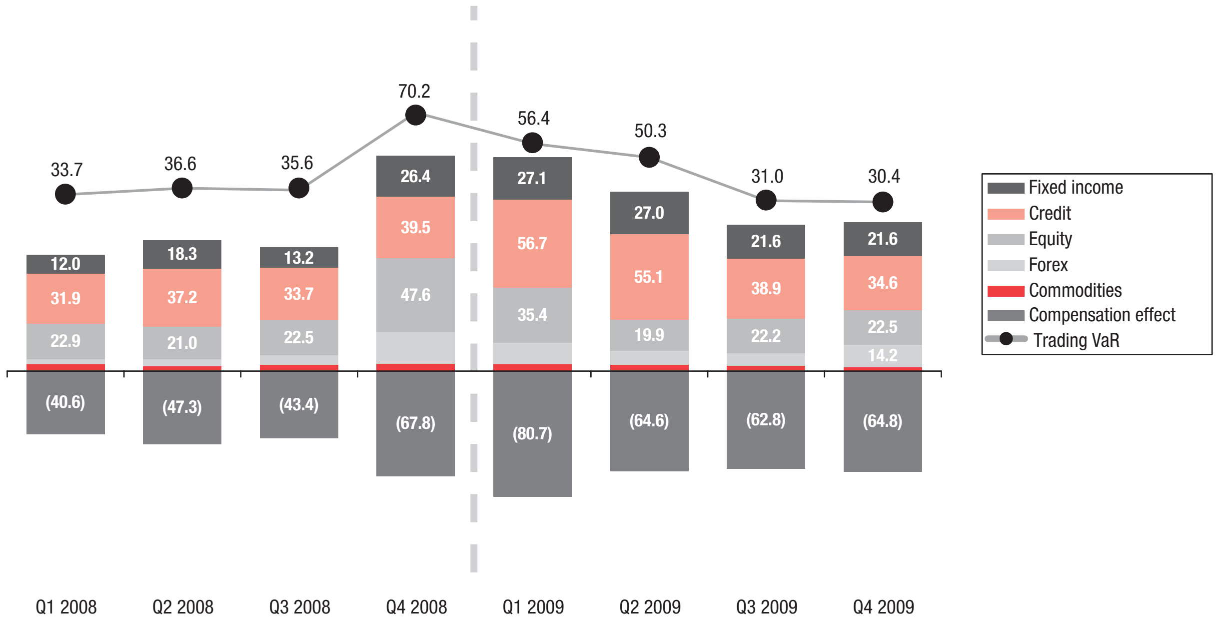
3.2. METHODS FOR MEASURING MARKET RISK AND DEFINING EXPOSURE LIMITS

The Group's market risk assessment and the sensitivity analysis of these risks are based on three main indicators, which are used to define exposure limits:

- the 99% Value-at-Risk (VaR) method: in accordance with the regulatory internal model, this composite indicator is used for the day-to-day monitoring of the market risks incurred by the bank, notably on the scope of its trading activities;
- a Stress Test measurement, based on a decennial shock-type indicator Stress Test measurements limit the Group's exposure to systemic risk and exceptional market shocks;
- complementary limits (sensitivity, nominal, concentration or holding period, etc.), which ensure consistency between the total risk limits and the operational limits used by the front office. These limits also allow for control of risks that are only partially detected by VaR or Stress Test measurements.

BREAKDOWN OF TRADING VAR BY TYPE OF RISK

Quarterly average of 1-day, 99% Trading VaR (In millions of euros)



3.2.1. Average VaR

The average VaR amounts to EUR 42 million for year 2009 against a yearly average of EUR 44 million in 2008.

This stability results from a decrease during the three first quarters of the year, followed by stability in the last quarter.

The decrease observed until the third quarter results from a reduction of the exposures, mainly on equity (cash and derivatives), as well as from a diversification of equity and credit positions generating a high compensation level on the rest of the year.

During the fourth quarter 2009, the exit of very volatile scenarii due to the financial crisis affecting the last quarter 2008 has maintained a low level of VaR despite the entry of new scenarii (Dubai and Greece).

3.2.2. VaR calculation method

The method was introduced at the end of 1996 and the Internal VaR Model has been approved by the regulator in order to calculate Regulatory Capital requirements.

The method used is the "historical simulation" method, which implicitly takes into account the correlation between all markets and is based on the following principles:

- the storage in a database of the risk factors that are representative of Societe Generale's positions (i.e. interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.);
- the definition of 250 scenarii, corresponding to one-day variations of these market parameters over a sliding one-year period;
- the application of these 250 scenarii to the market parameters of the day;
- the revaluation of daily positions, on the basis of the 250 sets of adjusted daily market parameters.

The 99% Value-at-Risk is the largest loss that would occur once eliminated the top 1% of most unfavourable occurrences over one year. It corresponds to the average of the second and third largest losses.

3.2.3. Methodological limitations of the VaR assessment

The VaR assessment is based on a model and a certain number of conventional assumptions and approximations whose main limitations are as follows:

- the use of "1-day" shocks assumes that all positions can be unwound or hedged within one day, which is not the case for certain products and crisis situations;
- the use of the 99% confidence interval does not take into account any losses arising beyond this interval; the VaR is therefore an indicator of losses under normal market conditions and does not take into account exceptionally large fluctuations;

- VaR is computed using closing prices, so intra-day fluctuations are not taken into account;
- there are a number of approximations in the VaR calculation. For example, benchmark indices are used sometimes instead of risk factors and, in the case of some activities, not all of the relevant risk factors are taken into account, due to occasional difficulties in obtaining daily data.

The Group controls these limits by:

- systematically assessing the relevance of the model through a “back-testing” which to verifies if the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval;
- complementing the VaR assessment with Stress Test measurements.

In 2009, the model was enhanced with new risk factors: basic factors such as “inter-maturity” interest rates, to take into account of the variability between the curves associated with different fixing periods; the correlation of times-to-default in the case of multi-underlying structured credit products. Today, the market risks on almost all investment banking activities are covered by the VaR method, in particular those related to the most complex activities and products, as well as certain retail banking and private banking activities outside France.

In 2009, the VaR limit for all trading activities remained stable at EUR 85 million.

3.2.4. Stress Test assessment

Alongside the internal VaR model, Societe Generale monitors its exposure using Stress Test simulations to take into account exceptional market occurrences.

A Stress Test estimates the loss resulting from an extreme change in market parameters over a period corresponding to the time required to unwind or hedge the positions concerned (5 to 20 days for most trading positions).

The Stress Test risk assessment is based on 19 historical scenarii and 7 hypothetical scenarii, including the “Societe Generale Hypothetical Financial Crisis Scenario”, derived from the events that occurred in 2008. Alongside the VaR model, the set of Stress Tests is one of the main pillars of our risk management system. It is based on the following principles:

- risks are calculated daily for each of the bank’s market activities (all products combined), using the 19 historical scenarii and 7 hypothetical scenarii;
- stress test limits are established for the Group’s activity as a whole and then for the different business lines. They reflect the most unfavourable result arising from the 26 historic and hypothetical scenarii;
- the different Stress Test scenarii are reviewed and expanded by the Risk Division on a regular basis, in conjunction with the Group’s teams of economists and specialists.

Note that the list of scenarii used was reviewed in 2008. Following this review, two new scenarii have been implemented as of January 1, 2009: (i) an “October 3-10, 2008” historic scenario illustrating the trends observed during this time period, and (ii) a hypothetical financial crisis scenario based on the events observed during 2008. Some scenarii of lesser magnitude than these new scenarii have been removed.

3.2.5. Historical Stress Tests

This method consists in analysing of the major economic crises that have affected the financial markets since 1995 (a period in which the financial markets have become global and subject to increased regulatory requirements): the changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads) during each of these crises are analysed in order to define scenarii for potential variations in these risk factors which, when applied to the bank’s trading positions, could generate significant losses. Using this methodology, Societe Generale has established 19 historical scenarii.

3.2.6. Hypothetical Stress Tests

The hypothetical scenarii are defined by the bank’s economists and designed to simulate possible sequences of events that could lead to a major crisis in the financial markets (e.g. a major terrorist attack, political instability in the main oil-producing countries). The bank aims at to select extreme, but nonetheless plausible events which would have major repercussions on all international markets. Societe General has therefore adopted 7 hypothetical scenarii including the “Societe Generale Hypothetical Financial Crisis Scenario”.

4. Structural interest rate and exchange rate risks

Structural exposure to interest rate risks encompasses all exposures due to the commercial activities and their hedging and the proprietary transactions of the Group’s consolidated entities.

The interest rate and exchange rate risks linked to trading activities are excluded from the structural risk measurement scope as they belong to the category of market risks. The structural and market exposures constitute the overall interest rate and exchange rate exposure of the Group.

The general principle is to concentrate interest rate and exchange rate risks within capital market activities, where they are monitored and controlled using the methods described in the previous chapter, and to reduce structural interest rate and exchange rate risks within the consolidated entities as much as possible.

Wherever possible, commercial transactions are hedged against interest rate and exchange rate risks, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within a treasury department). Interest rate and exchange rate risks linked to proprietary transactions must also be hedged as far as possible excepted for some foreign exchange positions kept to immunise its Tier 1 ratio.

4.1. ORGANISATION OF THE MANAGEMENT OF STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

The principles and standards for managing these risks are defined at the Group level. The entities are first and foremost responsible for managing these risks. The Balance Sheet Management Department, which is part of the Group Finance Division, conducts Level 2 controls of the entities' structural risk management.

- The Group Finance Committee, a General Management body:
  - validates the structural risk monitoring, management and supervision system,
  - reviews changes to the Group's structural risks through consolidated reporting by the Finance Division.
- The Balance Sheet Management Department, which is part of the Finance Division, is responsible for:
  - identifying the structural risks (interest rate, exchange rate and liquidity risks) of the Group,
  - defining the methods and procedures for analysing, measuring and monitoring risks,
  - validating the models and methods used by the entities,
  - proposing risk limits,
  - consolidating and reporting on structural risks.
- The operating entities are responsible for controlling structural risks.

The operating entities are required to comply with the standards defined at the Group level for the management of risk exposure, but also develop their own models, measure their exposure and implement the required hedging operations.

Each entity has its own structural risk manager, attached to the Finance Department of the entity, who is responsible for conducting Level 1 controls and for reporting the entity's structural risk exposure to the Balance Sheet Management Department via a shared IT system.

Retail banking entities both in France and abroad generally have an ad-hoc ALM (Asset Liability Management) Committee responsible for validating the models used, managing their exposures to interest rate and exchange rate risks and implementing the hedging programmes in line with the principles set out by the Group and the limits validated by the Finance Committee.

4.2. STRUCTURAL INTEREST RATE RISK

Structural interest rate risk is measured within the scope of structural activities (transactions with clients, the associated hedging operations and proprietary transactions).

Structural interest rate risk arises from the residual gaps (surplus or deficit) in each entity's fixed-rate forecasted positions.

4.2.1. Objective of the Group

The Group's main aim is to reduce each Group entity's exposure to structural interest rate risk as much as possible.

To this end, any residual interest rate risk exposure must comply with the sensitivity limits set for each entity and for the overall Group as validated by the Finance Committee. The sensitivity is defined as the variation in the net present value of future (maturities of up to 20 years) residual fixed-rate positions (surplus or deficits) for a 1% parallel increase in the yield curve (i.e. this sensitivity does not relate to the sensitivity of annual net interest income). The limit set at Group level is EUR 500 million, representing an amount equal to 1.2% of its risk-based capital.

4.2.2. Measurement and monitoring of structural interest rate risks

In order to quantify its exposure to structural interest rate risks, the Group analyses all fixed-rate assets and liabilities in the future. These positions come from transactions remunerated or charged at fixed rates and from their maturities.

Assets and liabilities are analysed independently, without any a priori matching. The maturities of outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models based on historic clients' behaviour patterns (particularly for regulated savings accounts, early loan repayments, etc.), as well as conventional assumptions relating to certain balance sheet items (principally shareholders' equity and sight deposits).

Once the Group has identified its fixed-rate positions (surplus or deficit), it calculates the sensitivity (as defined above) to variations of interest rates. This sensitivity is defined as the variation of the net present value of the fixed-rate positions for a 1% instantaneous parallel increase of the yield curve.

In addition to this analysis, the Group also analyses the sensitivity to different yield curve configurations of the fixed rate position (steepening and flattening of the yield curve). The measurement of the net interest income sensitivity is also used by the Group to quantify the structural interest rate risk of significant entities.

Throughout 2009, the Group's global sensitivity to interest rate risk remained below 1% of Group risk-based capital and within the EUR 500 million limit.

The following observations can be made with regard to the business lines' structural interest rate risk:

- within the French retail networks, the outstanding amounts of customers' deposits, generally considered to be fixed-rate, exceed fixed-rate loans for maturities over than 6 years. Indeed, thanks to macro-hedging essentially through the use of interest rate swaps and caps, the French retail networks' (Societe Generale and Crédit du Nord) sensitivity to interest rate risk (on the basis of the adopted scenarii) has been kept to a low level. At end-December 2009, the sensitivity of the French retail networks' economic value, based on their euro-denominated assets and liabilities, was EUR - 33 million;
- transactions with large companies are generally micro-hedged and therefore present no residual interest rate risk;
- transactions with clients of the Specialised Financial Services subsidiaries are generally macro-hedged and therefore present only a very low interest rate risk;
- clients' transactions for our subsidiaries and branches located in countries with weak currencies can generate structural interest rate risk, which remains limited at the Group level. These entities may have problems to optimally hedge interest rate risk due to the low development of the financial markets in some countries;
- proprietary transactions are generally well hedged. Residual positions are limited and arise primarily from shareholders' equity that has not been fully reinvested on expected maturities.

Sensitivity to interest rate variations of the main entities of the Group represented EUR -77 million on December 31, 2009 (for a 1% parallel and instantaneous rise of the yield curve). These entities account for 82% of the Group's credits oustanding.

(In millions of euros)

Less than one year	between 1 and 7 years	More than 7 years	**Total sensitivity**
26	(196)	93	**(77)**

4.3. STRUCTURAL EXCHANGE RATE RISK

Structural exchange rate risk is mainly caused by:

- Foreign-currency denominated capital contributions and equity investments financed through the purchase of foreign currencies;
- Retained earnings in foreign subsidiaries;
- Investments made by some subsidiaries in a currency other than the one used for their equity funding for regulatory reasons.

4.3.1. Objective of the Group

The Group's policy is to immunise its solvency ratio against fluctuations in currencies in which it has significant balance sheet positions (USD, CZK, GBP, JPY, etc.). To do this, it may decide to purchase currencies to finance long-term foreign currency-denominated investments, thus creating structural foreign exchange positions. Any valuation differences of these structural positions are subsequently booked as conversion reserves.

For the other currencies, the Group's policy is to reduce its structural foreign exchange positions as much as possible.

4.3.2. Measurement and monitoring of structural exchange rate risks

The Group quantifies its exposure to structural exchange rate risks by analysing all assets and liabilities denominated in foreign currencies, arising from commercial operations and proprietary transactions.

The Balance Sheet Management Department monitors structural exchange rate positions and manages the immunisation of the solvency ratio to exchange rate fluctuations.

In 2009, the Group successfully neutralised the sensitivity of its solvency ratio to fluctuations in strong currencies by monitoring the structural positions in these currencies (the sensitivity of the solvency ratio is limited to a 5bp variation in case of a 10% variation in the exchange rate of one of the main currencies).

4.4. HEDGING INTEREST RATE AND EXCHANGE RATE RISK

In order to hedge certain market risks inherent to Societe Generale's Corporate and Investment Banking arm, the Group has set up hedges which, in accounting terms, are referred to as fair value hedges or cash flow hedges depending on the risks and/or financial instruments to be hedged.

In order to qualify these transactions as accounting hedges, the Group documents said hedge transactions in detail, specifying the risk covered, the risk management strategy and the method used to measure the effectiveness of the hedge from its inception. This effectiveness is verified when changes in the fair value or cash flow of the hedged instrument are almost entirely offset by changes in the fair value or cash flow of the hedging instrument – the expected ratio between the two changes in fair value being within the range of 80%-125%. Effectiveness is measured each quarter on a prospective (discounted over future periods) and retrospective (booked in past periods) basis. Where the effectiveness falls outside the range specified above, hedge accounting is discontinued.

- **Fair value hedging**

Within the framework of its activities and in order to hedge its fixed-rate financial assets and liabilities against fluctuations in long-term interest rates (essentially loans/borrowings, securities issues and fixed-income securities), the Group uses fair value hedges primarily in the form of interest rate swaps.

The purpose of these hedges is to protect against a decline in the fair value of an instrument which does not affect the income statement in principle but would do so if the instrument were no longer booked on the balance sheet.

Prospective effectiveness is assessed via a sensitivity analysis based on probable market trends or via a regression analysis of the statistical relation (correlation) between certain components of the hedged and hedging instruments.

Retrospective effectiveness is assessed by comparing any changes in the fair value of the hedging instrument with any changes in the fair value of the hedged instrument.

- **Cash flow hedging**

Cash flow hedges on interest rates are used to hedge against the risk that the future cash flow of a floating-rate financial instrument fluctuate in line with market interest rates.

The purpose of these hedges is to protect against a decline in the fair value of an instrument which would affect the income statement.

Societe Generale's Corporate and Investment Banking arm is exposed to future variations in cash flow by virtue of its short- and medium-term financing needs. Its highly probable refinancing requirement is determined according to the historic data drawn up for each activity and which reflects balance sheet assets. This data may be revised upwards or downwards depending on how management styles evolve.

The effectiveness of the hedge is assessed using the hypothetical derivative method, which consists in creating a hypothetical derivative which bears exactly the same characteristics as the instrument being hedged (in notional terms, in terms of the date on which the rates are reset, in terms of the rates themselves, etc.) but which works in the opposite way and whose fair value is nil when the hedge is set up, then comparing the expected changes in the fair value of the hypothetical derivative with those of the hedge instrument (sensitivity analysis) or performing a regression analysis on the prospective effectiveness of the hedge. Here, only any "over-hedging" is deemed ineffective.

The following table specifies the amount of cash flow that is subject to a cash flow hedge relationship (broken down by provisional due date) and the amount of highly probable forecast transactions hedged.

At December 31, 2009 Remaining term *(In millions of euros)*	**Up to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Floating cash flow hedged	110	252	576	22	960
Highly probable forecast transactions	3	38	91	145	277
Others			136		136
Total	**113**	**290**	**803**	**167**	**1.373**

At December 31, 2008 Remaining term *(In millions of euros)*	**Up to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Floating cash flow hedged	122	140	454	36	752
Highly probable forecast transactions	46	272	83	36	437
Total	**168**	**412**	**537**	**72**	**1,189**

- **Hedging of a net investment in a foreign company**

The purpose of a hedge on a net investment in a foreign company is to protect against exchange rate risk.

The item hedged is an investment in a country whose currency differs from the Group's functional currency. The hedge therefore serves to protect the net position of a foreign subsidiary against an exchange rate risk linked to the entity's functional currency.

5. Liquidity risk

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

A structural liquidity position is defined as resulting from the maturities of all balance sheet or off-balance sheet outstanding positions, according to their liquidity profile, determined either based on the contractual maturity of the transactions, or, for non-maturing products, based on a maturity modelled using historic client behaviour or a conventional maturity.

The Group manages this exposure using a specific framework designed to manage liquidity risk both under normal day-to-day conditions and in the event of a potential liquidity crisis.

5.1. ORGANISATION OF LIQUIDITY RISK MANAGEMENT

The principles and standards applicable to liquidity risk management are defined at the Group level. The operating entities are responsible for managing their own liquidity and for respecting applicable regulatory constraints, while the Balance Sheet Management Department manages liquidity for the overall Group, in conjunction with the Treasury Department of the Corporate and Investment Banking Division.

- The Group Finance Committee, chaired by the General Management and composed of members of the Executive Committee and Finance Department:
  - validates the organisation principles and monitoring of the Group's liquidity risk;
  - examines the reports on liquidity risk provided by the Balance Sheet Management Department;
  - reviews the liquidity crisis scenarii and the limit system;
  - validates the Group's funding programmes.
- The Group's Executive Committee:
  - validates the internal liquidity pricing policy.
- The Balance Sheet Management Department, which is part of the Group Finance Division:
  - defines the standards for liquidity risk management;
  - validates the models used by the entities;
  - centralises, consolidates and reports on liquidity risk exposure, and carries out Level 2 controls (independently of the operating divisions supervising the entities);
  - validates the liquidity crisis scenarii;
  - plans the Group's funding programmes;
  - proposes the internal liquidity pricing policy.
- The Treasury Department of the Corporate and Investment Banking Division is responsible for managing short-term liquidity (less than one year), within the limits defined by the Finance Committee. The liquidity stress scenarii are implemented in collaboration with the Balance Sheet Management Department.
- The operating entities are responsible for managing their own liquidity risk.

To this end, they apply the standards defined at the Group level, develop models, measure their liquidity positions and finance their activities or reinvest surplus liquidity via the treasury departments (subject to regulatory and fiscal constraints).

The entities submit reports on their liquidity risk to the Group via a shared IT system.

5.2. OBJECTIVE OF THE GROUP

The Group's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.

The main principles of the Group's liquidity management are as follows:

- as far as possible, central management of liquidity by transferring the liquidity positions of the entities (liquidity surpluses and requirements) to the Group's treasury departments;
- central management of market resources using the access to the markets of the Group's main treasury departments (Paris, New York, London, Tokyo, Hong Kong, Singapore, etc.);
- diversification of sources of funding, both in terms of geographic regions and activity sectors;
- optimised management of resources by limiting the number of issuers within the Group (Societe Generale, SG Acceptance NV, SG North America, Societe Generale SCF….);

- management of short-term liquidity in accordance with the regulatory framework, and within the scope of the Group's main treasury departments, with the use of internal stress scenarii.

5.3. MEASUREMENT AND MONITORING OF LIQUIDITY RISK

The Group's liquidity management framework comprises the following processes:

- an assessment of the Group's structural liquidity profile and its development over time;

Risk analysis is conducted using reports submitted by the different entities, listing their respective on and off-balance sheet outstandings according to currency of denomination and residual maturity. The principle retained enables assets and liabilities to be categorised in terms of maturity. Maturities on outstanding positions are determined on the basis of the contractual terms of transactions, models of historic client behaviour patterns (regulated savings accounts, early repayments, etc.), as well as conventional assumptions relating to certain balance sheet items (principally shareholders' equity and sight deposits).

The breakdown of liabilities and contractual commitments by maturity are disclosed in Note 31.

Medium- and long-term issues featuring a clause providing for early repayment options to the issuer are included in the repayment timetables at their first call date for subordinated issues and at their contractual maturity for structured issues (specific monitoring is applied to the amounts repaid for these issues).

- monitoring of the diversification of funding sources:

Societe Generale maintains a broadly diversified range of funding sources, firstly including a large base of customer deposits that represents a large share of its medium-term resources, and secondly market resources.

For its deposit base, the Group relies on inflows from Retail Banking Networks (France and abroad) and Private Banking structure.

For its medium- and long-term market resources, the Group operates a diversified funding policy relying on various types of debt and forms of issue, currencies and investor pools.

In 2009, the Group was able to refinance the roll over of its debt maturing during the year as well as the growth of its businesses, thanks to an active and diversified funding programme on the capital markets (issues of vanilla and structured private placements, senior and subordinate benchmark issues), and thanks to additional deposit inflows and the contribution of the SFEF (*Société de Financement de l'Economie Française*) under the French Government's economic stimulus plan.

The Group monitors the risk of the early repayment of its medium- and long-term debt instruments:

- the Group's medium- and long-term issue programmes feature no clauses that could generate an early repayment risk linked to a decline in the Group's credit quality;
- the proportion of medium- and long-term issues featuring a clause providing for early repayment options to investors is limited (less than EUR 1.5 billion).

- an assessment of the Group's funding needs on the basis of budget forecasts in order to plan appropriate funding solutions;
- an analysis of liquidity risk exposure using liquidity crisis scenarii;
- close monitoring of long-term liquidity.

A long-term funding plan aims to keep a medium- and long-term surplus liquidity gap.

The issue policy aims to execute the funding plan in a regular and non-opportunistic way.

- conservative short-term liquidity management.

The Treasury Department of the Corporate and Investment Banking division, which manages by delegation the Group's short-term liquidity, monitors its liquidity gap in stress scenarii taking into account assets eligible for central bank refinancing operations.

A weekly liquidity committee meeting, chaired by the Chief Financial Officer and attended by the Chief Risk Officer, the Head and Treasurer of SGCIB and the Head of the Balance Sheet Management Department, assesses the Bank's short-term liquidity position and makes management decisions according to the market environment by delegation from the Finance Committee.

- active management of eligible assets.

The Group works to optimise the management of the pool of assets eligible for the various refinancing mechanisms (central bank refinancing operations, Société de Crédit Foncier, securitisations, etc.) using a centralised application that creates an inventory of saleable assets to allow an optimum allocation and secure management of these asset pools.

The regulatory one-month liquidity ratio is calculated on a monthly basis, and concerns Societe Generale Company (which comprises the head office in mainland France and its branches). In 2009, Societe Generale systematically maintained a ratio above the required regulatory minimum.

6. Capital management and compliance with regulatory ratios

6.1. QUALITATIVE INFORMATION

- **Description of the approach to capital management**

Group policy on the use of shareholders' equity meets the following three priorities: for a given market capitalisation objective, 1) to ensure internal growth, 2) to ensure external growth and 3) to maintain a clear and consistent policy with respect to its shareholders (principally on matters of dividend pay-outs and share buybacks).

To this end, the Societe Generale Group establishes a capital objective based on a combination of factors specific to the Group (target rating, business mix, risk profile and Group strategy) and external factors (competitors' level of shareholders' equity, market expectations, minimum capitalisation expected by the market authorities). The capital is also sized to cover extreme losses calculated through global stress tests taking into account the whole risk profile of the Group and allowing the measurement of its resistance to macroeconomic crisis scenarii.

Financial planning is used to maintain this objective: it simulates the balance of resources in relation to capital requirements and capital transactions (share issues, buybacks). Capital management is monitored through data collected at least every quarter within the framework of the Group budget and strategic plan.

- **Compliance with ratios**

The solvency ratio (Basel II solvency ratio) complies with the calculation methods established by the French Banking Commission (*Commission bancaire*). This ratio is based on the Group's consolidated banking activities, thus eliminating the contributions of the insurance entities.

Prudential capital is comprised of the following: Tier 1 capital, upper Tier 2 capital and lower Tier 2 capital is calculated in accordance with Regulation No. 90-02 relating to capital. Supplementary capital (Tier 2) is taken into account only within the limit of 100% of Tier One capital. Furthermore, additional Tier 2 capital may not exceed the limit of 50% of Tier 1 capital. Hybrid equity instruments (both innovative and non-innovative) are limited to 35% of the consolidated bank's Tier 1 capital, innovative hybrid equity instruments being subject to stringent conditions and limited to a maximum of 15% of this Tier 1 capital.

As a reminder, Regulation No. 95-02 relating to prudential monitoring of market risks allows for another type of additional capital (ancillary capital) in the form of subordinated securities with an initial maturity greater than or equal to two years. Societe Generale does not use this option.

The solvency ratio represents the level of capital in reserve on a permanent basis, in order to cover all the risks to which the Societe Generale Group is exposed. The minimum level of capital required is 8% of risks expressed in risk-weighted assets for credit risks and in capital requirements multiplied by 12.5 for market risks and operational risks, calculated using internal models for which Societe Generale obtained authorisation from the French Banking Commission (*Commission bancaire*) in 2007.

Basel II introduced new deductions to be made 50% from Tier 1 capital and 50% from Tier 2 capital (equity holdings in financial institutions, negative amount resulting from the difference between provisions and expected losses, securitisation positions, etc.).

In 2009, the Societe Generale Group complied with all of the prudential ratios applicable to its activities. The Societe Generale Group also applies CRBF Regulation No. 2005-04 relating to "additional monitoring of financial conglomerates".

6.2. QUANTITATIVE DATA

At the end of 2009, the total risk-based capital was EUR 41,996 million.

Prudential capital – Basel II *(In millions of euros)*	**December 31, 2009**	**December 31, 2008**
Group shareholders' equity	42,204	36,085
Estimated and forecast dividends	(392)	(843)
Minority interests including preference shares	4,634	4,802
Estimated and forecast minority interest dividends	(250)	(329)
Prudential adjustments	(9,239)	(7,994)
Tier 1 capital	**36,957**	**31,721**
Basel II deductions	(2,264)	(1,398)
Total Tier 1 capital	**34,693**	**30,323**
Tier 2 capital	12,974	14,280
Other deductions	(5,671)	(4,370)
Total risk-based capital	**41,996**	**40,234**

Note 5

Cash, due from central banks

(In millions of euros)	December 31, 2009	December 31, 2008
Cash	2,476	2,518
Due from central banks	11,918	11,227
Total	**14,394**	**13,745**

Note 6

Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

(In millions of euros)	December 31, 2009 Level 1 valuation *	Level 2 valuation *	Level 3 valuation *	Total	December 31, 2008 ** Level 1 valuation *	Level 2 valuation *	Level 3 valuation *	Total
Trading portfolio								
Treasury notes and similar securities	38,314	3,721	-	42,035	30,455	1,135	-	31,590
Bonds and other debt securities	13,262	12,992	6,844	33,098	13,000	24,124	8,343	45,467
Shares and other equity securities(1)	62,269	10,795	14	73,078	31,537	10,366	372	42,275
Other financial assets	2	44,951	35	44,988	44	30,790	-	30,834
Sub-total trading portfolio	**113,847**	**72,459**	**6,893**	**193,199**	**75,036**	**66,415**	**8,715**	**150,166**
o/w securities on loan				*7,804*				*2,446*
Financial assets measured using fair value option through P&L								
Treasury notes and similar securities	143	239	-	382	162	565	-	727
Bonds and other debt securities	5,745	377	17	6,139	5,303	526	-	5,829
Shares and other equity securities(1)	15,050	1,726	105	16,881	13,414	1,763	-	15,177
Other financial assets	90	5,781	466	6,337	109	4,385	272	4,766
Sub-total of financial assets measured using fair value option through P&L	**21,028**	**8,123**	**588**	**29,739**	**18,988**	**7,239**	**272**	**26,499**
o/w securities on loan				-				-
Interest rate instruments **	**32**	**97,579**	**1,537**	**99,148**	**724**	**130,655**	**1,576**	**132,955**
Firm instruments								
Swaps				75,857				106,481
FRA				479				1,225
Options								
Options on organised markets				2				155
OTC options				15,378				18,817
Caps, floors, collars				7,432				6,277
Foreign exchange instruments	**210**	**23,159**	**53**	**23,422**	**825**	**38,083**	**104**	**39,012**
Firm instruments				*19,374*				*33,023*
Options				*4,048*				*5,989*
Equity and index instruments	**1,019**	**18,671**	**1,638**	**21,328**	**1,083**	**41,344**	**2,740**	**45,167**
Firm instruments				*1,651*				*8,591*
Options				*19,677*				*36,576*
Commodity instruments	**360**	**11,424**	**365**	**12,149**	**2,158**	**21,792**	**101**	**24,051**
Firm instruments-Futures				*9,468*				*18,068*
Options				*2,681*				*5,983*
Credit derivatives	**-**	**16,059**	**4,728**	**20,787**	**-**	**63,375**	**6,546**	**69,921**
Other forward financial instruments	**123**	**24**	**238**	**385**	**284**	**91**	**269**	**644**
On organised markets				*65*				*242*
OTC				*320*				*402*
Sub-total trading derivatives	**1,744**	**166,916**	**8,559**	**177,219**	**5,074**	**295,340**	**11,336**	**311,750**
Total financial instruments at fair value through P&L	**136,619**	**247,498**	**16,040**	**400,157**	**99,098**	**368,994**	**20,323**	**488,415**

(1) Including UCITS.

** See note 3 for valuation level definitions.*

*** Amounts reclassified with respect to the published financial statements: EUR 6,090 million have been reclassified from Level 3 to Level 2 following a correction of presentation as at December 31, 2008.*

Financial liabilities at fair value through profit or loss

(In millions of euros)	December 31, 2009 Level 1 valuation *	Level 2 valuation *	Level 3 valuation *	Total	December 31, 2008 ** Level 1 valuation *	Level 2 valuation *	Level 3 valuation *	Total
Trading portfolio								
Securitised debt payables	-	17,527	16,592	34,119	-	15,093	18,133	33,226
Amounts payable on borrowed securities	64	37,181	11	37,256	20	21,015	374	21,409
Bonds and other debt instruments sold short	4,082	708	-	4,790	1,377	187	-	1,564
Shares and other equity instruments sold short	2,948	37	2	2,987	2,966	1	-	2,967
Other financial liabilities	-	37,022	44	37,066	-	41,080	531	41,611
Sub-total trading portfolio (2)	**7,094**	**92,475**	**16,649**	**116,218**	**4,363**	**77,376**	**19,038**	**100,777**
Interest rate instruments **	**25**	**93,974**	**4,072**	**98,071**	**165**	**129,403**	**3,440**	**133,008**
Firm instruments								
Swaps				74,002				104,604
FRA				473				1,105
Options								
Options on organised markets				35				175
OTC options				15,020				19,575
Caps, floors, collars				8,541				7,549
Foreign exchange instruments	**215**	**22,095**	**16**	**22,326**	**651**	**37,137**	**26**	**37,814**
Firm instruments				*18,425*				*32,591*
Options				*3,901*				*5,223*
Equity and index instruments	**936**	**22,731**	**1,775**	**25,442**	**485**	**42,959**	**3,074**	**46,518**
Firm instruments				*2,009*				*9,093*
Options				*23,433*				*37,425*
Commodity instruments	**570**	**10,401**	**1,186**	**12,157**	**2,231**	**19,841**	**429**	**22,501**
Firm instruments-Futures				*9,516*				*16,720*
Options				*2,641*				*5,781*
Credit derivatives	**-**	**15,410**	**1,638**	**17,048**	**-**	**57,981**	**1,966**	**59,947**
Other forward financial instruments	**55**	**1,505**	**1**	**1,561**	**107**	**2,832**	**1**	**2,940**
On organised markets				*20*				*44*
OTC				*1,541*				*2,896*
Sub-total trading derivatives	**1,801**	**166,116**	**8,688**	**176,605**	**3,639**	**290,153**	**8,936**	**302,728**
Sub-total of financial liabilities measured using fair value option through P&L (2) (3)	**789**	**7,788**	**1,353**	**9,930**	**816**	**8,478**	**1,457**	**10,751**
Total financial instruments at fair value through P&L	**9,684**	**266,379**	**26,690**	**302,753**	**8,818**	**376,007**	**29,431**	**414,256**

* *See note 3 for valuation level definitions.*

** *Amounts reclassified with respect to the published financial statements, of which EUR 6,090 million have been reclassified from Level 3 to Level 2 following a correction of presentation as at December 31, 2008.*

Financial liabilities measured using fair value option through profit or loss

(In millions of euros)	December 31, 2009 Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity	December 31, 2008 Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity
Total of financial liabilities measured using fair value option through P&L (2) (3)	**9,930**	**10,628**	**(698)**	**10,751**	**11,584**	**(833)**

(2) The variation in fair value attributable to the Group's own credit risk is an expense of EUR 720 million as at December 31, 2009.

(3) Mainly indexed EMTNs.

Variation on financial assets at fair value through profit or loss which valuation is not based on market data (Level 3 *)

(In millions of euros)	Trading portfolio			Financial assets measured using fair value option through profit or loss			Trading derivatives						Total financial instruments at fair value through P&L
	Bonds and other debts securities	Shares and other equity securities	Other financial assets	Bonds and other debts securities	Shares and other equity securities	Other financial assets	Interest rate instruments	Foreign exchange instruments	Equity and index instruments	Commodity instruments	Credit derivatives	Other forward financial instruments	
Balance at January 1	**8,343**	**372**	**-**	**-**	**-**	**272**	**1,576**	**104**	**2,740**	**101**	**6,546**	**269**	**20,323**
Acquisitions	1,262	4	35	17	-	448	786	2	199	(19)	994	-	3,728
Disposals / redemptions	(1,257)	(470)	-	-	-	(77)	(336)	(1)	(713)	(88)	(588)	(75)	(3,605)
Transfer to Level 2 *	(179)	-	-	-	-	(182)	(292)	(91)	(219)	-	-	-	(963)
Transfer from Level 2 *	7	7	-	-	-	-	-	42	5	2	-	-	63
Gains and losses on changes in fair value (1)	(1,123)	2	-	-	-	5	(196)	(3)	(346)	369	(2,388)	41	(3,639)
Translation differences	(208)	99	-	-	-	-	(1)	-	(28)	-	(154)	3	(289)
Change in scope and others	(1)	-	-	-	105	-	-	-	-	-	318	-	422
Balance at December 31	**6,844**	**14**	**35**	**17**	**105**	**466**	**1,537**	**53**	**1,638**	**365**	**4,728**	**238**	**16,040**

Variation on financial liabilities at fair value through profit or loss which valuation is not based on market data (Level 3 *)

(In millions of euros)	Trading portfolio				Trading derivatives						Financial liabilities measured using fair value option through P&L	Total financial instruments at fair value through P&L
	Securitised debt payables	Amounts payable on borrowed securities	Shares and other equity instruments sold short	Other financial liabilities	Interest rate instruments	Foreign exchange instruments	Equity and index instruments	Commodity instruments	Credit derivatives	Other forward financial instruments		
Balance at January 1	**18,133**	**374**	**-**	**531**	**3,440**	**26**	**3,074**	**429**	**1,966**	**1**	**1,457**	**29,431**
Issue	4,055	-	-	-	-	-	-	-	-	-	-	4,055
Acquisitions / disposals	(1,055)	(466)	2	(391)	(412)	(13)	(121)	257	(126)	-	(112)	(2,437)
Redemptions	(2,830)	-	-	-	-	-	(10)	-	-	-	-	(2,840)
Transfer to Level 2 *	(1,723)	-	-	(100)	(190)	(2)	(882)	-	-	-	(66)	(2,963)
Transfer from Level 2 *	19	5	-	-	1,094	-	4	47	-	-	-	1,169
Gains and losses on changes in fair value (1)	83	-	-	4	173	4	(282)	464	(390)	-	59	115
Translation differences	(90)	98	-	-	(33)	1	(8)	(9)	(32)	-	15	(58)
Change in scope and others	-	-	-	-	-	-	-	(2)	220	-	-	218
Balance at December 31	**16,592**	**11**	**2**	**44**	**4,072**	**16**	**1,775**	**1,186**	**1,638**	**1**	**1,353**	**26,690**

(1) Gains and losses of the year are recognised in "Net gains and losses on financial instruments at fair value through P&L" in P&L.
** See note 3 for valuation level definitions.*

Note 7

Hedging derivatives

	December 31, 2009		December 31, 2008	
(In millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
FAIR VALUE HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	4,794	6,641	4,749	6,680
Forward Rate Agreements (FRA)	-	-	-	-
Options				
Options on organised markets	-	73	-	2
OTC options	172	-	145	-
Caps, floors, collars	1	-	40	-
Foreign exchange instruments				
Firm instruments				
Currency financing swaps *	145	19	141	51
Forward foreign exchange contracts	13	13	29	24
Equity and index instruments				
Equity and stock index options	*23*	*6*	*29*	*7*
CASH FLOW HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	284	408	765	653
Foreign exchange instruments				
Firm instruments				
Currency financing swaps	31	125	327	-
Forward foreign exchange contracts	-	56	21	9
Other forward financial instruments				
On organised markets	*98*	*7*	-	-
Total *	**5,561**	**7,348**	**6,246**	**7,426**

** Amounts adjusted with respect to the published financial statements as at December 31, 2008.*

Note 8

Available-for-sale financial assets

(In millions of euros)	December 31, 2009				December 31, 2008			
	Level 1 valuation *	Level 2 valuation *	Level 3 valuation *	Total	Level 1 valuation *	Level 2 valuation *	Level 3 valuation *	Total
Current assets								
Treasury notes and similar securities	14,330	1,620	-	15,950	11,226	999	20	12,245
o/w related receivables				*242*				*185*
o/w provisions for impairment				*(27)*				*(25)*
Bonds and other debt securities	46,462	15,509	747	62,718	40,427	18,395	179	59,001
o/w related receivables				*957*				*895*
o/w provisions for impairment				*(403)*				*(167)*
Shares and other equity securities (1)	6,949	620	268	7,837	5,645	590	283	6,518
o/w related receivables				*2*				*2*
o/w impairment losses				*(2,103)*				*(494)*
Loans and advances	-	-	-	-	16	-	-	16
o/w related receivables				-				-
o/w provisions for impairment				-				-
Sub-total current assets	**67,741**	**17,749**	**1,015**	**86,505**	**57,314**	**19,984**	**482**	**77,780**
Long-term equity investments	**1,665**	**171**	**2,092**	**3,928**	**1,439**	**320**	**2,184**	**3,943**
o/w related receivables				*5*				*7*
o/w impairment losses				*(799)*				*(781)*
Total available-for-sale financial assets (2)	**69,406**	**17,920**	**3,107**	**90,433**	**58,753**	**20,304**	**2,666**	**81,723**
o/w securities on loan				202				3

* *See note 3 for valuation level definitions.*

(1) Including UCITS.

(2) O/w activities of insurance companies for EUR 48,712 million as at December 31, 2009 and EUR 40,250 million as at December 31, 2008 (see note 33).

Changes in available-for-sale financial assets

(In millions of euros)	December 31, 2009	December 31, 2008
Balance at January 1	**81,723**	**87,808**
Acquisitions	105,714	194,079
Disposals / redemptions *	(100,724)	(189,460)
Reclassification (entries) from Trading portfolio (see note 11)	-	890
Reclassification as (transferring to) “Held-to-maturity” or Loans and Receivables (see note 11)	-	(4,344)
Change in scope and others	446	(1,756)
Gains and losses on changes in fair value **	5,175	(4,682)
Change in impairment on fixed income securities	(238)	(110)
O/w: increase	*(433)*	*(185)*
write-backs	*264*	*70*
others	*(69)*	*5*
Impairment losses on variable income securities	(1,802)	(737)
Change in related receivables	117	66
Translation differences	22	(31)
Balance at December 31	**90,433**	**81,723**

* *Disposals are valued according to the weighted average cost method.*

** *The difference with the caption “Revaluation of available-for-sale assets of the period” in note 28 mainly results from the variation of caption Insurance Companies-Deferred profit-sharing.*

Variation of Available-for-sale assets of which valuation method is not based on observable market data (Level 3 *)

(In millions of euros)	Treasury notes and similar securities	Bonds and other debt securities	Shares and other equity securities	Long-term equity investments	Total
Balance at January 1	**20**	**179**	**283**	**2,184**	**2,666**
Acquisitions	-	250	1	98	349
Disposals / redemptions	(3)	(207)	(16)	(65)	(291)
Transfer to Level 2 *	(17)	(347)	-	-	(364)
Transfer from Level 2 *	-	526	-	26	552
Gains and losses recognised directly in equity	1	(12)	1	(16)	(26)
Changes in impairment on fixed income securities recognised in P&L	-	-	-	4	4
O/w: increase	-	-	-	*(16)*	*(16)*
write-backs	-	-	-	*20*	*20*
others	-	-	-	-	-
Impairment losses on variable securities recognised in P&L	-	-	-	-	-
Changes in related receivables	-	-	-	-	-
Translation differences	(1)	-	(1)	(36)	(38)
Change in scope and others	-	358	-	(103)	255
Balance at December 31	**-**	**747**	**268**	**2,092**	**3,107**

* *See note 3 for valuation level definition.*

Note 9

Due from banks

(In millions of euros)	December 31, 2009	December 31, 2008
Deposits and loans		
Demand and overnights		
Current accounts	15,144	14,774
Overnight deposits and loans and others	4,636	3,911
Loans secured by overnight notes	6	4
Term		
Term deposits and loans (1)	20,127	24,056
Subordinated and participating loans	707	658
Loans secured by notes and securities	453	547
Related receivables	142	291
Gross amount	**41,215**	**44,241**
Depreciation		
- Depreciation for individually impaired loans	(178)	(120)
- Depreciation for groups of homogenous receivables	(29)	(36)
Revaluation of hedged items	63	94
Net amount (2)	**41,071**	**44,179**
Securities purchased under resale agreements	26,584	27,013
Total	**67,655**	**71,192**
Fair value of amounts due from banks	**67,564**	**71,111**

(1) As at December 31, 2009, the amount of receivables with incurred credit risk is EUR 378 million compared with EUR 240 million as at December 31, 2008.

(2) The entities acquired in 2009 have a total impact of EUR 91 million on amounts due from banks.

Note 10

Customer loans

(In millions of euros)	December 31, 2009	December 31, 2008
Customer loans		
Trade notes	9,504	11,712
Other customer loans (1) (2)		
- Short-term loans	99,437	104,625
- Export loans	8,537	6,934
- Equipment loans	61,614	59,149
- Housing loans	89,204	85,810
- Other loans	63,951	71,723
Sub-total	**322,743**	**328,241**
Overdrafts	15,342	16,662
Related receivables	1,382	1,750
Gross amount	**348,971**	**358,365**
Depreciation		
- Depreciation for individually impaired loans	(10,977)	(7,848)
- Depreciation for groups of homogeneous receivables	(1,145)	(1,032)
Revaluation of hedged items	576	943
Net amount (3)	**337,425**	**350,428**
Loans secured by notes and securities	175	235
Securities purchased under resale agreements	6,943	3,950
Total amount of customer loans	**344,543**	**354,613**
Fair value of customer loans	**343,612**	**346,482**

(1) Breakdown of other customer loans by customer type

(In millions of euros)	December 31, 2009	December 31, 2008
Non-financial customers		
- Corporate	144,265	140,240
- Individual Customers	120,391	118,117
- Local authorities	11,310	10,473
- Self-employed professionals	10,578	11,206
- Governments and central administrations	6,247	3,566
- Others	2,223	2,457
Financial customers	27,729	42,182
Total	**322,743**	**328,241**

(2) As at December 31, 2009, the amount of receivables with incurred credit risk is EUR 22,431 million, o/w EUR 3,557 million of reclassified financial assets, compared with EUR 13,798 million as at December 31, 2008.

(3) Entities acquired in 2009 had a EUR 106 million impact on net customer loans.

Note 11

Reclassification of financial assets

On October 1, 2008, the Group has reclassified non-derivative financial assets out of the fair value through profit or loss and the Available-for-sale categories. These reclassifications have been decided and then performed in accordance with the provisions of the amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" adopted by the European Union on October 15, 2008.

The Group identified in its trading and available-for-sale portfolios certain financial assets that were no more quoted in an active market on October 1, 2008. Having the ability and intent to hold these financial assets for the foreseeable future or until their maturity, the Group then decided to reclassify them at this date into the loans and receivables categories.

Furthermore, due to the exceptional deterioration of world's financial markets the Group has decided on October 1, 2008 to reclassify into the available-for-sale category certain financial instruments initially measured at fair value through profit or loss, as far as these instruments were then no more held for trading purpose.

No financial asset has been reclassified into the *Held-to-maturity financial assets* category according to these amendments.

Financial assets that have been reclassified have been recognised in their new category at their fair value on the date of reclassification.

No reclassification performed during 2009.

The amounts of reclassified financial assets and the related consequences are the following:

New Category *(In millions of euros)*	**Fair value on December 31, 2009 ***	**Accounting value on December 31, 2009 ***	**Fair value on December 31, 2008**	**Accounting value on December 31, 2008**	**Accounting value on the date of reclassification (October 1, 2008)**
Available-for-sale financial assets	737	737	890	890	969
Due from banks	6,467	6,353	5,485	6,115	6,345
Customer loans	15,547	17,512	20,243	22,331	21,293
Total	**22,751**	**24,602**	**26,618**	**29,336**	**28,607**

	On December 31, 2009
Contribution of financial assets on the period	
recognised in shareholders' equity	62
recognised in profit or loss	853
recognised in net cost of risk	(1,136)

	On December 31, 2009	**On December 31, 2008**
Changes in the fair value		
that would have been recognised in shareholders' equity if the financial assets had not been reclassified **	676	(538)
that would have been recognised in profit or loss if the financial assets had not been reclassified **	(1,571)	(1,454)

* *Net reimbursements and disposals that have been received since January 1, 2009: EUR 1,594 million and EUR 1,064 million.*

The effective interest rates on December 31, 2009 of reclassified financial assets are ranged from 1.10% to 9.45%.

Expected recoverable cash flows on reclassified financial assets are EUR 31,198 million.

** *Including insurance activity reclassifications whose impact would have been neutralised by deferred profit-sharing for EUR 671 million in shareholders' equity and for EUR 81 million in Net banking income.*

Note 12

Lease financing and similar agreements

(In millions of euros)	December 31, 2009	December 31, 2008
Real estate lease financing agreements	7,518	6,892
Non-real estate lease financing agreements	21,764	21,863
Related receivables	72	80
Gross amount (1)	**29,354**	**28,835**
Depreciation for individually impaired loans	(493)	(325)
Depreciation for not individualised risks	(7)	(3)
Revaluation of hedged items	2	5
Net amount	**28,856**	**28,512**
Fair value of receivables on lease financing and similar agreements	**29,122**	**28,245**

(1) As at December 31, 2009, the amount of receivables with incurred credit risk is EUR 1,398 million compared to EUR 871 million as at December 31, 2008.

(In millions of euros)	December 31, 2009	December 31, 2008
Gross investments	**32,983**	**32,315**
- less than one year	8,502	8,223
- 1-5 years	17,484	17,796
- more than five years	6,997	6,296
Present value of minimum payments receivable	**28,346**	**27,905**
- less than one year	7,390	7,452
- 1-5 years	14,885	15,044
- more than five years	6,071	5,409
Unearned financial income	**3,629**	**3,480**
Unguaranteed residual values receivable by the lessor	**1,008**	**930**

Note 13

Held-to-maturity financial assets

(In millions of euros)	December 31, 2009	December 31, 2008
Treasury notes and similar securities	**1,738**	**1,575**
Listed	1,702	1,542
Unlisted	-	-
Related receivables	36	33
Bonds and other debt securities	**387**	**597**
Listed	344	433
Unlisted	41	157
Related receivables	2	7
Depreciation	(3)	-
Total held-to-maturity financial assets	**2,122**	**2,172**
Fair value of held-to-maturity financial assets	**2,162**	**2,214**

Note 14

Tax assets and liabilities

(In millions of euros)	December 31, 2009	December 31, 2008
Current tax assets [(1)]	553	1,724
Deferred tax assets	4,940	2,950
*- o/w on balance sheet items **	*4,723*	*2,310*
*- o/w on items credited or charged to shareholders' equity for unrealised gains and losses **	*217*	*640*
Total	**5,493**	**4,674**

(In millions of euros)	December 31, 2009	December 31, 2008
Current tax liabilities	593	650
Deferred tax liabilities	830	331
- o/w on balance sheet items	*848*	*338*
- o/w on items credited or charged to shareholders' equity for unrealised gains and losses	*(18)*	*(7)*
Total	**1,423**	**981**

** Amounts reclassified following a correction of presentation with respect to the published financial statements as at December 31, 2008.*

(1) The carry-back note of EUR 1,147 million booked as at December 31, 2008, has been paid during the second half of 2009.

Note 15

Other assets

(In millions of euros)	December 31, 2009	December 31, 2008
Guarantee deposits paid [(1)]	20,934	27,036
Settlement accounts on securities transactions	1,973	4,071
Prepaid expenses	928	981
Miscellaneous receivables	13,849	19,588
Gross amount	**37,684**	**51,676**
Depreciation	(246)	(207)
Net amount	**37,438**	**51,469**

(1) It mainly concerns guarantee deposits paid on financial instruments.

Note 16

Non-current assets and liabilities held for sale

(In millions of euros)	December 31, 2009	December 31, 2008
ASSETS	**375**	**37**
Fixed assets and Goodwills	17	17
Financial assets	59	-
Receivables	295	19
O/w: due from banks	*38*	-
customer loans	*249*	-
others	*8*	*19*
Other assets	4	1
LIABILITIES	**261**	**35**
Allowances	3	-
Debts	254	13
O/w: due to banks	*7*	-
customer deposits	*233*	-
others	*14*	*13*
Other liabilities	4	22

Companies which assets and liabilities are classified in this section as at December 31, 2009 are detailed in note 2.

Note 17

Tangible and intangible fixed assets

(In millions of euros)	Gross book value at December 31, 2008	Acquisitions	Disposals	Changes in consolidation scope and reclassifications [(1)]	Gross value at December 31, 2009	Accumulated depreciation and amortisation of assets at December 31, 2008	Allocations to amortisation in 2009	Impairment of assets 2009	Write-backs from amortisation in 2009	Changes in consolidation scope and reclassifications [(1)]	Net book value at December 31, 2009	Net book value at December 31, 2008
Intangible assets												
Software, EDP development costs	1,472	110	(7)	(47)	1,528	(1,114)	(189)	-	-	94	319	358
Internally generated assets	1,496	37	(27)	225	1,731	(1,156)	(166)	-	21	(7)	423	340
Assets under development	390	214	(3)	(279)	322	-	-	-	-	-	322	390
Others	637	28	(6)	43	702	(165)	(41)	-	-	(20)	476	472
Sub-total	**3,995**	**389**	**(43)**	**(58)**	**4,283**	**(2,435)**	**(396)**	**-**	**21**	**67**	**1,540**	**1,560**
Operating tangible assets												
Land and buildings	4,079	121	(12)	85	4,273	(1,105)	(119)	(4)	6	(12)	3,039	2,974
Assets under development	465	273	(1)	(207)	530	-	-	-	-	-	530	465
Lease assets of specialised financing companies	11,281	3,231	(3,121)	138	11,529	(3,120)	(1,851)	(87)	1,526	(49)	7,948	8,161
Others	4,894	310	(114)	150	5,240	(3,372)	(432)	(3)	79	140	1,652	1,522
Sub-total	**20,719**	**3,935**	**(3,248)**	**166**	**21,572**	**(7,597)**	**(2,402)**	**(94)**	**1,611**	**79**	**13,169**	**13,122**
Investment property												
Land and buildings	578	3	(16)	-	565	(122)	(17)	-	11	-	437	456
Assets under development	17	8	-	-	25	-	-	-	-	-	25	17
Sub-total	**595**	**11**	**(16)**	**-**	**590**	**(122)**	**(17)**	**-**	**11**	**-**	**462**	**473**
Total tangible and intangible fixed assets	**25,309**	**4,335**	**(3,307)**	**108**	**26,445**	**(10,154)**	**(2,815)**	**(94)**	**1,643**	**146**	**15,171**	**15,155**

(1) Including translation differences arising from the conversion of financial statements denominated in foreign currencies: gross amount: EUR 48 million, amortisation: EUR -16 million.

Operational leasing

(In millions of euros)	December 31, 2009	December 31, 2008
Breakdown of minimum payments receivable		
- due in less than one year	1,288	1,362
- due in 1-5 years	3,810	2,761
- due in more than five years	16	60
Total minimum future payments receivable	**5,114**	**4,183**

Note 18

Goodwill affected by business unit

(In millions of euros)	French Networks	International Retail Banking	Specialised Financing and Insurance	Corporate and Investment Banking	Private Banking, Global Investment Management and Services			Corporate Centre	Group Total
					Asset Management	Private Banking	SGSS and Online Savings		
Gross value at December 31, 2008	**69 ***	**3,471**	**1,238**	**53 ***	**471**	**313**	**1,190**	**-**	**6,805**
Acquisitions and other increases	-	7	83	41			2	-	133
Disposals and other decreases	-	-	(18)		(8)	(2)	(6)	-	(34)
Change	-	(40)	69	3	(16)	3	3	-	22
Gross value at December 31, 2009	**69**	**3,438**	**1,372**	**97**	**447**	**314**	**1,189**	**-**	**6,926**
Impairment of goodwill at December 31, 2008	-	(275)	-	-	-	-	-	-	(275)
Impairment losses	-	-	(42)	-	-	-	-	-	(42)
Change	-	11	-	-	-	-	-	-	11
Impairment of goodwill at December 31, 2009	**-**	**(264)**	**(42)**	**-**	**-**	**-**	**-**	**-**	**(306)**
Net goodwill at December 31, 2008	69 *	3,196	1,238	53 *	471	313	1,190	-	6,530
Net goodwill at December 31, 2009	**69**	**3,174**	**1,330**	**97**	**447**	**314**	**1,189**	**-**	**6,620**

* *Amounts in the opening were reprocessed further to the change of business unit of Sogeprom from Corporate and Investment Banking to French Networks.*

At the acquisition date, each item of goodwill is allocated to one or more cash-generating units (CGU) expected to derive benefits from the acquisition. Cash-generating units are the most accurate measurement units used by management to measure return on investment in a particular activity. The Group divides its activities into 13 cash-generating units, which is consistent with the management of the Group by core business lines.

The Group performs an annual impairment test on December 31, for each cash-generating unit to which goodwill has been allocated. An impairment loss is recognised through income statement if the carrying amount of a cash-generating unit, including its allocated goodwill, is higher than its recoverable amount. This impairment loss is then allocated first to reduce the carrying amount of goodwill.

The recoverable amount of a cash-generating unit is calculated using the most appropriate method, notably by discounting net cash flows expected from the whole cash-generating unit rather than from individual legal entities.

Cash flows used in that calculation are income available for distribution generated by all the entities included in the cash-generating unit; they are determined on the basis of a business plan which is derived from the prospective three-yearly budgets approved by management.

The discount rate used is a cost of capital calculated using a Capital Asset Pricing Model. This method is based on a risk free interest rate grossed up by a risk premium which is determined according to the underlying activities of the cash-generating unit. For entities located in emerging countries, a sovereign risk premium is also added, representing the difference between the risk free interest rate available in the area of monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term Treasury bonds issued in the implementation country and denominated in the currency of assignment.

Tests of sensibility are realised, notably allowing to measure the impact on the recoverable value of the variation in certain assumptions as the profitability, the long-term growth or the discount rate. As at December 31, 2009, none of the reasonably possible changes of these assumptions, as used for performing these sensitivity tests, has caused the carrying amount of any unit to exceed its recoverable amount.

During 2009, the goodwill of 3 entities totalling EUR 42 million was depreciated following the Group's decision to stop their activities. These entities belong to Individual Financial Services CGU.

As at December 31, 2009, the Group identified the following cash-generating units (CGU):

(In millions of euros)		December 31, 2009		
CGU	**BUSINESS UNIT**	**Goodwill (gross book value)**	**Impairment losses**	**Goodwill (net book value)**
International Retail Banking–European Union and Pre-European Union	International Retail Banking	1,947		1,947
Russian Retail Banking	International Retail Banking	1,051	(264)	787
International Other Retail Banking	International Retail Banking	440		440
Crédit du Nord	French Networks	57		57
Societe General Network	French Networks	12		12
Insurance Financial Services	Specialised Financing and Insurance	10		10
Individual Financial Services	Specialised Financing and Insurance	742	(42)	700
Company Financial Services	Specialised Financing and Insurance	445		445
Car renting Financial Services	Specialised Financing and Insurance	175		175
Corporate and Investment Banking	Corporate and Investment Banking	97		97
SGSS and Online Savings	SGSS and Online Savings	1,189		1,189
Asset Management	Asset Management	447		447
Private Banking	Private Banking	314		314

Note 19

Due to banks

(In millions of euros)	December 31, 2009	December 31, 2008
Demand and overnight deposits		
Demand deposits and current accounts	8,846	10,238
Overnight deposits and borrowings and others	9,842	9,413
Sub-total	**18,688**	**19,651**
Term deposits		
Term deposits and borrowings	54,874	80,408
Borrowings secured by notes and securities	362	223
Sub-total	**55,236**	**80,631**
Related payables	231	715
Revaluation of hedged items	702	35
Securities sold under repurchase agreements	15,229	14,238
Total (1)	**90,086**	**115,270**
Fair value of amounts due to banks	**89,101**	**115,493**

(1) Entities acquired in 2009 have a EUR 80 million impact on amounts due to banks.

Note 20

Customer deposits

(In millions of euros)	December 31, 2009	December 31, 2008
Regulated savings accounts		
Demand	39,712	35,151
Term	16,782	16,145
Sub-total	**56,494**	**51,296**
Other demand deposits		
Businesses and sole proprietors	43,509	45,843
Individual customers	38,452	35,388
Financial customers	32,603	29,959
Others (1)	8,609	14,807
Sub-total	**123,173**	**125,997**
Other term deposits		
Businesses and sole proprietors	41,168	37,503
Individual customers	19,197	23,924
Financial customers	24,184	17,049
Others (2)	13,552	6,329
Sub-total	**98,101**	**84,805**
Related payables	1,156	1,529
Revaluation of hedged items	143	120
Total customer deposits (3)	**279,067**	**263,747**
Borrowings secured by notes and securities	136	287
Securities sold to customers under repurchase agreements	20,851	18,480
Total	**300,054**	**282,514**
Fair value of customer deposits	**300,617**	**282,483**

(1) O/w EUR 2,844 million linked to governments and central administrations as at December 31, 2009 and EUR 7,571 million as at December 2008.

(2) O/w EUR 10,886 million linked to governments and central administrations as at December 31, 2009 and EUR 4,189 million as at December 2008.

(3) Entities acquired in 2009 accounted for EUR 181 million in customer deposits.

Note 21

Securitised debt payables

(In millions of euros)	December 31, 2009	December 31, 2008
Term savings certificates	2,414	2,699
Bond borrowings	8,427	4,360
Interbank certificates and negotiable debt instruments	121,622	112,373
Related payables	652	842
Sub-total	**133,115**	**120,274**
Revaluation of hedged items	131	100
Total	**133,246**	**120,374**
O/w floating rate securities	76,457	57,157
Fair value of securitised debt payables	**134,337**	**120,452**

Note 22

Other liabilities

(In millions of euros)	December 31, 2009	December 31, 2008
Guarantee deposits received [1]	26,717	33,063
Settlement accounts on securities transactions	2,590	2,512
Other securities transactions	35	36
Accrued social charges	2,597	2,240
Deferred income	1,527	1,458
Miscellaneous payables	15,334	18,508
Total	**48,800**	**57,817**

(1) It mainly concerns guarantee deposits received on financial instruments.

Note 23

PEL / CEL mortgage saving accounts

1. Outstanding deposits in PEL / CEL accounts

(In millions of euros)	December 31, 2009	December 31, 2008
PEL accounts less than 4 years old	2,828	1,869
between 4 and 10 years old	4,616	5,205
more than 10 years old	4,287	4,309
Sub-total	**11,731**	**11,383**
CEL accounts	2,127	2,199
Total	**13,858**	**13,582**

2. Outstanding housing loans granted with respect to PEL / CEL accounts

(In millions of euros)	December 31, 2009	December 31, 2008
less than 4 years old	352	284
between 4 and 10 years old	116	160
more than 10 years old	31	53
Total	**499**	**497**

3. Provisions for commitments linked to PEL / CEL accounts

(In millions of euros)	December 31, 2008	Allocations	Reversals	December 31, 2009
PEL accounts less than 4 years old	33	-	33	-
between 4 and 10 years old	-	18	-	18
more than 10 years old	17	46	3	60
Sub-total	**50**	**64**	**36**	**78**
CEL accounts	40	3	31	12
Total	**90**	**67**	**67**	**90**

The "Plans d'Epargne-Logement" (PEL or housing savings plans) entail two types of commitment that have the negative effect of generating a PEL / CEL provision for the Group: a commitment to lend at an interest rate that had been fixed on the inception of the plan and a commitment to remunerate the savings at an interest rate also fixed at inception of the plan.

The level of provisions is sensitive to the long-term interest rates. Since the long-term rates have decreased during 2009, the provisions for PEL and CEL mortgage saving accounts are linked to the risks attached to the commitment to remunerate the deposits. Provisioning for PEL / CEL savings amounted to 0.65% of total outstandings as at December 31, 2009.

4. Methods used to establish the parameters for valuing provisions:

The parameters used for estimating the future behaviour of customers are derived from historical observations of customer behaviour patterns over long period (more than 10 years). The values of these parameters can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the different market parameters used, notably interest rates and margins, are calculated on the basis of observable datas and constitute a best estimate, at the date of valuation, of the future value of these elements for the period concerned, in line with the retail banking division's policy of interest rate risk management.

The discount rates used are derived from the zero coupon swaps vs. Euribor yield curve on valuation date, averaged over a 12-month period.

Note 24

Provisions and depreciations

1. Assets depreciations

(In millions of euros)	December 31, 2009	December 31, 2008
Banks	178	120
Customer loans	10,977	7,848
Lease financing and similar agreements	493	325
Groups of homogenous receivables	1,181	1,070
Available-for-sale assets	3,332	1,467
Others	471	333
Total	**16,632**	**11,163**

The change in assets' depreciations can be analysed as follows:

(In millions of euros)	Assets depreciations at December 31, 2008	Impairment losses	Reversals available	Net impairment losses	Reversals used	Currency and scope effects	Assets depreciations as at December 31, 2009
Banks	120	99	(36)	**63**	-	(5)	**178**
Customer loans	7,848	6,224	(1,513)	**4,711**	(1,299)	(283)	**10,977**
Lease financing and similar agreements	325	331	(111)	**220**	(60)	8	**493**
Groups of homogeneous receivables	1,070	394	(256)	**138**	-	(27)	**1,181**
Available-for-sale assets [(1)]	1,467	2,276	(638)	**1,638**	(3)	230	**3,332**
Others [(1)]	333	338	(193)	**145**	(33)	26	**471**
Total	**11,163**	**9,662**	**(2,747)**	**6,915**	**(1,395)**	**(51)**	**16,632**

(1) Including a EUR 219 million net allocation for identified risks.

2. Provisions

(In millions of euros)	December 31, 2009	December 31, 2008
Provisions for off-balance sheet commitments to banks	13	18
Provisions for off-balance sheet commitments to customers	187	158
Provisions for employee benefits	724	715
Provisions for tax adjustments	507	545
Other provisions	880	855
Total	**2,311**	**2,291**

The change in provisions can be analysed as follows:

(In millions of euros)	Provisions as at December 31, 2008	Allocations	Write-backs available	Net allocation	Write-backs used	Effect of discounting	Currency and scope effects	Provisions as at December 31, 2009
Provisions for off-balance sheet commitments to banks	18	-	(5)	**(5)**	-	-	-	13
Provisions for off-balance sheet commitments to customers	158	162	(137)	**25**	-	-	4	187
Provisions for employee benefits	715	159	(174)	**(15)**	-	-	24	724
Provisions for tax adjustments	545	56	(88)	**(32)**	(26)	4	16	507
Other provisions (2) (3)	855	385	(92)	**293**	(230)	3	(41)	880
Total	**2,291**	**762**	**(496)**	**266**	**(256)**	**7**	**3**	**2,311**

(2) Including a EUR 261 million net allocation for net cost of risk.

(3) The Group's other provisions include EUR 90 million of PEL/CEL provisions as at December 31, 2009 for the Societe Generale France Network and for Crédit du Nord (see note 23).

The consequences, as assessed on December 31, 2009, of those disputes and tax risks that are liable to have or have recently had a significant impact on the financial position of the Group, its activities or results have been taken into account in the Group's financial statements.

Note 25

Employee benefits

1. Defined Contribution Plans

Defined contribution plans limit the Group's liability to the contributions paid to the plan but do not commit the Group to a specific level of future benefits.

Main defined contribution plans provided to employees of the Group are located in France. They include State pension plans and other national retirement plans such as ARRCO and AGIRC, as well as pension schemes put in place by some entities of the Group for which the only commitment is to pay annual contributions (PERCO).

Contributions to those schemes amount to EUR 555 million in 2009 (EUR 530 million in 2008).

2. Post-employment benefit plans (defined benefit Plans) and other long-term benefits

2.1. RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

		December 31, 2009				December 31, 2008			
		Post employment benefits		Other long-term benefits	Total	Post employment benefits		Other long-term benefits	Total
(In millions of euros)		Pension plans	Others			Pension plans	Others		
Reminder of net liabilities recorded in the balance sheet		411	45	206	**662**	449	48	179	**676**
Reminder of assets recorded in the balance sheet		(173)	-	-	**(173)**	(198)	-	-	**(198)**
Net balance		**238**	**45**	**206**	**489**	**251**	**48**	**179**	**478**
Breakdown of the net balance									
Present value of defined benefit obligations		2,003	-	87	**2,090**	1,791	-	78	**1,869**
Fair value of plan assets		(1,593)	-	(49)	**(1,642)**	(1,541)	-	(45)	**(1,586)**
Actuarial deficit (net balance)	A	410	-	38	**448**	250	-	33	**283**
Present value of unfunded obligations	B	301	46	168	**515**	256	43	146	**445**
Unrecognised items									
Unrecognised Past Service Cost		47	-	-	**47**	62	-	-	**62**
Unrecognised Net Actuarial (Gain) / Loss		433	1	-	**434**	233	(5)	-	**228**
Separate assets		(1)	-	-	**(1)**	(1)	-	-	**(1)**
Plan assets impacted by change in Asset Celling		(6)	-	-	**(6)**	(39)	-	-	**(39)**
Total unrecognised items	C	473	1	-	**474**	255	(5)	-	**250**
Net balance (Deficit in the plan)	**A + B- C**	**238**	**45**	**206**	**489**	**251**	**48**	**179**	**478**

Notes:

Until December 31, 2008 the two first lines of the table mentioned the gross liabilities and assets (amounts recognised in the balance sheet and the unrecognised items). As from 2009, these two first lines mention only net liabilities and net assets recorded in the balance sheet; the unrecognised items are detailed in the table.

1. *For pensions and other post-employment plans, actuarial gains and losses, which exceed 10% of the greater of the defined benefit obligations or funding assets, are amortised on the estimated average remaining working life of the employees participating in the plan in accordance with option of IAS 19 (corridor approach).*
2. *Pension plans include pension benefit as annuities, end of career payments and cash balance plans. Pension benefit annuities are paid additionally to pensions state plans. The Group grants 146 pension plans located in 40 countries. 11 pension plans located in France, the UK, Germany, the US and Switzerland represent 80% of gross liabilities of these pension plans. Other post employment benefit plans are healthcare plans. These 12 plans are located in 5 countries among which France represents 56% of gross liabilities. Other long-term employee benefits include deferred variable remuneration non-linked to the Societe Generale's share, flexible working provisions (French acronym: compte épargne temps) and long-service awards. Roughly 75 benefits are located in 22 countries.*
3. *The present values of defined benefit obligations have been valued by independent qualified actuaries.*
4. *A defined benefit pension plan was closed in Norway, it will be replaced at the beginning of 2010 by a defined contribution plan.*
5. *The Societe Generale Pension fund (CRSG) was dissolved on December 31, 2009 but not yet closed out. The liabilities which it managed were either transferred to external insurers to the Group or been purchased.*

2.2. EXPENSES RECOGNISED IN THE INCOME STATEMENT

	2009				2008			
	Post employment benefits				Post employment benefits			
(In millions of euros)	Pension plans	Others	Other long-term benefits	Total	Pension plans	Others	Other long-term benefits	Total
Current Service Cost including Social Charges	66	2	47	**115**	71	8	50	**129**
Employee contributions	(4)	-	-	**(4)**	(4)	-	-	**(4)**
Interest Cost	121	2	7	**130**	124	2	7	**133**
Expected Return on Plan Assets	(91)	-	(3)	**(94)**	(117)	-	(4)	**(121)**
Expected Return on Separate Assets	-	-	-	**-**	-	-	-	**-**
Amortisation of Past Service Cost	24	-	-	**24**	30	(1)	-	**29**
Amortisation of Losses (Gains)	14	(1)	12	**25**	(4)	-	32	**28**
Settlement, Curtailment	1	-	1	**2**	60	-	-	**60**
Change in asset ceiling	1	-	-	**1**	(57)	-	-	**(57)**
Transfer from non-recognised assets	-	-	-	**-**	-	-	-	**-**
Total Charges	**132**	**3**	**64**	**199**	**103**	**9**	**85**	**197**

2.3. MOVEMENTS IN NET LIABILITIES OF POST-EMPLOYMENT BENEFIT PLANS BOOKED IN THE BALANCE SHEET

• 2.3.1. Movements in the present value of defined benefit obligations

	2009			2008		
	Post employment benefits			Post employment benefits		
(In millions of euros)	Pension plans	Others	Total	Pension plans	Others	Total
At January 1	**2,047**	**43**	**2,090**	**2,344**	**55**	**2,399**
Current Service Cost including Social Charges	66	2	**68**	71	8	**79**
Interest Cost	121	2	**123**	124	2	**126**
Employee contributions	-	-	**-**	-	-	**-**
Actuarial Gain / loss	312	5	**317**	(236)	(5)	**(241)**
Foreign Exchange adjustment	30	-	**30**	(129)	-	**(129)**
Benefit payments	(250)	(4)	**(254)**	(139)	(16)	**(155)**
Past Service Cost	7	-	**7**	44	(1)	**43**
Acquisition of subsidiaries	12	-	**12**	10	-	**10**
Transfers and others	(41)	(2)	**(43)**	(42)	-	**(42)**
At December 31	**2,304**	**46**	**2,350**	**2,047**	**43**	**2,090**

• 2.3.2. Movements in Fair Value of plan assets and separate assets

	2009			2008		
	Post employment benefits			Post employment benefits		
(In millions of euros)	Pension plans	Others	Total	Pension plans	Others	Total
At January 1	**1,541**	**-**	**1,541**	**2,071**	**-**	**2,071**
Expected Return on Plan Assets	91	-	**91**	117	-	**117**
Expected Return on Separate Assets	-	-	**-**	-	-	**-**
Actuarial Gain / loss	96	-	**96**	(532)	-	**(532)**
Foreign Exchange adjustment	26	-	**26**	(116)	-	**(116)**
Employee contributions	4	-	**4**	4	-	**4**
Employer contributions to plan assets	59	-	**59**	192	-	**192**
Benefit payments	(165)	-	**(165)**	(102)	-	**(102)**
Acquisition of subsidiaries	13	-	**13**	7	-	**7**
Transfers and others	(72)	-	**(72)**	(100)	-	**(100)**
At December 31	**1,593**	**-**	**1,593**	**1,541**	**-**	**1,541**

2.4. INFORMATION REGARDING PLAN ASSETS

• 2.4.1. General information regarding plan assets

(for all benefits and future contributions)

The breakdown of the fair value of plan assets is as follows: 36% bonds, 47% equities, 5% monetary instruments and 12% others. The Societe Generale's own financial instruments directly held are not significant.

For pension plans with a fair value of plan assets in excess of defined benefit obligations, the aggregate of plan assets is EUR 179 million, including EUR 6 million unrecognised.

Employer contributions to be paid to post-employment defined benefit plans for 2010 are estimated at EUR 67 million.

• 2.4.2. Actual returns on plan assets

The actual return on plan and separate assets were:

	2009				2008			
	Post employment benefits				Post employment benefits			
(In millions of euros)	Pension plans	Others	Other long-term benefits	Total	Pension plans	Others	Other long-term benefits	Total
Plan assets	187	-	**5**	**192**	(415)	-	**(29)**	**(444)**

The assumption on return on assets is presented in the section 2.5 (note 3).

2.5. MAIN ASSUMPTIONS DETAILED BY GEOGRAPHIC AREA

	December 31, 2009	December 31, 2008
Discount rate		
Europe	5.12%	5.78%
Americas	6.60%	6.99%
Asia-Oceania-Africa	4.41%	5.74%
Long-term inflation		
Europe	2.61%	2.16%
Americas	2.16%	1.44%
Asia-Oceania-Africa	1.90%	1.82%
Expected return on plan assets (separate and plan assets)		
Europe	5.73%	5.24%
Americas	6.50%	6.50%
Asia-Oceania-Africa	6.16%	4.40%
Future salary increase		
Europe	1.68%	1.55%
Americas	2.00%	2.00%
Asia-Oceania-Africa	1.70%	2.28%
Healthcare cost increase rate		
Europe	4.33%	5.95%
Americas	NA	NA
Asia-Oceania-Africa	4.55%	5.22%
Average and remaining lifetime of employees (in years)		
Europe	10.0	13.8
Americas	9.2	7.5
Asia-Oceania-Africa	11.5	14.2

Notes:

1. *For year 2009, the assumptions by geographical zone are weighted averages by the present value of the liabilities (DBO) with the exception of the expected returns on plan assets which are weighted averages by the fair value of assets. For year 2008, these assumptions by geographical zone were arithmetic averages.*
2. *Since 2004, the rate curve used to discount the liabilities is based on the yields of the corporate AA bonds (Merrill Lynch source) observed in the middle of October. As these rates may not be available for all the durations, an interpolation is realised: a spread of rate corresponding to an estimation of the risk premium required on corporate AA bonds is added to the rate curve of government bonds (zero coupon bonds). Another observation of these rates is done at the beginning of December for possible adjustment.*

   Inflation rates are determined, for the main durations, by the measure of the spread between bonds rates not indexed to inflation and the rates of indexed bonds for the same durations.
3. *The range of expected return on plan assets rate is due to actual plan assets allocation. Generally, expected return rates of plan assets are calculated by weighting expected anticipated returns on each category of assets with their respected weights in the asset fair value. For the French plan assets, the long-term return rates are 7% for the equities, 4.5% for the bonds and 3.5% for the cash. For the United Kingdom plan assets, the return rates are 7.7% for the equities and the 5% for the bonds.*
4. *Average and remaining lifetime of employees is calculated taking into account based on turnover assumptions.*

2.6. SENSITIVITIES ANALYSIS OF OBLIGATIONS COMPARED TO MAIN ASSUMPTIONS RANGES

	2009			2008		
(Measured element percentage)	Pension plans	Post employment healthcare plans	Other plans	Pension plans	Post employment healthcare plans	Other plans
Variation from +1% in discount rate						
Impact on Defined Benefit Obligations at December 31	-12%	-14%	-8%	-11%	-13%	-6%
Impact on total Expenses N+1	-23%	-30%	-1%	-18%	-182%	-40%
Variation from +1% in Expected return on plan assets						
Impact on Plan Assets at December 31	1%	NA	1%	1%	1%	1%
Impact on total Expenses N+1	-15%	NA	-4%	-9%	NA	-1%
Variation from +1% in Future salary increases						
Impact on Defined Benefit Obligations at December 31	3%	NA	5%	9%	NA	6%
Impact on total Expenses N+1	11%	NA	8%	18%	NA	40%
Variation from +1% in Healthcare cost increase rate						
Impact on Defined Benefit Obligations at December 31	NA	10%	NA	NA	13%	NA
Impact on total Expenses N+1	NA	16%	NA	NA	99%	NA

Note:

1. *For year 2009, the disclosed sensibilities are weighted averages of the variations observed by the liabilities (impact on the Defined Benefit Obligation at December 31, 2009), or by the fair values of assets (impact on the Plan Assets at December 31, 2009) or by the expected expenses N+1 (impact on total expenses N+1). For year 2008, these assumptions by geographical zone were arithmetic averages.*

2.7. EXPERIENCE ADJUSTMENTS OF POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS

(In millions of euros)	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
Defined Benefit Obligations	2,304	2,047	2,344	2,512	2,484
Fair value of plan assets	1,593	1,541	2,071	2,075	1,924
Deficit / (surplus)	**711**	**506**	**273**	**437**	**560**
Adjustments of Plan Liabilities due to experience (negative: gain)	55	17	49	(11)	23
Adjustments of Plan Liabilities due to experience (negative: gain), % of DBO	2.4%	0.8%	2.1%	-0.4%	0.9%
Adjustments of Plan Assets due to experience (negative: gain)	(95)	532	68	(67)	(84)
Adjustments of Plan Assets due to experience (negative: gain), % of Assets	-6.0%	34.5%	3.3%	-3.2%	-4.4%

Note 26

Subordinated debts

(In millions of euros)

Currency issue	2010	2011	2012	2013	2014	Other	Outstanding at December 31, 2009	Outstanding at December 31, 2008
Subordinated Capital notes								
EUR	610	210	907	345	369	6,697	9,138	10,181
USD	-	-	-	-	-	1,387	1,387	1,543
GBP	-	-	-	-	-	676	676	630
Other currencies	-	-	-	-	-	93	93	105
Sub-total	**610**	**210**	**907**	**345**	**369**	**8,853**	**11,294**	**12,459**
Dated subordinated debt								
EUR	-	8	-	-	-	47	55	74
Other currencies	-	-	-	-	-	179	179	13
Sub-total	**-**	**8**	**-**	**-**	**-**	**226**	**234**	**87**
Related payables	**278**	**-**	**-**	**-**	**-**	**-**	**278**	**329**
Total excluding revaluation of hedged items	**888**	**218**	**907**	**345**	**369**	**9,079**	**11,806**	**12,875**
Revaluation of hedged items	-	-	-	-	-	-	450	1,044
Total	**-**	**-**	**-**	**-**	**-**	**-**	**12,256**	**13,919**

The fair value of subordinated debt securities amounts to EUR 11,388 million as at December 31, 2009.

Note 27

Societe Generale ordinary shares, treasury shares, shares held by employees and shareholders' equity issued by the Group

1. Ordinary shares and preferred shares issued by the Group

(Number of shares)	December 31, 2009	December 31, 2008
Ordinary shares	739,806,265	580,727,244
Including treasury shares with voting rights (1)	20,963,637	19,990,602
Including shares held by employees	52,775,564	41,219,452

(1) Doesn't include the Societe Generale shares held for trading.

At December 31, 2009, Societe Generale's fully paid-up capital amounted to EUR 924,757,831 and was made up of 739,806,265 shares with a nominal value of EUR 1.25.

Societe Generale proceeded in 2009 to the following increases and decreases of capital, representing a total of EUR 199 million, with EUR 5,384 million of issuing premiums net of the EUR 62 million expenses after tax linked to the capital increase using preferred subscription rights, i.e. a net issuing premiums amount of EUR 5,322 million.

1.1. ORDINARY SHARES

Societe Generale S.A. proceeded during the first half of 2009 to an increase of capital, representing a total of EUR 17 million, with EUR 432 million of issuing premium. This ordinary share issue is due to the exercise by the shareholders of the option to distribute 2008 dividend in Societe Generale shares.

During the second half of 2009, Societe Generale S.A. proceeded to the three following increases of capital:

- EUR 13.5 million for the capital increase reserved to the employees, with EUR 278 million of issuing premium;
- EUR 0.001 million resulting from the exercise by employees of stock-options granted by the Board of Directors, with EUR 0.010 million of issuing premium;
- EUR 168.1 million for the capital increase using preferred subscription rights, with EUR 4,674 of issuing premium. The EUR 62 million expenses after tax linked to the capital increase were deducted from the amount of the issuing premium.

1.2. PREFERRED SHARES ISSUED BY SOCIETE GENERALE S.A.

Societe Generale S.A. proceeded in the first half of 2009 to a capital increase reserved for SPPE *(Société de prise de participation de l'Etat)* by issuing preferred shares representing a total of EUR 56 million, with EUR 1,644 million of issuing premium.

The Group exercised the buyback options it was granted on the preferred shares; theses last have been fully repaid during the second half of 2009 for an amount of EUR 1,760 million.

The net impact of the preferred shares in Group's shareholders equity is a deduction of EUR 60 million.

2. Shareholders' equity issued

2.1. PERPETUAL SUBORDINATED NOTES

Perpetual subordinated notes (TSDI) issued by the Group and that include some discretionary features governing the payment of interests are classified as equity.

Issuance Date	Amount issued	Remuneration
July 1, 1985	EUR 69.657 M	BAR -0.25% with BAR = Bond Average Rate of the period from June, 1 to May, 31 before each due date
November 24, 1986	USD 247.8 M	Average 6-months EuroDollar deposit rates communicated by reference banks +0.075%
June 30, 1994	JPY 15,000 M	5.385% until December 2014 and for next due dates: the more favourable rate between the fixed rate and a variable rate + spread defined as follow: Mid Swap Rate JPY 5 years +1,25% until December 2019 and Mid Swap JPY 5 years + 2% for the next due dates
December 30, 1996	JPY 10,000 M	3.936% until September 2016 and for next due date: the more favourable rate between the fixed rate and a variable rate + spread defined as follow: Mid Swap Rate JPY 5 years +2.0%
March 27, 2007	GBP 350 M	5.750% until March 2012 and for the next due dates 3-months GBP Libor +1.10%

2.2. PREFERRED SHARES ISSUED BY SUBSIDIARIES

Due to the discretionary nature of the decision to pay dividends to shareholders, preferred shares issued by the Group's subsidiaries are classified as equity.

At December 31, 2009, the amount of preferred shares issued by the Group's subsidiaries and recognised under minority interests equals to EUR 1,445 million.

Issuance Date	Amount issued	Remuneration
1st half of 2000 (step up clause after 10 years)	EUR 500 M	7.875%, from 2010 12-months Euribor +2.95% annually
4th quarter of 2001 (step up clause after 10 years)	USD 335 M	6.302%, from 2011 3-months USD Libor +1.92% annually
4th quarter of 2001 (step up clause after 10 years)	USD 90 M	3-months USD Libor +0.92%, from 2011 3-months USD Libor +1.92% annually
4th quarter of 2003 (step up clause after 10 years)	EUR 650 M	5.419%, from 2013 3-months Euribor +1.95% annually

2.3. DEEPLY SUBORDINATED NOTES

Given the discretionary nature of the decision to pay dividends to shareholders, they have been classified as equity and recognised under *Equity instruments and associated reserves*.

The Societe Generale Group reimbursed the deeply subordinated notes amounting to EUR 1,700 million issued on December 11, 2008.

Issuance Date	Amount issued	Remuneration
January 26, 2005	EUR 1,000 M	4.196%, from 2015 3-months Euribor +1.53% annually
April 05, 2007	USD 200 M	3-months USD Libor +0.75% annually, from 2017 3-months USD Libor +1.75% annually
April 05, 2007	USD 1,100 M	5.922%, from 2017 3-months USD Libor +1.75% annually
December 19, 2007	EUR 600 M	6.999%, from 2018 3-months Euribor +3.35% annually
May 22, 2008	EUR 1,000 M	7.76%, from 2013 3-months Euribor +3.35% annually
June 12, 2008	GBP 700 M	8.875%, from 2018 3-months GBP Libor +3.4% annually
February 27, 2009	USD 450 M	3-months USD Libor +6.77% annually
September 4, 2009	EUR 1,000 M	9.375%, from 2019 3-months Euribor +8.901% annually
October 7, 2009	USD 1,000 M	8.75%

The EUR 6 million expenses and premiums linked to the different insurances were deducted from the *Capital and associated reserves*.

Movements related to the perpetual subordinated notes and to the deeply subordinated notes including *Retained earnings* are detailed below:

(In millions of euros)	Deeply subordinated notes	Perpetual subordinated notes	Total
Tax savings on the remuneration to be paid to shareholders and booked under reserves	161	13	174
Remuneration paid booked under dividends (2009 Dividends paid line)	425	37	462

3. Dividends paid

Dividends paid by the Societe Generale Group in 2009 amount to EUR 1,486 million and are detailed in the following table:

(In millions of euros)	Group Share	Minority interests	Total
Ordinary shares	682	251	933
o/w paid in equity	*449*	*-*	*449*
o/w paid in cash	*233*	*251*	*484*
Other equity instruments	462	91	553
Total	**1,144**	**342**	**1,486**

Note 28

Gains and losses recognised directly in equity

(In millions of euros)	December 31, 2009	Period	December 31, 2008
Change in gains and losses recognised directly in equity			
Translation differences [1]	**(1,228)**	**(74)**	**(1,154)**
Revaluation differences		(74)	
Recycled to P&L		-	
Revaluation of available-for-sale assets [2]	**(579)**	**1,512**	**(2,091)**
Revaluation differences		1,498	
Recycled to P&L		14	
Cash flow hedge derivatives revaluation	**254**	**(149)**	**403**
Revaluation differences		(148)	
Recycled to P&L		(1)	
Amounts transferred into hedged item value		-	
Net unrealised or deferred capital gains and losses from companies accounted for by the equity method	**10**	**10**	**-**
Tax	**234**	**(414)**	**648**
TOTAL	**(1,309)**	**885**	**(2,194)**

	December 31, 2009			December 31, 2008		
(In millions of euros)	Gross Value	Tax	Net of tax	Gross Value	Tax	Net of Tax
Translation differences	(1,228)	-	(1,228)	(1,154)	-	(1,154)
Revaluation of available-for-sale assets	(579)	281	(298)	(2,091)	774	(1,317)
Revaluation of hedging derivatives	254	(46)	208	403	(126)	277
Net unrealised or deferred capital gains and losses from companies accounted for by the equity method	10	(1)	9	-	-	-
Total gains and losses recognised directly in equity	**(1,543)**	**234**	**(1,309)**	**(2,842)**	**648**	**(2,194)**
Group share			**(1,279)**			**(2,153)**
Minority interests			**(30)**			**(41)**

(1) The variation in Group translation differences for 2009 amounted to EUR -34 million.

This variation was mainly due to the decrease of the Rouble against the Euro (EUR -80 million), the US Dollar (EUR -115 million), the Yen (EUR -20 million), the Romanian Leu (EUR -29 million) and to the increase of the Pound Sterling against the Euro (EUR 87 million), the Norvegian Krown (EUR 59 million) and the Real (EUR 58 million).
The variation in translation differences attributable to minority interests amounted to EUR -40 million.
This was mainly due to the revaluation of the Euro against Czech Koruna (EUR 12 million), and to the decrease of the Romanian Leu against the Euro (EUR -22 million), the Rouble (EUR -16 million) and the US Dollar (EUR -11 million).

(2) Unrealised gains and losses on available-for-sale assets amounts to EUR -579 million. Breakdown of gains and losses are given in the table below:

(In millions of euros)	**Unrealised gains**	**Unrealised losses**	**Unrealised gains and losses**
Unrealised gains and losses on equity instruments available-for-sale	755	(91)	664
Unrealised gains and losses on debt instruments available-for-sale	891	(2,113)	(1,222)
Unrealised gains and losses on assets reclassified in Loans and receivables	-	(2)	(2)
Unrealised gains and losses of insurance companies	67	(86)	(19)
o/w equity instruments available-for-sale	*996*	*(77)*	
o/w debt instruments available-for-sale and assets reclassified in Loans and receivables	*1,899*	*(1,169)*	
o/w profit-sharing recordings	*(2,828)*	*1,160*	
Total	**1,713**	**(2,292)**	**(579)**

Note 29

Commitments

1. Commitments granted and received

COMMITMENTS GRANTED

(In millions of euros)	**December 31, 2009**	**December 31, 2008**
Loan commitments		
to banks	12,141	10,275
to customers [(1)]		
Issuance facilities	20	26
Confirmed credit lines	131,270	124,637
Others	2,126	1,859
Guarantee commitments		
on behalf of banks	3,418	5,414
on behalf of customers [(1)] [(2)]	59,042	58,911
Securities commitments		
Securities to deliver	20,882	30,809

(1) As at December 31, 2009, credit lines and guarantee commitments granted to securisation vehicles and other special purpose vehicles amounted to EUR 13,515 million and EUR 542 million respectively.

(2) Including capital and performance guarantees given to the holders of units in mutual funds managed by entities of the Group.

COMMITMENTS RECEIVED

(In millions of euros)	December 31, 2009	December 31, 2008
Loan commitments		
from banks	44,336	47,241
Guarantee commitments		
from banks	56,859	56,802
other commitments (3)	104,549	74,645
Securities commitments		
Securities to be received	20,788	24,769

(3) Including guarantees granted by government and official agencies and other guarantees granted by customers for EUR 41,604 million as at December 31, 2009 and EUR 28,059 million as at December 31, 2008. The remaining balance mainly corresponds to securities and assets assigned as guarantee for EUR 5,619 million as at December 31, 2009 and EUR 1,734 million as at December 31, 2008.

2. Forward financial instrument commitments (notional amounts)

	December 31, 2009		December 31, 2008	
(In millions of euros)	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
Interest rate instruments				
Firm transactions				
Swaps	7,482,943	211,061	7,101,099	206,821
Interest rate futures	1,600,011	851	1,147,736	475
Options	*2,650,018*	*8,498*	*2,853,682*	*10,200*
Foreign exchange instruments				
Firm transactions	*1,223,930*	*18,912*	*946,711*	*11,143*
Options	*456,456*	-	*669,462*	-
Equity and index instruments				
Firm transactions	*81,441*	-	*61,016*	-
Options	*648,626*	*80*	*782,247*	*238*
Commodity instruments				
Firm transactions	*120,885*	-	*161,936*	-
Options	*71,344*	-	*134,266*	-
Credit derivatives	**1,287,612**	**-**	**1,539,801**	**-**
Other forward financial instruments	**2,753**	**755**	**5,176**	**581**

Securitisation transactions

The Societe Generale Group carries out securitisation transactions on behalf of customers or investors, and as such provides credit enhancement and liquidity facilities to the securitisation vehicles.

As at December 31, 2009, there are 4 non-consolidated vehicles (Barton, Antalis, Homes, ACE Australia) structured by the Group on behalf of customers or investors. Total assets held by these vehicles and financed through the issuance of commercial papers amounted to EUR 10,986 million (EUR 15,982 million as at December 31, 2008).

The non-controlling situation of the Group over these vehicles is regularly assessed using the consolidation criteria applicable to special purpose entities (see note 1). As at December 31, 2009, none of these vehicles is consolidated as far as the Group does not control them and is neither exposed to the majority of the related risks and rewards.

The default risk on the assets held by these vehicles is borne by the transferors of the underlying receivables or by third parties. The Societe Generale Group provides an additional guarantee as a credit enhancement through the issuance of letters of credit in the amount of EUR 542 million (EUR 710 million as at December 31, 2008). Furthermore, the Group has granted these vehicles short-term loan facilities in the amount of EUR 13,515 million at this date (EUR 18,682 million as at December 31, 2008).

Note 30

Assets pledged as security

1. Assets pledged as security

(In millions of euros)	December 31, 2009	December 31, 2008
Book value of assets pledged as security for liabilities	90,767	76,138
Book value of assets pledged as security for transactions in financial instruments	20,373	26,775
Book value of assets pledged as security for off-balance sheet commitments	522	487
Total	**111,662**	**103,400**

Assets pledged as security for liabilities mainly include loans given as guarantees in liabilities (in particular with the Banque de France).

Assets pledged as security for transactions in financial instruments correspond mainly to surety deposits.

2. Assets received as security and available for the entity

(In millions of euros)	December 31, 2009	December 31, 2008
Fair value of reverse repos	**33,526**	**30,867**

Note 31

Breakdown of assets and liabilities by term to maturity

Contractual maturities of financial liabilities [(1)]

(In millions of euros at December 31, 2009)	Less than 3 months	3 months to 1 year	1-5 years	More than 5 years	Undetermined	Total
Due to central banks	2,437	685	-	-	-	**3,122**
Financial liabilities at fair value through profit or loss, except derivatives	72,524	9,771	19,253	17,229	-	**118,777**
Due to banks	66,279	11,507	2,900	2,673	-	**83,359**
Customer deposits	230,440	18,386	31,854	2,764	-	**283,444**
Securitised debt payables	83,539	21,342	23,257	9,172	-	**137,310**
Subordinated debts	48	558	1,930	8,809	236	**11,581**
Total Liabilities	**455,267**	**62,249**	**79,194**	**40,647**	**236**	**637,593**
Loans commitment granted	51,576	21,559	40,280	9,980	-	**123,395**
Guarantee commitments granted	45,297	7,017	14,061	15,523	-	**81,898**
Total commitments granted	**96,873**	**28,576**	**54,341**	**25,503**	**-**	**205,293**

(1) The displayed amounts are the contractual amounts except provisional interests and except derivatives.

Technical insurance allowances *

(In millions of euros at December 31, 2009)	Less than 3 months	3 months to 1 year	1-5 years	More than 5 years	Undetermined	Total
Technical insurance allowances	1,772	4,819	17,751	50,109	-	**74,451**

* *Breakdown of accounting amounts.*

Notional maturities of commitments on financial derivatives (2)

	ASSETS				LIABILITIES			
(In millions of euros at December 31, 2009)	Less than 1 year	1-5 years	More than 5 years	Total	Less than 1 year	1-5 years	More than 5 years	Total
Interest rate instruments								
Firm instruments								
Swaps	2,438,367	2,665,772	2,589,865	7,694,004	-	-	-	-
Interest rate futures	651,410	107,426	5	758,841	691,806	150,215	-	842,021
Options	*307,389*	*517,840*	*460,269*	*1,285,498*	*310,292*	*564,458*	*498,268*	*1,373,018*
Forex instruments								
Firm instruments	*747,942*	*318,856*	*176,044*	*1,242,842*	-	-	-	-
Options	*124,729*	*55,476*	*47,753*	*227,958*	*123,826*	*55,895*	*48,777*	*228,498*
Equity and index instruments								
Firm instruments	*16,819*	*7,405*	*2,695*	*26,919*	*45,784*	*5,028*	*3,710*	*54,522*
Options	*157,570*	*114,942*	*27,283*	*299,795*	*178,051*	*144,259*	*26,601*	*348,911*
Commodity instruments								
Firm instruments	*47,811*	*13,719*	*538*	*62,068*	*44,361*	*13,961*	*495*	*58,817*
Options	*16,121*	*15,456*	*3,925*	*35,502*	*16,460*	*15,658*	*3,724*	*35,842*
Credit derivatives	**54,224**	**459,834**	**118,065**	**632,123**	**53,810**	**455,806**	**145,873**	**655,489**
Other forward financial instruments	**1,347**	**385**	**56**	**1,788**	**1,181**	**535**	**4**	**1,720**

(2) These items are presented according to the contractual maturity of financial instruments.

Note 32

Foreign exchange transactions

	December 31, 2009				December 31, 2008			
(In millions of euros)	Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered	Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered
EUR	611,269	604,162	2,334	3,805	643,808	651,692	11,680	13,608
USD	224,235	259,341	19,970	24,546	282,365	302,166	16,410	19,063
GBP	31,852	31,750	2,703	4,598	35,053	31,759	2,957	3,736
JPY	23,688	17,855	4,239	2,844	31,421	23,611	5,980	3,678
AUD	17,723	16,931	2,256	2,172	18,323	17,223	1,413	1,027
CZK	24,701	25,878	132	148	23,811	24,968	134	446
RUB	11,508	10,305	120	105	13,694	8,351	4	6
RON	5,386	5,872	65	155	6,562	7,091	314	493
Other currencies	73,339	51,607	9,033	7,232	74,966	63,142	8,405	5,906
Total	**1,023,701**	**1,023,701**	**40,852**	**45,605**	**1,130,003**	**1,130,003**	**47,297**	**47,963**

Note 33

Insurance activities

Underwriting reserves of insurance companies

(In millions of euros)	December 31, 2009	December 31, 2008
Underwriting reserves for unit-linked policies	16,761	15,721
Life insurance underwriting reserves	57,274	51,109
Non-life insurance underwriting reserves	416	317
Total	**74,451**	**67,147**
Deferred profit-sharing (1)	(320)	(3,024)
Attributable to reinsurers	(323)	(299)
Underwriting reserves of insurance companies net of the part attributable to reinsurers	**73,808**	**63,824**

(1) According to the December 19, 2008 CNC recommendation, a test of recoverability was carried out on the provisions for deferred profit-sharing booked in the assets. The accountancy method used for the calculation of the deferred profit-sharing in the assets is based on the consideration of the fair value of the assets compared to their historical value. The recoverability test is based on cash flows forecasts and relies on different stressed assumptions of collection and repurchase. In this context, forecasts on cash flows had been carried out on the base of different scenarii of stress combining or not decrease of turnover and/or increase of the repurchase: turnover decreasing up to 60% and repurchase increasing up to 80%. Like this, cash flows remain clearly positives and no assets sell (or realisation of unrealised losses) should be necessary on the duration of the forecasts (from 5 to 10 years). In these conditions, the test of recoverability is convincing and shows the recoverable character of the deferred profit-sharing booked in the assets.

Statement of changes in underwriting reserves of insurance companies

(In millions of euros)	Underwriting reserves for unit-linked policies	Life insurance underwriting reserves	Non-life insurance underwriting reserves
Reserves at January 1, 2009 (except provisions for deferred profit-sharing)	**15,721**	**51,109**	**317**
Allocation to insurance reserves	60	3,860	98
Revaluation of policies	1,499	-	-
Charges deducted from policies	(103)	-	-
Transfers and arbitrage	(477)	477	-
New customers	-	64	1
Profit-sharing	61	1,759	-
Others	-	5	-
Reserves at December 31, 2009 (except provisions for deferred profit-sharing)	**16,761**	**57,274**	**416**

According to the IFRS rules and the Group accounting standards, the Liability Adequacy Test (LAT) was performed as at December 31, 2009. It is carried out on the basis of stochastic modelling similar to the one used for our assets liabilities management. The result of the test as at December 31, 2009 is conclusive.

Net investments of insurance companies

(In millions of euros)	December 31, 2009	December 31, 2008
Financial assets at fair value through P&L	**21,511**	**19,421**
Treasury notes and similar securities	-	-
Bonds and other debt securities	5,758	5,172
Shares and other equity securities	15,753	14,249
Due from Banks	**5,210**	**4,695**
Available-for-sale financial assets	**48,712**	**40,250**
Treasury notes and similar securities	341	357
Bonds and other debt securities	41,319	34,970
Shares and other equity securities	7,052	4,923
Investment property	**399**	**405**
Total	**75,832**	**64,771**

Technical income from insurance companies

(In millions of euros)	2009	2008
Earned premiums	10,713	9,443
Cost of benefits (including changes in reserves)	(12,114)	(4,251)
Net income from investments	2,316	(4,174)
Other net technical income (expense)	(540)	(619)
Contribution to operating income before elimination of intercompany transactions	**375**	**399**
Elimination of intercompany transactions [1]	167	128
Contribution to operating income after elimination of intercompany transactions	**542**	**527**

(1) This essentially concerns the elimination of commissions paid by the insurance companies to the distribution networks and the elimination of financial income on investments made in other Group companies.

Net fee income (2)

(In millions of euros)	2009	2008
Fees received		
- acquisition fees	216	182
- management fees	585	589
- others	82	55
Fees paid		
- acquisition fees	(266)	(235)
- management fees	(217)	(204)
- others	(31)	(15)
Total fees	**369**	**372**

(2) Fees are presented in this table before elimination of intercompany transactions.

Management of insurance risks

There are two main types of insurance risk:

- pricing risks and risks of discrepancies in total fluctuations in claim experience: in non-life insurance and individual personal protection alike, benefits are exposed to risks of deterioration in claim rate observed compared to claim rate anticipated at the time the price schedule is established. Discrepancies can be linked to multiple complex factors such as changes in the behaviour of the policyholders, changes in the macroeconomic environment, pandemics, natural disasters, etc.
- risks linked to the financial markets: in life insurance, insurers are exposed to the instabilities of the financial markets (changes in interest rates and stock market fluctuations) which can be made worse by the behaviour of policyholders.

Managing these risks is at the heart of the insurance business line activity. It is carried out by qualified and experienced teams, with major bespoke IT resources. Risks undergo regular monitoring are reported to the General Management of both the entities concerned and the business lines.

In the area of **pricing risks and risks of discrepancies in total loss experience**, a number of guidelines are applied:

- heightened security for the risk acceptance process, with the aim of guaranteeing that the price schedule matches the policyholder's risk profile from the very beginning. Proper application of these procedures is verified via Quality Audits and multi-annual Internal Audits. These processes have been ISO-certified;
- monitoring of claim / premium ratios on a regular basis, based on statistics developed per year of occurrence. This analysis (expansion of the portfolio, level of provisions for incurred but not reported claims) allows pricing adjustments to be made, where applicable, for the subsequent financial years;
- implementation of a reinsurance plan to protect the Group from major/serial claims.

Management of risks linked to the financial markets is just as much an integral part of the investment strategy as the search for long-term performance. The optimisation of these two elements is highly influenced by the asset/liability balance. Liability commitments (guarantees offered to customers, maturity contracts), as well as the amounts booked under the major items on the balance sheet (shareholders' equity, income, provisions, reserves, etc.) are analysed by the Finance and Risk Department of the insurance business line. Societe Generale's overall asset and liability management policy is validated by the Group's General Management at the ALM Committee meetings held every six months.

Risk management and analysis are based on the following key principles:

- Asset / liability risk management:
  - monitoring of long-term cash flows: the term of a liability is matched against the term of an asset, and cash flow peaks are strictly controlled in order to minimise liquidity and reinvestment risks;
  - close monitoring of the flows of repurchase and stress scenarii simulations;
  - close monitoring of the equity markets and stress scenarii simulations;
  - hedging of exchange rate risks using financial instruments.

- Financial risk management via the establishment of limits:
  - counterparty limits (e.g. limits according to the issuer's country of domiciliation, distinction between sovereign issuers and private issuers);
  - rating limits (e.g. AAA: min. 45%, min. 27% in government bonds and government-backed bonds);
  - limits per type of asset (e.g. equities, private equity);

All of these strategies are assessed by simulating various scenarii of financial market behaviour and insured party behaviour using stress tests and stochastic modelling.

Note 34

Interest income and expense

(In millions of euros)	2009	2008
Transactions with banks	**2,092**	**5,182**
Demand deposits and interbank loans	1,626	3,458
Securities purchased under resale agreements and loans secured by notes and securities	466	1,724
Transactions with customers	**16,899**	**20,241**
Trade notes	1,068	1,103
Other customer loans (1) *	14,949	17,560
Overdrafts	815	1,186
Securities purchased under resale agreements and loans secured by notes and securities	67	392
Transactions in financial instruments	**9,900**	**12,848**
Available-for-sale financial assets	3,080	3,420
Held-to-maturity financial assets *	91	108
Securities lending	41	143
Hedging derivatives	6,688	9,177
Finance leases	**1,654**	**1,917**
Real estate finance leases	274	404
Non-real estate finance leases	1,380	1,513
Total interest income	**30,545**	**40,188**
Transactions with banks	**(2,014)**	**(6,333)**
Interbank borrowings	(1,793)	(5,248)
Securities sold under resale agreements and borrowings secured by notes and securities	(221)	(1,085)
Transactions with customers	**(6,789)**	**(10,413)**
Regulated savings accounts	(1,205)	(1,590)
Other customer deposits	(5,358)	(7,475)
Securities sold under resale agreements and borrowings secured by notes and securities	(226)	(1,348)
Transactions in financial instruments	**(10,100)**	**(15,485)**
Securitised debt payables	(2,289)	(5,825)
Subordinated and convertible debt	(589)	(639)
Securities borrowing	(66)	(260)
Hedging derivatives	(7,156)	(8,761)
Other interest expense	**(7)**	**(9)**
Total interest expense (2)	**(18,910)**	**(32,240)**
Including interest income from impaired financial assets	404	346

(1) Breakdown of "Other customer loans"

- short-term loans	6,241	7,553
- export loans	248	342
- equipment loans	2,645	2,922
- housing loans	4,113	4,034
- other customer loans	1,702	2,709
Total *	**14,949**	**17,560**

(2) These expenses include the refinancing cost of financial instruments at fair value through P&L, which is classified in net gain or loss (see note 36). Insofar as income and expenses booked in the income statement are classified by type of instruments rather than by purpose, the net income generated by the activities on financial instruments at fair value through P&L must be assessed as a whole.

** Amounts reclassified with respect to the published financial statements as at December 31, 2008.*

Note 35

Fee income and expense

(In millions of euros)	2009	2008
Fee income from		
Transactions with banks	254	247
Transactions with customers	2,890	2,858
Securities transactions	684	760
Primary market transactions	326	136
Foreign exchange transactions and financial derivatives	885	1,086
Loan and guarantee commitments	692	567
Services	4,615	4,691
Others	99	160
Total fee income	**10,445**	**10,505**
Fee expense on		
Transactions with banks	(293)	(282)
Securities transactions	(558)	(625)
Foreign exchange transactions and financial derivatives	(758)	(837)
Loan and guarantee commitments	(77)	(174)
Others	(947)	(1,172)
Total fee expense	**(2,633)**	**(3,090)**

These commission income and expense include:

(In millions of euros)	2009	2008
Commission income excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	4,177	3,946
Commission income linked to trust activities or similar	2,571	3,219
Commission expense excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	(77)	(174)
Commission expense linked to trust activities or similar	(878)	(938)

Note 36

Net gains and losses on financial instruments at fair value through P&L

(In millions of euros)	2009	2008
Net gain/loss on non-derivative financial assets held for trading	13,374	(16,598)
Net gain/loss on financial assets measured using fair value option	118	366
Net gain/loss on non-derivative financial liabilities held for trading	(9,022)	3,048
Net gain/loss on financial liabilities measured using fair value option	(772)	826
Net gain/loss on derivative instruments	(4,171)	15,572
Net income from hedging instruments / fair value hedge	-	(1,104)
Revaluation of hedged items attributable to hedged risks	(123)	1,462
Ineffective portion of cash flow hedge	(4)	2
Net gain / loss on foreign exchange transactions	1,602	1,103
Total (1) (2)	**1,002**	**4,677**

(1) Insofar as income and expenses booked in the income statement are classified by type of instruments rather than by purpose, the net income generated by the activities on financial instruments at fair value through P&L must be assessed as a whole. It should be noted that the income shown here does not include the refinancing cost of these financial instruments, which is shown among interest expense and interest income.

(2) See note 6 for the amount of financial instruments at Level 3 valuation.

The remaining amount to be registered in the income statement resulting from the difference between the transaction price and the amount which would be established at this date using valuation techniques, minus the amount registered in the income statement after initial recognition in the accounts, breaks down as follows:

(In millions of euros)	2009	2008
Remaining amount to be registered in the income statement as at January, 1	**849**	**1,048**
Amount generated by new transactions within the period	**647**	**648**
Amount registered in the income statement within the period	**(673)**	**(847)**
Depreciation	*(530)*	*(637)*
Switch to observable parameters	*(14)*	*(56)*
Expired or terminated	*(122)*	*(167)*
Translation differences	*(7)*	*13*
Remaining amount to be registered in the income statement as at December, 31	**823**	**849**

This amount is registered in the income statement according to the spread over time or when the valuation techniques switch to observable parameters.

Note 37

Net gains and losses on available-for-sale financial assets

(In millions of euros)	2009	2008
Current activities		
Gains on sale [1]	316	459
Losses on sale [2]	(285)	(531)
Impairment losses on variable income securities	(1,673)	(402)
Deferred profit-sharing on available-for-sale financial assets of insurance subsidiaries	1,664	447
Sub-total	**22**	**(27)**
Long-term equity investments		
Gains on sale [3]	86	474
Losses on sale	(34)	(19)
Impairment losses on variable income securities	(129)	(335)
Sub-total	**(77)**	**120**
Total	**(55)**	**93**

(1) O/w EUR 155 million for Insurance activities as at December 31, 2009.

(2) O/w EUR -130 million for Insurance activities as at December 31, 2009.

(3) The capital gain from the sale of the Group's stake in Bank Muscat amounts to EUR 262 million in 2008.

Note 38

Income and expenses from other activities

(In millions of euros)	2009	2008
Income from other activities		
Real estate development	38	57
Real estate leasing	136	126
Equipment leasing	5,976	5,731
Other activities (including income from insurance activity)	12,131	9,469
Sub-total	**18,281**	**15,383**
Expenses from other activities		
Real estate development	-	(13)
Real estate leasing	(27)	(33)
Equipment leasing	(4,474)	(4,063)
Other activities (including expenses from insurance activity)	(12,773)	(10,007)
Sub-total	**(17,274)**	**(14,116)**
Net total	**1,007**	**1,267**

Note 39

Personnel expenses

(In millions of euros)	2009	2008
Employee compensation	(6,454)	(6,170)
Social security charges and payroll taxes	(1,243)	(1,098)
Net retirement expenses - defined contribution plans	(555)	(530)
Net retirement expenses - defined benefit plans	(134)	(111)
Other social security charges and taxes	(412)	(364)
Employee profit-sharing and incentives	(359)	(343)
Total	**(9,157)**	**(8,616)**

For the accounting treatment of remuneration schemes that follows the provisions of the Ministerial Order issued in France on November 3, 2009 and related to the remunerations of employees whose activities may have consequences on the risk exposure of banks and investment companies, two payment schemes are to be distinguished regarding variable remuneration for 2009 that will be granted to financial market professionals:

- a short-term part of these variable remunerations that will be paid in cash during the first quarter of 2010. The related expense is fully recorded as expense in the income statement at the end of 2009;
- a deferred part that will be subject to service and performance conditions, paid over several years and based on shares (cash payment indexed on Societe Generale shares, or allocation of free Societe Generale shares the number of which will be fixed by the Board of Directors that will award them in 2010). The related expense is recorded in the income statement over the vesting period beginning on January 1, 2009.

	2009	2008
Average headcount		
- France	59,381	59,003
- Outside France	100,763	101,427
Total	**160,144**	**160,430**

Note 40

Share-based payment plans

1. Expenses recorded in the income statement

	December 31, 2009			December 31, 2008		
(In millions of euros)	Cash-settled plans	Equity-settled plans	Total plans	Cash-settled plans	Equity-settled plans	Total plans
Net expenses from stock purchase plans	-	55.1	**55.1**	-	65.3	**65.3**
Net expenses from stock-option and free share plans	171.3	174.2	**345.5**	13.8	142.0	**155.8**

The charge described above relates to equity-settled plans attributed after November 7, 2002 and to all cash-settled plans.

2. Main characteristics of Societe Generale stock-option plans and free share plans

2.1. EQUITY-SETTLED STOCK-OPTION PLANS FOR GROUP EMPLOYEES FOR THE YEAR ENDED DECEMBER 31, 2009 ARE BRIEFLY DESCRIBED BELOW:

- 2.1.1 Stock-options (purchase and subscription)

Issuer	**Societe Generale**	**Societe Generale**	**Societe Generale**	**Societe Generale**	**Societe Generale**	**Societe Generale for TCW**	**Societe Generale**	**Societe Generale for TCW**	**Societe Generale**	**Societe Generale**
Year of attribution	**2002**	**2003**	**2004**	**2005**	**2006**	**2006**	**2007**	**2007**	**2008**	**2009**
Type of plan	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**	**subscription stock-option**	**subscription stock-option**
Shareholders agreement	05.13.1997	04.23.2002	04.23.2002	04.29.2004	04.29.2004	04.29.2004	05.30.2006	05.30.2006	05.30.2006	05.27.2008
Board of Directors' decision	01.16.2002	04.22.2003	01.14.2004	01.13.2005	01.18.2006	04.25.2006	01.19.2007	09.18.2007	03.21.2008	03.09.2009
Number of stock-options granted [1]	3,614,262	4,110,798	4,267,021	4,656,319	1,738,329	154,613	1,418,916	135,729	2,328,128	1,344,552 [4]
Contractual life of the options granted	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Settlement	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares
Vesting period	01.16.02 - 01.16.05	04.22.03 - 04.22.06	01.14.04 - 01.14.07	01.13.2005 - 01.13.2008	01.18.2006 - 01.18.2009	04.25.2006 - 04.25.2009	01.19.2007- 01.19.2010	09.18.2007 - 09.18.2010	03.21.2008 - 03.31.2011	03.09.2009 - 03.31.2012
Performance conditions	no	no	no	no	no	no	no except for the directors [3]	no	yes [3]	yes [3]
Resignation from the Group	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited
Redundancy	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited	forfeited
Retirement	maintained	maintained	maintained	maintained	maintained	maintained	maintained	maintained	maintained	maintained
Death	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months
Share price at grant date (In euros) (average of 20 days prior to grant date) [1]	57.17	44.81	60.31	64.63	93.03	107.82	115.6	104.17	63.6	23.18
Discount	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Exercise price (In euros) [1]	57.17	44.81	60.31	64.63	93.03	107.82	115.6	104.17	63.6	23.18
Options authorised but not attributed	-	-	-	-	-	-	-	-	-	-
Options exercised as at December 31, 2009	2,685,280	2,543,311	727,877	53,340	2,174	-	-	-	-	411
Options forfeited as at December 31, 2009	928,982	205,797	131,503	244,220	89,690	19,666	47,725	14,466	54,402	99,986
Options outstanding as at December 31, 2009	-	1,361,690	3,407,641	4,358,759	1,646,465	134,947	1,371,191	121,263	2,273,726	924,155
Number of shares reserved as at December 31, 2009	-	1,361,690	3,407,641	[2]	[2]	134,947	[2]	121,263	-	-
Share price of shares reserved (In euros)	-	45.11	44.51	[2]	[2]	109.71	[2]	105.69	-	-
Total value of shares reserved (In millions of euros)	-	61	152	[2]	[2]	15	[2]	13	-	-
First authorised date for selling the shares	01.16.2006	04.22.2007	01.14.2008	01.13.2009	01.18.2010	04.25.2009	01.19.2011	09.18.2010	03.21.2012	03.31.2013
Delay for selling after vesting period	1 year	1 year	1 year	1 year	1 year	-	1 year	-	1 year	1 year
Fair value (% of the share price at grant date)	28%	25%	21%	17%	16%	17%	18%	21%	24%	27%
Valuation method used to determine the fair value	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo

(1) In accordance with IAS 33, as a result of the detachment of Societe Generale share preferential subscription right, the historical share data have been adjusted by the coefficients given by Euronext which reflect the parts attributables to the share after detachment following the capital increases which took place in the fourth quarter of 2006, in the first quarter of 2008 and in the fourth quarter of 2009.

(2) 2005, 2006 and 2007 stock-option plans have been hedged using call options on Societe Generale shares.

(3) There are performance conditions which are described in the corporate governance part. As at December 31, 2009, it is estimated that the conditions of performance on EPS should not be reached for the options granted in 2008. It is also estimated that the conditions of performance on EPS should be reached at the level of 14% for the options granted in 2009.

(4) Among which 320,000 options for the chief executive officers who gave them up.

2.1.2 Free shares

Issuer	**Societe Generale**	**Societe Generale**	**Societe Generale**	**Societe Generale**
Year of grant	**2006**	**2007**	**2008**	**2009**
Type of plan	**free shares**	**free shares**	**free shares**	**free shares**
Shareholders agreement	05.09.2005	05.30.2006	05.30.2006	05.27.2008
Board of Directors' decision	01.18.2006	01.19.2007	03.21.2008	01.20.2009
Number of free shares granted (1)	775,042	903,916	3,143,595	3,155,781
Settlement	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares
Vesting period	01.18.2006 - 03.31.2008 01.18.2006 - 03.31.2009	01.19.2007 - 03.31.2009 01.19.2007 - 03.31.2010	03.21.2008 - 03.31.2010 03.21.2008 - 03.31.2011	01.20.2009 - 03.31.2012
Performance conditions	conditions on ROE for certain recipients	conditions on ROE for certain recipients	yes (2)	yes (2)
Resignation from the Group	forfeited	forfeited	forfeited	forfeited
Redundancy	forfeited	forfeited	forfeited	forfeited
Retirement	maintained	maintained	maintained	maintained
Death	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months
Share price at grant date (In euros) (1)	93.66	116.61	58.15	23.36
Shares delivered as at December 31, 2009	655,960	399,107	538	513
Shares forfeited as at December 31, 2009	119,082	83,605	125,848	28,780
Shares outstanding as at December 31, 2009	-	421,204	3,017,209	3,126,488
Number of shares reserved as at December 31, 2009	-	421,204	3,017,209	3,126,488
Share price of shares reserved (In euros)	-	112	100.88	60.98
Total value of shares reserved (In millions of euros)	-	47	304	191
First authorised date for selling the shares	03.31.2010	03.31.2011	03.31.2012	03.31.2014
	03.31.2011	03.31.2012	03.31.2013	
Delay for selling after vesting period	2 years	2 years	2 years	2 years
Fair value (% of the share price at grant date)	vesting period 2 years: 86% vesting period 3 years: 81%	vesting period 2 years: 86% vesting period 3 years: 81%	vesting period 2 years: 87% vesting period 3 years: 81%	78%
Valuation method used to determine the fair value	Arbitrage	Arbitrage	Arbitrage	Arbitrage

(1) In accordance with IAS 33, as a result of the detachment of Societe Generale share preferential subscription right, the historical share data have been adjusted by the coefficients given by Euronext which reflect the parts attributables to the share after detachment following the capital increases which took place in the fourth quarter of 2006, in the first quarter of 2008 and in the fourth quarter of 2009.

(2) There are performance conditions which are described in the corporate governance part. As at December 31, 2009, it is estimated that the conditions on EPS for the shares granted in 2008 and the conditions on ROE for the shares granted in 2007 should not be reached. It is also estimated that performance on EPS for the shares granted in 2009 should be reached at the level of 14%.

The Tarneaud Bank granted 12,000 free shares for all employees. These shares were valued at EUR 59.89 and have a vesting period of 3 years.

2.2. STATISTICS CONCERNING SOCIETE GENERALE STOCK-OPTION PLANS

Main figures concerning Societe Generale stock-option plans, for the year ended December 31, 2009:

	Options granted in 2002	Options granted in 2003	Options granted in 2004	Options granted in 2005	Options granted in 2006	TCW Options granted in 2006	Options granted in 2007	TCW Options granted in 2007	Options granted in 2008	Options granted in 2009	Weighted average remaining contractual life	Weighted average fair value at grant date (In euros)	Weighted average share price at exercise date (In euros)	Range of exercise prices (In euros)
Options outstanding as at January 1, 2009	644,483	1,397,780	3,228,666	4,157,824	1,581,581	130,718	1,313,200	121,073	2,184,878	-				
Options granted in 2009	-	82,088	195,315	259,169	88,275	7,088	73,630	6,354	119,208	1,024,552				
Options forfeited in 2009	-	12,272	16,340	58,234	23,391	2,859	15,639	6,164	30,360	99,986				
Options exercised in 2009	-	105,906	-	-	-	-	-	-	-	411			51.79	24.45-47.57
Options expired in 2009	644,483	-	-	-	-	-	-	-	-	-				
Outstanding options as at December 31, 2009	-	1,361,690	3,407,641	4,358,759	1,646,465	134,947	1,371,191	121,263	2,273,726	924,155	32 months	13.39		
Exercisable options as at December 31, 2009	-	1,361,690	3,407,641	4,358,759	1,646,465	134,947	-	-	-	-				

Note:

1. The main assumptions used to value Societe Generale stock-option plans are as follows:

	2002-2004	2005	2006	2007	2008	2009
Risk-free interest rate	3.8%	3.3%	3.3%	4.2%	4.2%	3.0%
Implicit share volatility	27%	21%	22%	21%	38%	55%
Forfeited rights rate	0%	0%	0%	0%	0%	0%
Expected dividend (yield)	4.3%	4.3%	4.2%	4.8%	5.0%	3.5%
Expected life (after grant date)	5 years	5 years	5 years	5 years	5 years	5 years

The implicit volatility used is that of Societe Generale 5-year share options traded OTC (TOTEM parameters), which was 55% in 2009. This implicit volatility reflects the future volatility.

3. Other stock-option plans – TCW company

3.1. STOCK-OPTION PLANS FOR TCW GROUP EMPLOYEES FOR THE YEAR-ENDED DECEMBER 31, 2009 ARE BRIEFLY DESCRIBED BELOW:

Issuer	**TCW**	**TCW**	**TCW**	**TCW**
Year of attribution	**2003**	**2005**	**2006**	**2007**
Type of plan	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**	**purchase stock-option**
Shareholders agreement	07.07.2001	07.01.2005	09.01.2006	09.30.2007
Board of Directors' decision	02.19.2003	07.01.2005	09.01.2006	09.30.2007
	03.31.2003			
	06.27.2003			
Number of stock-options granted	1,268,350	2,753,708	2,385,515	2,468,849
Contractual life of the options granted	10 years	7 years	7 years	7 years
Settlement	SG shares	SG shares	SG shares	SG shares
Vesting period	02.19.2003 - 06.26.2009	07.01.2005 - 06.30.2010	09.01.2006 - 08.31.2011	09.30.2007 - 09.29.2012
Performance conditions	no	no	no	no
Resignation from the Group	forfeited	forfeited	forfeited	forfeited
Redundancy	forfeited	forfeited	forfeited	forfeited
Retirement	forfeited	forfeited	forfeited	forfeited
Death	Partially maintained and accelerated vesting	Partially maintained and accelerated vesting	Partially maintained and accelerated vesting	Partially maintained and accelerated vesting
Share price at grant date (In euros)	15.50	41.35	36.95	33.32
Discount	2.30	13.48	5.64	5.12
Exercise price (In euros)	13.21	27.87	31.31	28.20
Options authorised but not attributed	-	-	-	-
Options exercised as at December 31, 2009	716,208	827,816	339,574	190,911
Options forfeited as at December 31, 2009	552,142	726,231	548,589	530,659
Options outstanding as at December 31, 2009	-	1,199,661	1,497,353	1,747,279
First authorised date for selling the shares	03.18.2005	08.01.2007	11.01.2008	11.01.2009
Delay for selling after vesting period	no delay	no delay	no delay	no delay
Fair value (% of the share price at grant date)	51%	66%	41%	38%
Valuation method used to determine the fair value	black & scholes	black & scholes	black & scholes	black & scholes

3.2. STATISTICS CONCERNING TCW STOCK-OPTION PLANS

Main figures concerning TCW stock-option plans, for the year ended December 31, 2009:

	Total no. of options	Options granted in 2003	Options granted in 2005	Options granted in 2006	Options granted in 2007	Weighted average remaining contractual life	Weighted average fair value at grant date (In euros)	Weighted average share price at exercise date (In euros)	Range of exercise prices (In euros)
Options outstanding as at January 1, 2009	5,898,927	119,360	1,614,169	1,906,484	2,258,914				
Options granted in 2009	-	-	-	-	-				
Options forfeited in 2009	804,928	-	240,623	243,581	320,724				
Options exercised in 2009	649,706	119,360	173,885	165,551	190,911			46.63	16.47-37.78
Options expired in 2009	-	-	-	-	-				
Options outstanding as at December 31, 2009	4,444,293	-	1,199,661	1,497,353	1,747,279	40 months	14.27		
Exercisable options as at December 31, 2009	1,106,221	-	474,505	418,920	212,797				

Notes

1. *The main assumptions used to value TCW stock-option plans are as follows:*

	Plans 2001 to 2003	Plan 2005	Plan 2006	Plan 2007
Risk-free interest rate	4%	4%	5%	5%
Implicit share volatility	39%	31%	28%	22%
Forfeited rights rate	0%	5%	0%	0%
Expected dividend (yield)	0%	0%	0%	0%
Expected life (after grant date)	5 years	5 years	5 years	5 years

2. *The implicit volatility has been estimated using the mean historical volatility of US listed companies over the past 5 years and that belong to the same segment. The fair value reflects the future performances of the Company.*
3. *Due to the term of this plan, which is settled in Societe Generale shares, no shares have been specifically allocated.*

4. Information on other plans

The other share-based payment plans granted to Group employees during 2009 are as follows:

4.1 GLOBAL EMPLOYEE SHARE-OWNERSHIP PLAN

As part of the Group employee shareholding policy, Societe Generale offered on the April 23, 2009 to employees of the Group to subscribe to a reserved capital increase at a share price of EUR 27.09, with a discount of 20% linked to the average of the 20 Societe Generale share prices before this date.

Number of shares subscribed has been 10,757,876 representing a 2009 expense of EUR 55.0 million for the Group taking into account the qualified 5-year holding period. The valuation model used, which complies with the recommendation of the National Accounting Council on the accounting treatment of company savings plans, compares the gain the employee would have obtained if he had been able to sell the shares immediately and the notional cost that the 5-year holding period represents to the employee.

This notional 5-year holding period cost is valuated as the net cost of the Societe Generale shares cash purchase financed by a non-affected and non-revolving five years credit facilities and by a forward sale of these same 5 years maturity shares.

The main market parameters to valuate these 5-year holding period cost at the subscription date are:

- average Societe Generale share price retained for the subscription period: EUR 39.63
- risk-free interest rate: 2.79%
- interest rate of a non-affected five years falicites credit applicable to market actors which are benefiting of non-transferable shares: 6.50%

The notional 5-year holding period cost is valued at 18.7% of the Societe Generale average price before discount.

4.2 BOURSORAMA STOCK-OPTION AND FREE SHARES PLAN

The 2009 expense of the 2006 plan is EUR 0.5 million.

The 2009 expense of the 2008 plan is EUR 1 million. In 2009, 5,112 free shares and 66,693 options were forfeited.

Note 41

Cost of risk

(In millions of euros)	2009	2008
Counterparty risk		
Net allocation to impairment losses	(5,371)	(2,525)
Losses not covered	**(359)**	**(148)**
- on bad loans	(268)	(118)
- on other risks	(91)	(30)
Amounts recovered	**143**	**156**
- on bad loans	132	147
- on other risks	11	9
Other risks		
Net allocation to other provisions	(261)	(138)
Total	**(5,848)**	**(2,655)**

Note 42

Income tax

(In millions of euros)	2009	2008
Current taxes	(1,387)	(467)
Deferred taxes	1,695	(768)
Total taxes [(1)]	**308**	**(1,235)**

(1) Reconciliation of the difference between the Group's normative tax rate and its effective tax rate:

	2009	2008
Income before tax excluding net income from companies accounted for by the equity method and impairment losses on goodwill (In millions of euros)	827	4,316
Normal tax rate applicable to French companies (including 3.3% tax contributions)	34.43%	34.43%
Permanent differences	-6.06%	9.31%
Differential on items taxed at reduced rate	-21.98%	-3.91%
Tax rate differential on profits taxed outside France	-32.70%	-6.85%
Impact of non-deductible losses and use of tax losses carried forward	-10.99%	-4.37%
Group effective tax rate	**-37.30%**	**28.61%**

In France, the normal corporate income tax rate is 33.33%. Since January 1, 2007, long-term capital gains on equity investments are exempted but taxed a share of expenses of 1.66%. Additionally, a Contribution Sociale de Solidarité (national contribution payment based on pre-tax earnings) was introduced in 2000 equal to 3.3% (after a deduction from basic taxable income of EUR 0.76 million). Dividends from companies in which Societe Generale's interest is at least 5% are tax exempt.

The normal tax rate applicable to French companies to determine their deferred tax is 34.43%. The reduced rate is 1.72% taking into account the nature of the taxed transactions.

Note 43

Earnings per share

(In millions of euros)	2009	2008 *
Net income, Group Share	678	2,010
Net attributable income to ordinary shareholders (1)	280	1,826
Weighted average number of ordinary shares outstanding (2)	624,488,571	570,040,951
Earnings per ordinary share (In EUR)	**0.45**	**3.20**

(In millions of euros)	2009	2008 *
Net income, Group Share	678	2,010
Net attributable income to ordinary shareholders (1)	280	1,826
Weighted average number of ordinary shares outstanding (2)	624,488,571	570,040,951
Average number of ordinary shares used to calculate dilution	2,332,455	3,117,080
Weighted average number of ordinary shares used to calculate diluted net earnings per share	626,821,026	573,158,031
Diluted earnings per ordinary share (In EUR)	**0.45**	**3.19**

The dividend paid in 2009 regarding 2008 financial year amounts to EUR 1.14 per share.

* *Amounts adjusted with respect to the published financial statements as at December 31, 2008.*

(1) *The variation reflects interest after tax paid to holders of deeply subordinated notes and undated subordinated notes as well as the difference between issuance and redemption price of preferred shares issued by Societe Generale S.A. (see note 27).*

(2) *Excluding treasury shares.*

Note 44

Transactions with related parties

1. Definition

In accordance with the definitions provided under IAS 24, the Group's related parties include the following: Board of Directors members, the chairman and chief executive officers and the vice-chief executives officers, their respective spouses and any children residing in the family home, and the following subsidiaries which are either controlled exclusively or jointly by the Group, companies over which Societe Generale exercises significant influence.

1.1. REMUNERATION OF THE GROUP'S MANAGERS

This includes amounts effectively paid by the Group to directors and chief executive officers as remuneration (including employer charges), and other benefits under IAS 24 – paragraph 16 – as indicated below.

(In millions of euros)	December 31, 2009	December 31, 2008
Short-term benefits	7.9	8.2
Post-employment benefits	0.1	0.4
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	1.8	3.7
Total	**9.8**	**12.3**

The Registration Document contains a detailed description of the remuneration and benefits of the Group's senior managers.

1.2. RELATED PARTY TRANSACTIONS

The transactions with Board of Directors members, chief executive officers and members of their families included in this note comprise loans and guarantees outstanding as at December 31, 2009, in a total amount of EUR 3 million. All other transactions with these individuals are unsignificant.

1.3. TOTAL AMOUNTS PROVISIONED OR BOOKED BY THE SOCIETE GENERALE GROUP FOR THE PAYMENT OF PENSIONS AND OTHER BENEFITS

The total amount provisioned or booked by the Societe Generale Group at December 31, 2009 under IAS 19 for the payment of pensions and other benefits to Societe Generale's chief executive officers and directors in office as at December 31, 2009 (Mr. Cabannes and the 2 staff-elected directors) was EUR 0.52 million.

2. Principal subsidiaries and affiliates (1)

OUTSTANDING ASSETS WITH RELATED PARTIES

(In millions of euros)	December 31, 2009	December 31, 2008
Financial assets at fair value through profit or loss	142	128
Other assets	831	706
Total outstanding assets	**973**	**834**

OUTSTANDING LIABILITIES WITH RELATED PARTIES

(In millions of euros)	December 31, 2009	December 31, 2008
Liabilities at fair value through profit or loss	186	217
Customer deposits	1,528	580
Other liabilities	672	777
Total outstanding liabilities	**2,386**	**1,574**

NET BANKING INCOME FROM RELATED PARTIES

(In millions of euros)	2009	2008
Interest and similar income	(11)	(12)
Commissions	30	(11)
Net income from financial transactions	17	3
Net income from other activities	-	-
Net banking income	**36**	**(20)**

COMMITMENTS TO RELATED PARTIES

(In millions of euros)	December 31, 2009	December 31, 2008
Loan commitments granted	298	57
Guarantee commitments granted	1,964	1,162
Forward financial instrument commitments	**3,395**	**2,876**

(1) Entities consolidated using the proportionate method and equity method.

Note 45

Companies included in the consolidation scope

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
FRANCE						
BANKS						
BANQUE DE POLYNESIE (1)	France	FULL	72.10	72.10	72.10	72.10
BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	France	FULL	50.00	50.00	50.00	50.00
CREDIT À L'INDUSTRIE FRANÇAISE (CALIF)	France	FULL	100.00	100.00	100.00	100.00
CREDIT DU NORD (1)	France	FULL	100.00	80.00	100.00	80.00
GENEBANQUE	France	FULL	100.00	100.00	100.00	100.00
GROUPAMA BANQUES (6)	France	EQUITY	-	20.00	-	20.00
SG CALEDONIENNE DE BANQUE (1)	France	FULL	90.10	90.10	90.10	90.10
SG DE BANQUE AUX ANTILLES	France	FULL	100.00	100.00	100.00	100.00
SG ASSET MANAGEMENT BANQUE	France	FULL	100.00	100.00	100.00	100.00
FINANCIAL COMPANIES						
BAREP ASSETS MANAGEMENT (9)	France	FULL	-	100.00	-	100.00
SOCIETE GENERALE SECURITIES SERVICES FRANCE (1)	France	FULL	98.25	98.25	98.25	98.25
INTER EUROPE CONSEIL	France	FULL	100.00	100.00	100.00	100.00
INTERGA	France	FULL	100.00	100.00	100.00	100.00
JS CREDIT FUND	France	FULL	100.00	100.00	100.00	100.00
LYXOR ASSET MANAGEMENT	France	FULL	100.00	100.00	100.00	100.00
LYXOR INTERNATIONAL ASSET MANAGEMENT	France	FULL	100.00	100.00	100.00	100.00
ORBEO	France	PROP	50.00	50.00	50.00	50.00
SGAM INDEX (9)	France	FULL	-	100.00	-	100.00
SG ASSET MANAGEMENT	France	FULL	100.00	100.00	100.00	100.00
SG EUROPEAN MORTGAGE INVESTMENTS	France	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE ASSET MANAGEMENT ALTERNATIVE INVESTMENTS (9)	France	FULL	-	100.00	-	100.00
SGAM AI CREDIT PLUS	France	FULL	100.00	100.00	100.00	100.00

** FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SGAM AI CREDIT PLUS OPPORTUNITES	France	FULL	100.00	100.00	100.00	100.00
SGAM NEGOCIATION [14]	France	EQUITY	-	100.00	-	100.00
SOCIETE GENERALE RETIREMENT SERVICES	France	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE SCF	France	FULL	100.00	100.00	100.00	100.00
SOGEMONECREDIT [4]	France	FULL	-	100.00	-	100.00
AMUNDI [1] [2]	France	EQUITY	25.00	-	25.00	-
SPECIALIST FINANCING						
AIR BAIL	France	FULL	100.00	100.00	100.00	100.00
TEMSYS [1]	France	FULL	100.00	100.00	100.00	100.00
BULL FINANCE	France	FULL	51.35	51.35	51.35	51.35
CAFIREC	France	FULL	100.00	100.00	100.00	100.00
COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS [1]	France	FULL	99.88	99.88	99.88	99.88
DALAREC [8]	France	FULL	-	100.00	-	100.00
DISPONIS	France	FULL	99.94	99.94	100.00	100.00
EVALPARTS	France	FULL	100.00	100.00	100.00	100.00
FCC OURANOS [5]	France	FULL	-	100.00	-	100.00
FCC OUREA [5]	France	FULL	-	100.00	-	100.00
FENWICK LEASE	France	FULL	100.00	100.00	100.00	100.00
FONTANOR [1]	France	FULL	100.00	100.00	100.00	100.00
FRANFINANCE [1]	France	FULL	99.99	99.99	99.99	99.99
FRANFINANCE LOCATION	France	FULL	99.99	99.99	100.00	100.00
FRENCH SUPERMARKETS 1 [5]	France	FULL	-	100.00	-	100.00
GENECAL	France	FULL	100.00	100.00	100.00	100.00
GENECOMI	France	FULL	100.00	100.00	100.00	100.00
IPERSOC SAS [10]	France	FULL	-	100.00	-	100.00
LINDEN	France	FULL	100.00	100.00	100.00	100.00
ORPAVIMOB	France	FULL	100.00	100.00	100.00	100.00
PROMOPART [8]	France	FULL	-	100.00	-	100.00
RUSFINANCE SAS [1]	France	FULL	100.00	100.00	100.00	100.00
SAGEM LEASE	France	FULL	100.00	100.00	100.00	100.00
SG EQUIPMENT FINANCE SA	France	FULL	100.00	100.00	100.00	100.00
SG SERVICES	France	FULL	100.00	100.00	100.00	100.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SNC FINOVADIS (7)	France	FULL	-	100.00	-	100.00
SOFRAFI	France	FULL	100.00	100.00	100.00	100.00
SOGEFIMUR	France	FULL	100.00	100.00	100.00	100.00
SOGEFINANCEMENT	France	FULL	100.00	100.00	100.00	100.00
SG POUR LE FINANCEMENT DES INVESTISSEMENTS ECONOMISANT L'ENERGIE	France	FULL	100.00	100.00	100.00	100.00
SOGEGA PME (8)	France	FULL	-	100.00	-	100.00
SOGELEASE FRANCE	France	FULL	100.00	100.00	100.00	100.00
SOLOCVI	France	FULL	100.00	100.00	100.00	100.00
VALMYFIN (7)	France	FULL	-	100.00	-	100.00
FCC HYPERION (5)	France	FULL	-	100.00	-	100.00
FCT RED & BLACK-GUARANTEED HOME LOANS (2)	France	FULL	100.00	-	100.00	-
PORTFOLIO MANAGEMENT						
FCC ALBATROS	France	FULL	100.00	100.00	51.00	51.00
FCP LYXOR OBLIGATIUM (1) (4) (12)	France	FULL	-	-	-	-
FINAREG	France	FULL	100.00	100.00	100.00	100.00
GENE ACT 1	France	FULL	100.00	100.00	100.00	100.00
GENEFINANCE	France	FULL	100.00	100.00	100.00	100.00
GENEVAL (1)	France	FULL	100.00	100.00	100.00	100.00
GENINFO	France	FULL	100.00	100.00	100.00	100.00
LIBECAP	France	FULL	100.00	100.00	100.00	100.00
SOCIETE ALSACIENNE ET LORRAINE DE VALEURS, D'ENTREPRISES ET DE PARTICIPATIONS	France	FULL	51.42	51.42	51.42	51.42
LA FONCIERE DE LA DEFENSE	France	FULL	99.99	99.99	100.00	100.00
SG CAPITAL DEVELOPPEMENT	France	FULL	100.00	100.00	100.00	100.00
SG CONSUMER FINANCE (1)	France	FULL	100.00	100.00	100.00	100.00
SG FINANCIAL SERVICES HOLDING (1)	France	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE SECURITIES SERVICES HOLDING (1)	France	FULL	100.00	100.00	100.00	100.00
SOGEFIM HOLDING	France	FULL	100.00	100.00	100.00	100.00
SOGENAL PARTICIPATIONS	France	FULL	100.00	100.00	100.00	100.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SOCIETE GENERALE DE PARTICIPATIONS	France	FULL	100.00	100.00	100.00	100.00
SOGEPARTICIPATIONS (1)	France	FULL	100.00	100.00	100.00	100.00
SOGEPLUS	France	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE CAPITAL PARTENAIRES	France	FULL	100.00	100.00	100.00	100.00
SOCIETE DE LA RUE EDOUARD VII	France	FULL	99.91	99.91	99.91	99.91
VOURIC	France	FULL	100.00	100.00	100.00	100.00
BROKERS						
BOURSORAMA SA (1)	France	FULL	55.78	55.78	55.78	55.78
CLICKOPTIONS	France	FULL	100.00	100.00	100.00	100.00
GASELYS (13)	France	EQUITY	49.00	49.00	49.00	49.00
SOCIETE GENERALE ENERGIE	France	FULL	100.00	100.00	100.00	100.00
SG EURO CT	France	FULL	100.00	100.00	100.00	100.00
SG OPTION EUROPE	France	FULL	100.00	100.00	100.00	100.00
SG SECURITIES (PARIS) SAS	France	FULL	100.00	100.00	100.00	100.00
NEWEDGE GROUP (1)	France	PROP	50.00	50.00	50.00	50.00
REAL ESTATE AND REAL ESTATE FINANCING						
GALYBET	France	FULL	100.00	100.00	100.00	100.00
GENEFIM (1)	France	FULL	100.00	100.00	100.00	100.00
GENEFIMMO (1)	France	FULL	100.00	100.00	100.00	100.00
ORIENT PROPERTIES	France	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER	France	FULL	100.00	100.00	100.00	100.00
SOGEPROM (1)	France	FULL	100.00	100.00	100.00	100.00
SOPHIA-BAIL	France	FULL	51.00	51.00	51.00	51.00
THE IVORY OIP FUND LIMITED (5)	France	FULL	-	100.00	-	100.00
SERVICES						
COMPAGNIE GENERALE D'AFFACTURAGE	France	FULL	100.00	100.00	100.00	100.00
EUROPE COMPUTER SYSTEMES SA (1)	France	FULL	100.00	100.00	100.00	100.00
PARIS REGLEMENT LIVRAISON	France	FULL	100.00	100.00	100.00	100.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SOCIETE DE CONTROLE ET DE GESTION FINANCIERE- SOCOGEFI	France	FULL	100.00	100.00	100.00	100.00
GROUP REAL ESTATE MANAGEMENT COMPANIES						
COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM) (1)	France	FULL	100.00	100.00	100.00	100.00
ELEAPARTS	France	FULL	100.00	100.00	100.00	100.00
GENEGIS I	France	FULL	100.00	100.00	100.00	100.00
GENEGIS II	France	FULL	100.00	100.00	100.00	100.00
GENEVALMY	France	FULL	100.00	100.00	100.00	100.00
SOGEMARCHE	France	FULL	100.00	100.00	100.00	100.00
SOGECAMPUS	France	FULL	100.00	100.00	100.00	100.00
SC ALICANTE 2000	France	FULL	100.00	100.00	100.00	100.00
SC CHASSAGNE 2000	France	FULL	100.00	100.00	100.00	100.00
OPERA 72	France	FULL	99.99	99.99	100.00	100.00
SI DU 29 BOULEVARD HAUSSMANN	France	FULL	100.00	100.00	100.00	100.00
SOGE COLLINE SUD (4)	France	FULL	-	100.00	-	100.00
SOGE PERIVAL I	France	FULL	100.00	100.00	100.00	100.00
SOGE PERIVAL II	France	FULL	100.00	100.00	100.00	100.00
SOGE PERIVAL III	France	FULL	100.00	100.00	100.00	100.00
SOGE PERIVAL IV	France	FULL	100.00	100.00	100.00	100.00
SOGEFONTENAY	France	FULL	100.00	100.00	100.00	100.00
SOGINFO - SOCIETE DE GESTION ET D'INVESTISSEMENTS FONCIERS (1)	France	FULL	100.00	100.00	100.00	100.00
SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	France	FULL	99.99	99.99	100.00	100.00
VALMINVEST	France	FULL	100.00	100.00	100.00	100.00
INSURANCE						
SG DE COURTAGE ET DE REASSURANCE (GENECAR)	France	FULL	100.00	100.00	100.00	100.00
ORADEA VIE	France	FULL	100.00	100.00	100.00	100.00
SOGECAP (1)	France	FULL	100.00	100.00	100.00	100.00
SOGESSUR	France	FULL	65.00	65.00	65.00	65.00

** FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
EUROPE						
BANKS						
BRD - GROUPE SOCIETE GENERALE (1)	Romania	FULL	59.37	58.54	59.37	58.54
BANKA POPULLORE SH.A (1)	Albania	FULL	75.01	75.01	75.01	75.01
BANK REPUBLIC (1)	Georgia	FULL	80.00	60.00	80.00	60.00
GENIKI (1)	Greece	FULL	53.97	52.32	53.97	52.32
KOMERCNI BANKA A.S (1)	Czech Republic	FULL	60.44	60.35	60.44	60.35
SOCIETE GENERALE BANK NEDERLAND N.V.	Netherlands	FULL	100.00	100.00	100.00	100.00
SG EXPRESS BANK (1)	Bulgaria	FULL	99.69	97.95	99.69	97.95
SG HAMBROS LIMITED (HOLDING) (1)	Great Britain	FULL	100.00	100.00	100.00	100.00
SG PRIVATE BANKING SUISSE SA (1)	Switzerland	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE BANKA SRBIJA	Serbia	FULL	100.00	100.00	100.00	100.00
BSGV (1)	Russia	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE BANK & TRUST LUXEMBOURG (1)	Luxembourg	FULL	100.00	100.00	100.00	100.00
SG PRIVATE BANKING MONACO	France	FULL	100.00	100.00	100.00	100.00
SKB BANKA (1)	Slovenia	FULL	99.70	99.69	99.70	99.69
SG CYPRUS LTD	Cyprus	FULL	51.00	51.00	51.00	51.00
SOGEPARTICIPATIONS BELGIQUE (1)	Belgium	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE SPLITSKA BANKA	Croatia	FULL	100.00	100.00	100.00	100.00
SGSS SPA	Italy	FULL	100.00	100.00	100.00	100.00
ROSBANK (1)	Russia	FULL	65.33	57.57	65.33	57.57
MOBIASBANCA GROUPE SOCIETE GENERALE (2)	Moldova	FULL	79.72	-	87.85	-
FINANCIAL COMPAGNIES						
AMBER (5) (11)	Great Britain	FULL	-	100.00	-	100.00
BRD FINANCE IFN S.A.	Romania	FULL	80.09	79.69	100.00	100.00
BRIGANTIA INVESTMENTS B.V. (1)	Great Britain	FULL	100.00	100.00	80.00	80.00
CLARIS 4 (12)	Jersey	FULL	-	-	-	-
CO-INVEST LBO MASTER FUND LIMITED PARTNERSHIP INCORPORATED	Great Britain	FULL	100.00	100.00	51.00	51.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SOCIETE GENERALE SECURITIES SERVICES LUXEMBOURG	Luxembourg	FULL	99.21	99.21	100.00	100.00
HALYSA S.A.	Luxembourg	FULL	100.00	100.00	100.00	100.00
IRIS II (12)	Ireland	FULL	-	-	-	-
IVEFI SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
LIGHTNING ASSET FINANCE LIMITED	Ireland	FULL	51.00	51.00	51.00	51.00
LYXOR MASTER FUND	Great Britain	FULL	100.00	100.00	100.00	100.00
ORION SHARED LIQUIDITY FUND B.V.	Netherlands	FULL	100.00	100.00	100.00	95.00
PARSIFAL LTD (12)	Great Britain	FULL	-	-	-	-
SGA SOCIETE GENERALE ACCEPTANCE N.V. (“SGA”)	Netherlands Antilles	FULL	100.00	100.00	100.00	100.00
SG ASSET MANAGEMENT GROUP LTD (1) (6)	Great Britain	FULL	-	100.00	-	100.00
SGAM IBERIA AV, SAU	Spain	FULL	100.00	100.00	100.00	100.00
SGAM IRELAND	Ireland	FULL	100.00	100.00	100.00	100.00
SG D’ARBITRAGE ET DE PARTICIPATION SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
SGBF S.A.	Belgium	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE CONSUMER FINANCE HOLDING HELLAS S.A. (1)	Greece	FULL	100.00	100.00	100.00	100.00
SG EFFEKTEN	Germany	FULL	100.00	100.00	100.00	100.00
SG FINANCE IRELAND LTD (1)	Ireland	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE IMMOBEL (1)	Belgium	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED (1)	Great Britain	FULL	100.00	100.00	100.00	100.00
SG RUSSELL ASSET MANAGEMENT LTD (14)	Ireland	EQUITY	-	50.00	-	50.00
SG SECURITIES LONDON LTD (5)	Great Britain	FULL	-	100.00	-	100.00
SG WERTPAPIERHANDELSGESELLSCHAFT MB	Germany	FULL	100.00	100.00	100.00	100.00
SOCIETE EUROPEENNE DE FINANCEMENT ET D’INVESTISSEMENT	Luxembourg	FULL	100.00	100.00	100.00	100.00
VERI SG FONDS	Germany	FULL	100.00	100.00	100.00	100.00
CODEIS SECURITIES S.A.	Luxembourg	FULL	100.00	100.00	100.00	100.00
LLC PROSTOFINANCE	Ukraine	FULL	100.00	100.00	100.00	100.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
FCT RED & BLACK CONSUMER 2008-1	France	FULL	100.00	100.00	100.00	100.00
MILO FOREIGN DEBT FUND (2)	Netherlands	FULL	100.00	-	100.00	-
MILO FDF INVESTORS CV (2)	Netherlands	FULL	100.00	-	100.00	-
TURQUOISE SICAV (2)	Luxembourg	FULL	100.00	-	100.00	-
PILLAR CAPITAL LP (3)	Great Britain	FULL	100.00	-	100.00	-
SPECIALIST FINANCING						
AXUS SA/NV (1)	Belgium	FULL	100.00	100.00	100.00	100.00
ALD AUTOMOTIVE A/S (1)	Denmark	FULL	100.00	100.00	100.00	100.00
AXUS FINLAND OY (1)	Finland	FULL	100.00	100.00	100.00	100.00
AXUS ITALIANA SRL	Italy	FULL	100.00	100.00	100.00	100.00
AXUS NEDERLAND BV	Netherlands	FULL	100.00	100.00	100.00	100.00
ALD AUTOMOTIVE AS (1)	Norway	FULL	100.00	100.00	100.00	100.00
ALD AUTOMOTIVE AB (1)	Sweden	FULL	100.00	100.00	100.00	100.00
ADRIA LEASING SPA	Italy	FULL	100.00	100.00	100.00	100.00
ALD AUTOLEASING D GMBH (1)	Germany	FULL	100.00	100.00	100.00	100.00
ALD AUTOMOTIVE GROUP PLC (1)	Great Britain	FULL	100.00	100.00	100.00	100.00
ALD AUTOMOTIVE SRO	Czech Republic	FULL	100.00	100.00	100.00	100.00
ALD INTERNATIONAL SAS & CO. KG (1)	Germany	FULL	100.00	100.00	100.00	100.00
ALD INTERNATIONAL SA	France	FULL	100.00	100.00	100.00	100.00
ALD LEASE FINANZ GMBH (1)	Germany	FULL	100.00	100.00	100.00	100.00
SG ALD AUTOMOTIVE PORTUGAL SOCIEDADE GERAL DE COMERCIO E ALUGUER DE BENZ SA	Portugal	FULL	100.00	100.00	100.00	100.00
ALD AUTOMOTIVE SA (1)	Spain	FULL	100.00	100.00	100.00	100.00
DC MORTGAGE FINANCE NETHERLAND BV (1)	Netherlands	FULL	100.00	100.00	100.00	100.00
EIFFEL LIMITED	Great Britain	FULL	100.00	100.00	100.00	100.00
ESSOX SRO	Czech Republic	FULL	79.85	79.81	100.00	100.00
EURO BANK SPOLKA AKCYJNA	Poland	FULL	99.44	99.41	99.44	99.41
FIDITALIA SPA (1)	Italy	FULL	100.00	100.00	100.00	100.00
FRAER LEASING SPA	Italy	FULL	67.75	67.75	67.75	67.75
SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	Czech Republic	FULL	100.00	100.00	100.00	100.00
SG LEASING SPA	Italy	FULL	100.00	100.00	100.00	100.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SG EQUIPMENT LEASING POLSKA SP ZOO	Poland	FULL	100.00	100.00	100.00	100.00
GEFA GESELLSCHAFT FÜR ABSATZFINANZIERUNG MBH (1)	Germany	FULL	100.00	100.00	100.00	100.00
GEFA LEASING GMBH	Germany	FULL	100.00	100.00	100.00	100.00
HANSEATIC BANK GMBH & CO KG	Germany	FULL	75.00	75.00	75.00	75.00
MONTALIS INVESTMENT BV	Netherlands	FULL	100.00	100.00	100.00	100.00
SGBT FINANCE IRELAND LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
SG EQUIPMENT FINANCE BENELUX BV	Netherlands	FULL	100.00	100.00	100.00	100.00
SG EQUIPMENT FINANCE INTERNATIONAL GMBH (1)	Germany	FULL	100.00	100.00	100.00	100.00
SG EQUIPMENT FINANCE SCHWEIZ AG	Switzerland	FULL	100.00	100.00	100.00	100.00
SG EQUIPMENT FINANCE SA & CO KG	Germany	FULL	100.00	100.00	100.00	100.00
SG FACTORING SPA	Italy	FULL	100.00	100.00	100.00	100.00
SG FINANS AS (1)	Norway	FULL	100.00	100.00	100.00	100.00
SG HOLDING DE VALORES Y PARTICIPATIONES	Spain	FULL	100.00	100.00	100.00	100.00
SG LEASING XII (1)	Great Britain	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE ITALIA HOLDING SPA	Italy	FULL	100.00	100.00	100.00	100.00
SOGELEASE B.V. (1)	Netherlands	FULL	100.00	100.00	100.00	100.00
PEMA KFZ-HANDELS GMBH (1)	Germany	FULL	100.00	100.00	100.00	100.00
MILFORD (2)	Belgium	FULL	100.00	-	100.00	-
NEW ESPORTA HOLDINGS LTD (1) (2)	Great Britain	FULL	96.77	-	96.77	-
SGSS KAG (3)	Germany	FULL	100.00	-	100.00	-
BROKERS						
SG ENERGIE UK LIMITED	Great Britain	FULL	100.00	100.00	100.00	100.00
SGSS UK LIMITED	Great Britain	FULL	100.00	100.00	100.00	100.00
INSURANCE						
GENERAS	Luxembourg	FULL	100.00	100.00	100.00	100.00
INORA LIFE LTD	Ireland	FULL	100.00	100.00	100.00	100.00
KOMERCNI POJISTOVNA A.S	Czech Republic	FULL	80.62	80.57	100.00	100.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SOGELIFE	Luxembourg	FULL	100.00	100.00	100.00	100.00
SOGECAP LIFE INSURANCE	Russia	FULL	100.00	100.00	100.00	100.00
AFRICA AND THE MIDDLE-EAST						
BANKS						
BANKY FAMPANDROSOANA VAROTRA SG	Madagascar	FULL	70.00	70.00	70.00	70.00
SG DE BANQUES AU BURKINA	Burkina Faso	FULL	51.19	44.48	52.53	46.07
SG DE BANQUE EN GUINEE EQUATORIALE	Equatorial Guinea	FULL	52.44	52.44	57.24	57.24
NATIONAL SOCIETE GENERALE BANK	Egypt	FULL	77.17	77.17	77.17	77.17
SOCIETE GENERALE ALGERIE	Algeria	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE DE BANQUE AU CAMEROUN	Cameroon	FULL	58.08	58.08	58.08	58.08
SG DE BANQUES EN CÔTE D'IVOIRE (1)	Ivory Coast	FULL	73.25	68.20	73.25	68.20
SG DE BANQUES EN GUINEE	Guinea	FULL	57.94	52.94	57.94	52.94
SG DE BANQUE AU LIBAN (1)	Lebanon	EQUITY	19.00	19.00	19.00	19.00
SG DE BANQUES AU SENEGAL	Senegal	FULL	64.45	58.78	64.87	59.28
SG MAROCAINE DE BANQUES (1)	Morocco	FULL	56.91	56.91	56.91	56.91
SG-SSB LIMITED	Ghana	FULL	52.24	51.00	52.24	51.00
UNION INTERNATIONALE DE BANQUES	Tunisia	FULL	57.20	57.20	52.34	52.34
SPECIALIST FINANCING						
ALD AUTOMOTIVE SA MAROC	Morocco	FULL	43.54	42.95	50.00	50.00
SOCIETE D'EQUIPEMENT DOMESTIQUE ET MENAGER "EQDOM"	Morocco	FULL	46.31	45.41	54.92	54.69
SOGELEASE EGYPT	Egypt	FULL	70.87	70.87	80.00	80.00
SOCIETE GENERALE DE LEASING AU MAROC	Morocco	FULL	74.15	71.81	100.00	100.00
INSURANCE						
LA MAROCAINE VIE	Morocco	FULL	85.97	73.75	100.00	87.07
THE AMERICAS						
BANKS						
BANCO SG BRAZIL SA (1)	Brazil	FULL	100.00	100.00	100.00	100.00
BANCO PECUNIA S.A. (1)	Brazil	FULL	70.00	70.00	70.00	70.00

* *FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SOCIETE GENERALE (CANADA) (1)	Canada	FULL	100.00	100.00	100.00	100.00
BANCO CACIQUE S.A. (1)	Brazil	FULL	100.00	100.00	100.00	100.00
SG AMERICAS SECURITIES HOLDINGS, LLC (1) (3)	United States	FULL	100.00	-	100.00	-
FINANCIAL COMPANIES						
SG AMERICAS, INC. (1)	United States	FULL	100.00	100.00	100.00	100.00
SG CAPITAL TRUST I (1)	United States	FULL	100.00	100.00	100.00	100.00
SG WARRANTS NV	United States	FULL	100.00	100.00	100.00	100.00
TCW GROUP INC (1)	United States	FULL	100.00	100.00	100.00	100.00
TOBP (12) (15)	United States	FULL	-	-	-	-
THE TURQUOISE FUND LTD	Cayman Islands	FULL	100.00	100.00	100.00	100.00
ARROW OFFSHORE LTD. (5)	Cayman Islands	FULL	-	100.00	-	23.51
PERMAL PJM LTD. (5)	British Virgin Islands	FULL	-	100.00	-	50.00
SOCIETE GENERALE ENERGIE (USA) CORP.	United States	FULL	100.00	100.00	100.00	100.00
THE TURQUOISE II FUND	Cayman Islands	FULL	100.00	100.00	100.00	100.00
THE GLOBAL COMMODITIES FINANCE FUND LIMITED (1) (2)	Cayman Islands	FULL	100.00	-	100.00	-
SPECIALIST FINANCING						
COUSTO INVESTMENTS LP (4)	United States	FULL	-	100.00	-	55.00
PACE (5) (12)	United States	FULL	-	-	-	-
MAKATEA JV INC.	United States	FULL	100.00	100.00	66.67	66.67
REXUS L.L.C.	United States	FULL	100.00	100.00	70.83	70.83
SG ASTRO FINANCE L.P.	United States	FULL	100.00	100.00	100.00	100.00
SG ASTRO FINANCE TRUST (5)	United States	FULL	-	100.00	-	100.00
SG CONSTELLATION CANADA LTD.	Canada	FULL	100.00	100.00	100.00	100.00
SG FINANCE, INC.	United States	FULL	100.00	100.00	100.00	100.00
SG PREFERRED CAPITAL III, L.L.C. (1)	United States	FULL	100.00	100.00	100.00	100.00
SG EQUIPMENT FINANCE USA CORP. (3)	United States	FULL	100.00	-	100.00	-
PORTFOLIO MANAGEMENT						
SOCIETE GENERALE COMMODITIES PRODUCTS, LLC	United States	FULL	100.00	100.00	100.00	100.00

** FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

	COUNTRY	METHOD*	Group ownership interest		Group voting interest	
			December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
SOCIETE GENERALE INVESTMENT MANAGEMENT HOLDING CORP. (1)	United States	FULL	100.00	100.00	100.00	100.00
THE EMERALD FUND LTD (5)	Cayman Islands	FULL	-	100.00	-	100.00
ASIA AND OCEANIA						
BANKS						
SG AUSTRALIA HOLDINGS LTD (1)	Australia	FULL	100.00	100.00	100.00	100.00
SG PRIVATE BANKING (JAPAN) LTD	Japan	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD	Japan	FULL	100.00	100.00	100.00	100.00
SOCIETE GENERALE (CHINA) LIMITED	China	FULL	100.00	100.00	100.00	100.00
FINANCIAL COMPANIES						
FORTUNE SGAM FUND MANAGEMENT CO LTD	China	PROP	49.00	49.00	49.00	49.00
IBK-SG ASSET MANAGEMENT CO. LTD	South Korea	PROP	50.00	50.00	50.00	50.00
SG ASSET MANAGEMENT (SINGAPORE) LTD (14)	Singapore	EQUITY	-	100.00	-	100.00
SOCIETE GENERALE ASSET MANAGEMENT (JAPAN) CO. LTD (14)	Japan	EQUITY	-	100.00	-	100.00
SG ASIA (HONG KONG) LTD	Hong Kong	FULL	100.00	100.00	100.00	100.00
PORTFOLIO MANAGEMENT						
SGAM NORTH PACIFIC LTD (14)	Japan	EQUITY	-	100.00	-	100.00
BROKERS						
SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG KONG) (1)	Hong Kong	FULL	100.00	100.00	100.00	100.00

(1) Companies carrying out sub-consolidation.
(2) Consolidated for the first time in 2009.
(3) Companies now consolidated directly.
(4) Entities deconsolidated during 2009.
(5) Entities wound up in 2009.
(6) Entities sold in 2009.
(7) Dissolution by transfer of assets with Cafirec.
(8) Dissolution by transfer of assets with Généfinance.
(9) Merger with SG Asset Management.
(10) Merger with Societe Generale.
(11) Societe Generale owned only one compartment of Amber at 100%.
(12) Special purpose vehicles substantially controlled by the Group.
(13) Change in consolidation method: from proportionate method to equity method.
(14) Companies now sub-consolidated in Amundi.
(15) Assets and liabilities of this company are now consolidated by transparency in Societe Generale S.A.
** FULL: full consolidation – PROP: proportionate consolidation – EQUITY: equity method*

Note 46

Sector information

Sector information by business lines

(In millions of euros)	French Network (1) 2009	French Network (1) 2008 *	International Retail Banking 2009	International Retail Banking 2008 *	Specialised Financing and Insurance 2009	Specialised Financing and Insurance 2008 *
Net banking income	7,253	7,179	4,724	4,990	3,225	3,101
Operating Expenses (3)	(4,778)	(4,725)	(2,681)	(2,752)	(1,818)	(1,795)
Gross operating income	**2,475**	**2,454**	**2,043**	**2,238**	**1,407**	**1,306**
Cost of risk	(968)	(494)	(1,298)	(500)	(1,224)	(587)
Operating income	**1,507**	**1,960**	**745**	**1,738**	**183**	**719**
Net income from companies accounted for by the equity method	13	8	6	8	(54)	(21)
Net income / expense from other assets	-	-	7	14	(16)	(1)
Impairment of goodwill	-	-	-	(300)	(43)	-
Earnings before tax	**1,520**	**1,968**	**758**	**1,460**	**70**	**697**
Income tax	(512)	(667)	(150)	(368)	(44)	(220)
Net income before minority interests	**1,008**	**1,301**	**608**	**1,092**	**26**	**477**
Minority interests	37	50	163	474	9	18
Net income, Group share	**971**	**1,251**	**445**	**618**	**17**	**459**

	Private Banking, Global Investment Management and Services					
	Asset Management		Private Banking		SGSS and Online Savings	
(In millions of euros)	2009	2008 *	2009	2008 *	2009	2008 *
Net banking income	765	425	826	834	1,242	1,559
Operating Expenses (3)	(761)	(792)	(525)	(539)	(1,178)	(1,299)
Gross operating income	**4**	**(367)**	**301**	**295**	**64**	**260**
Cost of risk	3	(8)	(38)	(32)	(3)	(13)
Operating income	**7**	**(375)**	**263**	**263**	**61**	**247**
Net income from companies accounted for by the equity method	-	-	-	-	-	-
Net income / expense from other assets	-	-	-	-	(1)	-
Impairment of goodwill	-	-	-	-	-	-
Earnings before tax	**7**	**(375)**	**263**	**263**	**60**	**247**
Income tax	(3)	124	(59)	(54)	(21)	(82)
Net income before minority interests	**4**	**(251)**	**204**	**209**	**39**	**165**
Minority interests	3	(5)	-	-	17	18
Net income, Group share	**1**	**(246)**	**204**	**209**	**22**	**147**

* *All the core business results have been prepared on the basis of an average capital allocation calculated according to Basel II standards.*

(In millions of euros)	Corporate and Investment Banking (1) (2) 2009	2008 *	Corporate Centre (2) 2009	2008 *	Societe Generale Group 2009	2008 *
Net banking income (4)	6,867	1,544	(3,172)	2,234	21,730	21,866
Operating Expenses (3)	(3,877)	(3,430)	(148)	(196)	(15,766)	(15,528)
Gross operating income	**2,990**	**(1,886)**	**(3,320)**	**2,038**	**5,964**	**6,338**
Cost of risk	(2,324)	(1,033)	4	12	(5,848)	(2,655)
Operating income	**666**	**(2,919)**	**(3,316)**	**2,050**	**116**	**3,683**
Net income from companies accounted for by the equity method	53	-	(3)	(3)	15	(8)
Net income / expense from other assets	(7)	10	728	610	711	633
Impairment of goodwill	-	-	1	-	(42)	(300)
Earnings before tax	**712**	**(2,909)**	**(2,590)**	**2,657**	**800**	**4,008**
Income tax	(73)	1,046	1,170	(1,014)	308	(1,235)
Net income before minority interests	**639**	**(1,863)**	**(1,420)**	**1,643**	**1,108**	**2,773**
Minority interests	16	7	185	201	430	763
Net income, Group share	**623**	**(1,870)**	**(1,605)**	**1,442**	**678**	**2,010**

** All the core business results have been prepared on the basis of an average capital allocation calculated according to Basel II standards.*

(1) The Group adapted its organisation in the first quarter of 2009. All the real estate subsidiaries previously affiliated with Corporate and Investment Banking, except for ODIPROM, have joined the French Networks. This transfer includes notably GENEFIM, SOGEPROM and GENEFIMMO, as well as their respective subsidiaries.

(2) The following items have been charged into Corporate Centre from the fourth quarter of 2009 and retroactively to 2008 and 2009:
- *CDS revaluation of corporate credit portfolio for EUR -1,622 million in 2009;*
- *financial liabilities revaluation.*

The entities SGAM AI CREDIT PLUS and SGAM AI CREDIT PLUS OPPORTUNITES, previously affiliated with Corporate Centre, have joined the Corporate and Investment Banking. On the other hand, the Group has transfered a portfolio of securities classified in "available-for-sale" and "held-to-maturity" from the Corporate Centre to the Corporate and Investment Banking.

(3) Including depreciation and amortisation.

(4) Breakdown of the Net banking income by business for the "Corporate and Investment Banking":

(In millions of euros)	2009	2008 *
Global Markets	7,200	3,093
Financing and Advisory	2,493	1,787
Legacy Assets	(2,826)	(3,336)
Total Net banking income	**6,867**	**1,544**

The breakdown of the 2008 Net banking income by business was aligned on the new organisation of the core business "Corporate and Investment Banking".

(In millions of euros)	French Networks		International Retail banking		Specialised Financing and Insurance		Corporate and Investment Banking	
	December 31, 2009	December 31, 2008 (2)	December 31, 2009	December 31, 2008 (3)	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008 (2) (3) (4)
Sector assets	180,143	175,363	87,443	88,037	127,431	118,936	532,964	649,420
Sector liabilities (1)	131,153	126,339	71,426	72,886	81,189	73,751	567,135	692,685

	Private Banking, Global Investment Management and Services											
	Asset Management		Private Banking		SGSS and Online Savings		Division Total		Corporate Centre		Societe Generale Group	
(In millions of euros)	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008 (4)	December 31, 2009	December 31, 2008 (2) (3) (4)
Sector assets	3,544	7,652	18,963	22,090	46,899	43,533	69,406	73,275	26,314	24,972	1,023,701	1,130,003
Sector liabilities (1)	719	7,969	25,012	31,888	62,840	60,560	88,571	100,417	37,389	23,038	976,863	1,089,116

(1) Sector liabilities correspond to debts (i.e. total liabilities except equity).

(2) The Group adapted its organisation in the first quarter of 2009. All the real estate subsidiaries previously affiliated with Corporate and Investment Banking (Financing and Advisory), except for ODIPROM, have joined the French Networks. This transfer includes notably GENEFIM, SOGEPROM and GENEFIMMO, as well as their respective subsidiaries.

(3) The entity SG MUMBAI, previously affiliated with Corporate and Investment Banking (Financing and Advisory), has joined the International Retail banking in the third quarter of 2009.

(4) A new organisation was adopted in the fourth quarter of 2009: the entities SGAM AI CREDIT PLUS and SGAM AI CREDIT PLUS OPPORTUNITES, previously affiliated with Corporate Centre, have joined the Corporate and Investment Banking. On the contrary the entity SG SCF, previously affiliated with Corporate and Investment Banking (Fixed Income, Currencies and Commodities), has joined the Corporate Centre. On the other hand, the Group has transfered a portfolio of securities classified in "available-for-sale" and "held-to-maturity" from the Corporate Centre to the Corporate and Investment Banking.

Sector information by geographical regions

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME

(In millions of euros)	France 2009	France 2008	Europe 2009	Europe 2008	Americas 2009	Americas 2008
Net interest and similar income	5,581	3,508	3,994	3,949	1,311	44
Net fee income	4,750	4,160	1,772	2,214	826	569
Net income / expense from financial transactions	(1,315)	2,945	1,977	537	(126)	1,038
Other net operating income	318	493	711	848	(39)	(88)
Net banking income	**9,334**	**11,106**	**8,454**	**7,548**	**1,972**	**1,563**

(In millions of euros)	Asia 2009	Asia 2008	Africa 2009	Africa 2008	Oceania 2009	Oceania 2008	Total 2009	Total 2008
Net interest and similar income	125	81	818	722	135	110	11,964	8,414
Net fee income	131	139	315	304	18	29	7,812	7,415
Net income / expense from financial transactions	374	316	48	65	(11)	(131)	947	4,770
Other net operating income	1	-	1	15	15	(1)	1,007	1,267
Net banking income	**631**	**536**	**1,182**	**1,106**	**157**	**7**	**21,730**	**21,866**

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS

	France		Europe		Americas		Asia	
(In millions of euros)	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Sector assets	708,038	796,906	158,745	162,201	107,429	111,743	15,263	19,251
Sector liabilities (1)	669,480	762,684	152,584	157,415	107,601	111,845	14,829	18,727

	Africa		Oceania		Total	
(In millions of euros)	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Sector assets	20,522	18,443	13,704	21,459	1,023,701	1,130,003
Sector liabilities (1)	18,804	16,963	13,565	21,482	976,863	1,089,116

(1) Sector liabilities correspond to debts (i.e. total liabilities except equity).

Note 47

Fees to statutory auditors

Fees to statutory auditors recorded in the income statement in 2009 are:

(In millions of euros)	December 31, 2009	December 31, 2008
Fees related to statutory audit, certification, examination of parent company and consolidated accounts	32	32
Fees related to audit services and related assignments	8	3
Total	**40**	**35**

Note 48

Post closing events

On February 12, 2010, the Societe Generale Group and Interros, minority shareholder in Rosbank, have signed an agreement to plan the merger of its Russian subsidiaries.

The Societe Generale Group is currently present in the Russian retail banking and financial services markets via its four main subsidiaries (Rosbank, BSGV, Rusfinance and Delta Credit) and wishes now to combine its activities in Russia in order to:

- take full advantage of revenue synergies among its different business lines,
- and strengthen operational efficiency among its different activities.

The new entity will become the fifth-largest player in the Russian banking sector by the size of its credit portfolio. In late 2010 to early 2011, pending approval from the relevant authorities, the Societe Generale Group will hold a 81.5% stake in the new entity. The remaining 18.5% will be mostly held by Interros Group.

This project has not had any impact on 2009 consolidated financial statements.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Societe Generale – Year ended December 31, 2009

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. The report also includes information relating to the specific verification of information in the Group management report.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying consolidated financial statements of Societe Generale;
- the justification of our assessments;
- the specific verification according to the law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I – OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques and other methods of selection, in order to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated Group in accordance with the principles applicable under IFRS, as adopted by the European Union.

Without qualifying our opinion, we draw your attention to note 1 to the consolidated financial statements that describes the changes in accounting methods applied by the Group starting 2009, and particularly the early application of revised IFRS 3 – Business combinations and revised IAS 27 – Consolidated and separate financial statements.

II – JUSTIFICATION OF ASSESSMENTS

Accounting estimates for the purpose of preparing the financial statements for the year ended December 31, 2009 have been made in an economic context and market conditions still deteriorated. It is in this context and in accordance with article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments that we bring to your attention the following matters:

ACCOUNTING PRINCIPLES

As mentioned in note 1 to the consolidated financial statements, accounting methods have changed during the year ended December 31, 2009 as a result of the application of new or amended IFRS standards or interpretations. As part of our assessment of the general accounting policies applied by your Company, we have verified the correct application of these changes in accounting method and the appropriateness of their presentation.

ACCOUNTING ESTIMATES

- For the purpose of preparing the financial statements, your Company records depreciations to cover the credit risks inherent to its activities and performs significant accounting estimates, as described in note 1 to the consolidated financial statements, related in particular to the assessment of the fair value of financial instruments accounted for at amortised cost, goodwills, pension plans and other post-employment benefits. Taking into account the specific context of the current crisis, we have reviewed the processes implemented by management and the underlying assumptions and valuation parameters, and assessed whether these accounting estimates are based on documented procedures consistent with the accounting policies disclosed in note 1 to the consolidated financial statements.

- In the context of the financial crisis, your Company provides in note 3 to the consolidated financial statements its direct and indirect exposures to certain sectors, the procedures implemented to assess them, as well as the process for measuring certain financial instruments. We have reviewed the control procedures implemented to identify and measure such exposures, as well as the appropriateness of the related disclosure included in the aforementioned note.
- As detailed in note 1 to the consolidated financial statements, your Company uses internal models to measure financial instruments that are not listed on active markets. Our procedures consisted in reviewing the control procedures for the models used, assessing the underlying data and assumptions, and verifying that the risks and results related to these instruments were taken into account.
- Likewise, in this same context, we have reviewed the control procedures relating to the identification of financial instruments that can no longer be traded on an active market or for which market parameters could no longer be observed, and the methodology used for their valuation as a consequence.
- As mentioned in note 3 to the consolidated financial statements, your Company assessed the impact of changes in its own credit risk with respect to the valuation of certain financial liabilities measured at fair value through profit or loss. We have verified the appropriateness of the data used for this purpose.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – SPECIFIC VERIFCATION

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group management report. We have no matters to report regarding its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, March 4, 2010

The Statutory Auditors

French original signed by

ERNST & YOUNG Audit

Philippe Peuch-Lestrade

DELOITTE & ASSOCIES

Damien Leurent   Jean-Marc Mickeler

PARENT COMPANY FINANCIAL STATEMENTS

Societe Generale Management Report

SUMMARY BALANCE SHEET OF SOCIETE GENERALE

ASSETS

(in billions of euros at December 31)	2009	2008	Change
Interbank and money market assets	118	126	(7)
Customer loans	233	231	1
Securities	338	305	33
of which securities purchased under resale agreements	*60*	*40*	*20*
Other assets	195	341	(146)
of which option premiums	*109*	*180*	*(71)*
Tangible and intangible fixed assets	2	2	-
Total assets	**886**	**1,005**	**(119)**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in billions of euros at December 31)	2009	2008	Change
Interbank and money liabilities (1)	295	343	(48)
Customer deposits	262	242	20
Bonds and subordinated debt (2)	25	27	(2)
Securities	91	71	20
of which securities sold under repurchase agreements	*50*	*49*	*1*
Other liabilities and provisions	186	301	(116)
of which option premiums	*113*	*182*	*(69)*
Equity	27	21	6
Total liabilities and shareholders' equity	**886**	**1,005**	**(119)**

(1) including negotiable debt instruments

(2) including undated subordinated capital notes

Societe Generale's balance sheet total amounted to EUR 885.5 billion at December 31, 2009, EUR 119.1 billion lower than at December 31, 2008. The main balance sheet figures reflect a particularly challenging environment and the continuing good performance of commercial activities.

- The slight rise in outstanding customer loans (+1.3%), which totalled EUR 232.7 billion at December 31, 2009, originates from a significant fall in cash loans, which rose sharply the previous year, offset by an increase in all other types of loan.

- The securities portfolio on the assets side, excluding repurchase agreements, totalled EUR 278.5 billion at December 31, 2009, up slightly compared to 2008.
- A considerable decrease was reported for other assets versus December 31, 2008. This fall is due both to the decline in premiums on option instruments purchased (EUR –70.5 billion) and to the fall in the valuation of derivatives, representing EUR –68.3 billion.
- The trend is similar in the case of liabilities for premiums on option instruments sold (EUR –69.4 billion).
- Outstanding customer deposits, which amounted to EUR 262.2 billion at December 31, 2009, grew by EUR +20.0 billion versus December 31, 2008. This change varies according to customer and product.

The EUR +20.2 billion increase in the securities portfolio on the liabilities side tracks the rise in trading portfolio business.

Societe Generale's indebtedness strategy reflects balance sheet financing needs. It is designed to ensure the renewal of debt maturities and the financing of growth in commercial activity in order to maintain a surplus medium/long-term liquidity position.

It is a two-pronged strategy based on the diversification of refinancing sources, and the matching of resources collected with the needs identified in terms of currency and maturity, in order to control currency, translation and liquidity risks.

As a result, Societe Generale's refinancing is based on 3 types of resources:

- stable resources consisting of equity and subordinated debt, other financial accounts and provisions and accruals: they account for 31.1% of Societe Generale's resources;
- customer resources, collected in the form of deposits (EUR 262.2 billion) but also in the form of securities portfolio refinancing (EUR 22.3 billion), represent EUR 284.5 billion, or 32.1% of balance sheet refinancing;
- finally, resources collected via the financial markets, in the form of securities issues (EUR 117.3 billion), interbank and central bank deposits (EUR 180.8 billion) or securities transactions (EUR 27.3 billion), account for 36.8% of balance sheet refinancing and represent EUR 325.4 billion.

Societe Generale intends to maintain this strategy in order to the assist the development of its balance sheet on a balanced basis.

SUMMARY INCOME STATEMENT OF SOCIETE GENERALE

(in millions of euros at December 31)	2009 France	2009 09/08 (%)	2009 International	2009 09/08 (%)	2009 Societe Generale	2009 09/08 (%)	2008 France	2008 International	2008 Societe Generale
Net Banking Income	**9,422**	***102***	**3,039**	***1,846***	**12,461**	***158***	**4,675**	**156**	**4,831**
Operating expenses	(6,458)	*6*	(1,090)	*1*	(7,548)	*5*	(6,095)	(1,078)	(7,172)
Gross operating income	**2,964**	***(309)***	**1,949**	***(311)***	**4,913**	***(310)***	**(1,419)**	**(922)**	**(2,341)**
Cost of risk	(1,101)	*16*	(690)	*12*	(1,791)	*14*	(948)	(616)	(1,565)
Operating income	**1,863**	***(179)***	**1,259**	***(182)***	**3,122**	***(180)***	**(2,368)**	**(1,538)**	**(3,906)**
Net income from long-term investments	(2,620)	*163*	(135)	*724*	(2,754)	*172*	(998)	(16)	(1,014)
Operating income before tax	**(756)**	***(78)***	**1,124**	***(172)***	**368**	***(107)***	**(3,366)**	**(1,554)**	**(4,920)**
Exceptional items	-	*NS*	-	*NS*	-	*NS*	-	-	-
Income tax	712	*(46)*	(159)	*(125)*	554	*(72)*	1,310	646	1,956
Net reversal from general reserve for banking risks	-	*NS*	-	*NS*	-	*NS*	-	-	-
Net income	**(44)**	***(98)***	**965**	***(206)***	**922**	***(131)***	**(2,056)**	**(908)**	**(2,964)**

Despite the effect of the financial crisis in 2009, Societe Generale produced gross operating income of EUR +4.9 billion over the year, compared to EUR –2.3 billion in 2008.

- Net banking income totalled EUR +12.5 billion, which is a sharp increase on 2008 (EUR +4.8 billion). Although the economic environment is uncertain, French Retail Banking and Corporate and Investment Banking enjoyed a good commercial performance.
  - With nearly 67,000 new sight accounts opened for individual customers, the Societe Generale Network continued to develop its franchise. It also maintained its policy of financially assisting its business customers, producing 3% growth in its average loan outstandings.
  - The strong performance of Corporate and Investment Banking confirms the strength of its businesses.
- The rise in operating expenses compared to 2008 reflects the sustained policy of branch network growth (+9 in 2009) together with the expenses borne due to the realignment of operations.
- The effects of the economic crisis have greatly increased Societe Generale's cost of risk, which amounted to EUR –1.8 billion.
- Societe Generale has also set up a structure dedicated to legacy asset management. In 2009, a loss of EUR –2.1 billion in NBI and EUR –1.3 billion in security writedowns was booked in the portfolio.

SUPPLIER PAYABLES PAYMENT SCHEDULE

Supplier payables (in millions of euros)	Payables not yet due				
	1 to 30 days	31 to 60 days	More than 60 days	Payables due	Total
Amount at 31/12/2009	22.6	1.0	0.5	30.2	54.3

The maturity dates correspond to the payment dates given in invoices or supplier conditions, independently of the date of receipt.

The processing of Societe Generale France's supplier invoices is largely centralised. The supplier accounting department and a specialised department of SG CIB book and pay the supplier invoices passed for payment by all of Societe Generale France's functional and business divisions. The branches of the French network, however, have dedicated teams to process and pay their own invoices.

In accordance with the Group's internal control procedures, invoices are only paid after they have been validated by the departments that signed for the services. The average time for the payment of invoices after validation is between 2 and 5 days.

FIVE-YEAR FINANCIAL SUMMARY OF SOCIETE GENERALE

	2009	2008	2007	2006	2005
Financial position at year-end					
Capital stock (in millions of euros) (1)	925	726	583	577	543
Number of outstanding shares (2)	739,806,265	580,727,244	466,582,593	461,424,562	434,288,181
Results of operations (in millions of euros)					
Gross banking and other income (3)	29,207	36,238	43,940	36,358	26,697
Earnings before tax, depreciation, amortisation, provisions, employee profit sharing and general reserve for banking risks	5,693	(836)	(2,248)	4,648	3,641
Employee profit sharing	22	45	29	26	20
Income tax	(554)	(1,956)	(1,932)	482	247
Net income	922	(2,964)	(961)	4,033	3,069
Total dividends paid	185	697	420(**)	2,399	1,954(*)
Earnings per share (in euros)					
Earnings after tax but before depreciation, amortisation and provisions	8.41	1.85	(0.74)	8.97	7.77
Net income	1.25	(5.10)	(2.06)	8.74	7.07
Dividend paid per share	0.25	1.20	0.90	5.20	4.50
Personnel					
Number of employees	46,181	45,698	44,768	41,736	40,303
Total payroll (in millions of euros)	3,109	2,813	2,647	2,897	2,621
Employee benefits (Social Security and other) (in millions of euros)	1,394	1,212	1,343	1,269	1,339

(*) After impact of the cancellation of 18,100,000 shares decided by the Board of Directors at its meeting of February 09, and November 16, 2005.

(**) The dividend proposed as regards the financial year 2007 will be deducted from the special reserves of long-term capital gains.

(1) In 2009, Societe Generale operated several capital increases and one decrease for EUR 198,8 million with EUR 5,384.5 million issuing premiums :

- *EUR 56.3 million resulting from the issuing of prefered shares*
- *EUR 17.3 million for the payment of dividends in shares.*
- *EUR 13.4 million for the capital increase reserved for the employees ;*
- *EUR 168.1 million for the capital increase with prefered subscription rights;*
- *EUR -56.3 million for capital reduction by cancellation of prefered shares.*

(2) At December 31, 2009, Societe Generale's common stock comprised 739,806,265 shares with a nominal value of EUR 1.25 per share.

(3) Gross banking and other income is made up of interest income, dividend income, fee income, income from financial transactions and other operating income.

Financial statements

PARENT COMPANY BALANCE SHEET

ASSETS

(In millions of euros)	December 31, 2009	December 31, 2008
Cash, due from central banks and post office accounts	2,660	1,555
Due from banks (Note 2)	149,951	148,506
Customer loans (Note 3)	257,587	246,571
Lease financing and similar agreements	271	263
Treasury notes and similar securities (Note 4)	41,030	31,114
Bonds and other debt securities (Note 4)	147,696	170,324
Shares and other equity securities (Note 4)	56,169	30,239
Affiliates and other long term securities (Note 5)	2,499	2,540
Investments in subsidiaries (Note 6)	30,407	30,331
Tangible and intangible fixed assets (Note 7)	1,516	1,540
Treasury stock (Note 8)	759	657
Accruals, other accounts receivable and other assets (Note 9)	194,998	340,930
Total	**885,543**	**1,004,570**

OFF-BALANCE SHEET ITEMS

(In millions of euros)	December 31, 2009	December 31, 2008
Loan commitments granted (Note 18)	130,923	124,374
Guarantee commitments granted (Note 18)	210,255	214,058
Commitments made on securities	15,342	25,413
Foreign exchange transactions (Note 31)	647,123	535,397
Forward financial instrument commitments (Note 19)	15,625,066	15,631,055

(The accompanying notes are an integral part of the Parent Company financial statements.)

LIABILITIES AND SHAREHOLDERS' EQUITY

(In millions of euros)	December 31, 2009	December 31, 2008
Due to central banks and post office accounts	2,065	2,383
Due to banks (Note 10)	206,085	251,008
Customer deposits (Note 11)	284,550	263,614
Liabilities in the form of securities issued (Note 12)	117,314	120,990
Accruals, other accounts payable and other liabilities (Note 13)	195,298	252,427
Provisions (Note 14)	31,993	70,837
Long-term subordinated debt and notes (Note 16)	21,570	22,404
SHAREHOLDERS' EQUITY		
Common stock (Note 17)	925	726
Additional paid-in capital (Note 17)	18,474	13,090
Retained earnings (Note 17)	6,347	10,055
Net income (Note 17)	922	(2,964)
Sub-total	**26,668**	**20,907**
Total	**885,543**	**1,004,570**

OFF-BALANCE SHEET ITEMS

(In millions of euros)	December 31, 2009	December 31, 2008
Loan commitments received (Note 18)	44,526	52,099
Guarantee commitments received (Note 18)	56,439	88,100
Commitments received on securities	16,302	20,345
Foreign exchange transactions (Note 31)	646,220	532,853

(The accompanying notes are an integral part of the Parent Company financial statements.)

INCOME STATEMENT

(In millions of euros)	2009	2008
Interest and similar income	*24,292*	*34,667*
Interest and similar expenses	*(17,250)*	*(31,927)*
Net interest income (note 20)	7,042	2,740
Net income from lease financing and similar agreements	23	63
Dividend income (note 21)	3,118	2,671
Commissions (income)	*4,707*	*4,381*
Commissions (expenses)	*(1,405)*	*(1,668)*
Net fee income (note22)	3,302	2,713
Net income from the trading portfolio (note 23)	(950)	(2,895)
Net income from short-term investment securities (note 23)	(62)	(578)
Income from other activities	*315*	*297*
Expenses from other activities	*(327)*	*(180)*
Net gains or losses on other activities	(12)	117
Net banking income	**12,461**	**4,831**
Personnel expenses (note 24)	*(4,641)*	*(3,996)*
Other operating expenses	*(2,584)*	*(2,872)*
Depreciation and amortisation	(323)	(304)
Total operating expenses	**(7,548)**	**(7,172)**
Gross operating income	**4,913**	**(2,341)**
Cost of risk (note 27)	(1,791)	(1,565)
Operating income	**3,122**	**(3,906)**
Net income from long-term investments (note 28)	(2,754)	(1,014)
Operating income before tax	**368**	**(4,920)**
Exceptional items	-	-
Income tax (note 29)	554	1,956
Net allocation to regulatory provisions	-	-
Net income	**922**	**(2,964)**

Information about fees paid to statutory auditors are disclosed in the notes to the consolidated financial statements of Societe Generale Group for the year 2009 ; consequently, these information are not provided in the notes to the parent company financial statements of Societe Generale

(The accompanying notes are an integral part of the Parent Company financial statements.)

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1

Significant accounting principles

The parent company financial statements for Societe Generale were drawn up in accordance with the provisions of regulation 91-01 of the French Banking Regulation Committee (CRB) applicable to credit establishments, and with the accounting principles generally accepted in the French banking industry. As the financial statements of foreign branches were prepared using accounting principles generally accepted in their respective countries, they were subsequently adjusted to comply with the accounting principles applicable in France. The presentation of the financial statements complies with regulation 2000-03 of the French Accounting Regulation Committee (CRC) on parent company financial statements for enterprises governed by the French Banking and Financial Regulation Committee (CRBF), amended by CRC regulation 2005-04 dated November 3, 2005.

CHANGES IN ACCOUNTING POLICIES AND ACCOUNT COMPARABILITY

As of January 1, 2009, Societe Generale applied the regulations 2009-04 dated December, 3 2009 issued by the Accounting Regulation Committee (CRC) – the French accounting standard setter – relative to swaps valuation and which modifies the regulation n°90.15 of the French Banking Regulation Committee.

Accounting policies and valuation methods

In accordance with the accounting principles applicable to French banks, the majority of transactions are recorded using valuation methods that take into account the purpose for which they were made.

In financial intermediation transactions, assets and liabilities are generally carried at historical cost and depreciations are booked where counterparty risk arises. Revenues and expenses arising from these transactions are recorded over the life of the transaction in accordance with the time period concept. Transactions on forward financial instruments carried out for hedging purposes or to manage the bank's overall interest rate risk are accounted for using the same principles.

Trading transactions are generally marked to market at year-end, except for loans, borrowings and short-term investment securities which are recorded at nominal value (see below). When instruments are traded on illiquid markets, the market value used is reduced for reasons of prudence. Moreover, a reserve is booked to cover valuations established on the basis of in-house models (Reserve Policy), which is determined according to the complexity of the model used and the life of the financial instrument.

TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

The on- and off-balance sheet items of branches reporting in foreign currencies are translated at the official exchange rate prevailing at year-end. Income statement items of these branches are translated at the average month-end exchange rates. Gains and losses arising from the translation of reserves, retained earnings and net income are included in shareholders' equity under *Translation differences.* Gains and losses from transactions used to hedge translations of net income in foreign currencies of branches are also included in shareholders' equity under the same heading.

Gains and losses arising from the translation of the capital contribution of foreign branches are included under *Other accounts payable* or *Other accounts receivable.*

In accordance with CNC Recommendation 98-01, translation differences relating to branches in the euro zone are retained in shareholders' equity and are only booked to the income statement when these entities are sold.

AMOUNTS DUE FROM BANKS, CUSTOMER LOANS, GUARANTEES AND ENDORSEMENTS

Amounts due from banks and customer loans are classified according to their initial duration and type: demand deposits (current accounts and overnight transactions) and term deposits in the case of banks; and commercial loans, overdrafts and other loans to customers. They also include securities purchased from banks and customers under resale agreements, and loans secured by notes and securities.

Only amounts due and customer loans which meet the following criteria are offset on the balance sheet: those with the same counterparty, maturity, currency and accounting entity, and those for which an agreement exists with the counterparty allowing the company to combine the accounts and exercise the right of offset.

Interest accrued on these receivables is recorded as *Related receivables* and booked to the income statement.

Guarantees and endorsements booked off-balance sheet represent transactions which have not yet given rise to cash movements, such as irrevocable commitments for the undrawn portion of facilities made available to banks and customers or guarantees given on their behalf.

Under CRC regulation 2002-03, if a commitment carries an incurred credit risk which makes it probable that Societe Generale will not recover all or part of the amounts due under the counterparty's commitment in accordance with the original terms of the contract, despite the existence of a guarantee, the corresponding outstanding loan is classified as a doubtful loan. Moreover, any loan will be classified as doubtful if one or more repayments are more than three months overdue (six months for mortgage loans and nine months for loans to local authorities), or, regardless of whether any payments have been missed, if it can be assumed that there is an identified risk, or if legal proceedings have been started.

If a loan to a given borrower is classified as doubtful, all outstanding loans or commitments to that borrower are reclassified as doubtful, regardless of whether or not they are backed by a guarantee.

Depreciations for unrealised losses and for doubtful loans are booked in the amount of the probable loss. As of January 1, 2005, depreciations for unrealised losses are equal to the difference between the carrying amount of the asset and the present value of estimated future recoverable cash flows, taking into account any guarantees, discounted at the financial assets' original effective interest rate. Furthermore, this depreciation may not be less than the full amount of the accrued interest on the doubtful loan. Depreciations, write-backs of depreciations, losses on bad debts and recovery of impaired debts are booked under *Cost of risk,* along with write-backs of depreciations linked to the passage of time.

In a homogenous portfolio, as soon as a credit risk is incurred on a group of financial instruments, a depreciation is recognised without waiting for the risk to individually affect one or more receivables. The amount of depreciation is notably determined on the basis of historical data on default rates and incurred losses on assets with credit risk characteristics that are similar to those in the portfolio, adjusted to reflect any relevant current economic conditions and, where necessary, the opinion of an expert. Changes in depreciations calculated as such are recognised under *Cost of risk.*

Doubtful loans can be reclassified as performing loans when the credit risk has been definitively eliminated and regular repayments have resumed according to the original terms of the contract. Similarly, doubtful loans which have been restructured can be reclassified as performing loans. When a loan is restructured, a discount is applied to any differences between the cash flows expected to be received under the initial terms of the contract and the present value of the future flows of capital and interest expected to be received under the new terms, discounted at the original effective interest rate.

The amount deducted is booked under *Cost of risk.* If the restructured loan is subsequently reclassified as a performing loan, it is reincorporated into net interest income over the remaining term of the loan.

When a borrower's solvency is such that after the loan has been classified as doubtful for a reasonable period, it is not foreseeable that it will be reclassified as a performing loan, the loan is identified as a non-performing loan. A loan is classified as non-performing once the bank asks for an early termination, when the contract is terminated and in any case one year after it was classified as doubtful, except where the original terms of the contract have been respected or where the loan is covered by guarantees which ensure its recovery. Loans which have been restructured and for which the borrower has not respected the new conditions are also classified as non-performing.

SECURITIES PORTFOLIO

Securities are classified according to:

- their type: public notes (Treasury notes and similar securities), bonds and other debt securities (negotiable debt instruments, interbank securities), shares and other equity securities;
- the purpose for which they were acquired: trading, short-term and long-term investment, shares intended for portfolio activity, investments in non-consolidated subsidiaries and affiliates, and other long-term equity investments.

Purchases and sales of securities are recorded in the balance sheet at the date of settlement-delivery.

According to CRB amended regulation n° 90-01 relative to the accounting treatment of securities transactions and modified by CRC regulation 2008-17, the classification and valuation rules applied are the followings:

- **Trading securities**

Trading securities are securities acquired or incurred principally for the purpose of selling or repurchasing them in the near-term, or held for the purpose of market-making activities. These securities are traded in active markets, and the available market price reflects frequent buying and selling under normal conditions of competition. Trading securities also include securities linked to a sale commitment in the context of an arbitrage operation done on an organised or assimilated market and securities purchased or sold in the specialised management of a trading portfolio containing forward financial instruments, securities or other financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Trading securities are recognised in the balance sheet at cost, excluding acquisition expenses.

They are marked to market at the end of the financial period.

Net unrealised gains or losses, together with net gains or losses on disposals, are recognised in the income statement under *Net income from financial transactions*. Coupon payments received on fixed-income securities in the trading portfolio are recorded in the income statement under *Net interest income from bonds and other debt securities*.

Trading securities that are no more held for the purpose of selling them in the near-term, or no more held for the purpose of market-making activities, or held in the specialised management of a trading portfolio for which there is no more evidence of a recent pattern of short-term profit-taking, may be reclassified into the *Short-term investment securities* category or into the *Long-term investment securities* category if:

- exceptional market situations generate a change of holding strategy, or
- if after their acquisition debt securities become no longer negotiable in an active market and Societe Generale has the intention and the ability to hold them for the foreseeable future or until maturity.

Securities which are then reclassified are booked in their new category at their fair market value on the date of reclassification

- **Short-term investment securities**

Short-term investment securities are all those that are not classified as trading securities, long-term investment securities, or investments in consolidated subsidiaries and affiliates.

Shares and other equity securities

Equity securities are carried on the balance sheet at cost excluding acquisition expenses, or at contribution value. At year-end, cost is compared to realisable value. For listed securities, realisable value is defined as the most recent market price. Unrealised capital gains are not recognised in the accounts but a depreciation of portfolio securities is booked to cover unrealised capital losses, without the said depreciation being offset against any unrealised capital gains. Income from these securities is recorded in *Dividend income.*

Bonds and other debt securities

These securities are carried at cost excluding acquisition expenses and, in the case of bonds, excluding interest accrued and not yet due at the date of purchase. The positive or negative difference between cost and redemption value is amortised to income over the life of the relevant securities and using the actuarial method. Accrued interest on bonds and other short-term investment securities is recorded as *Related receivables* and under *Net interest income from bonds and other debt securities* in the income statement.

At year-end, cost is compared to realisable value or, in the case of listed securities, to their most recent market price. Unrealised capital gains are not recognised in the accounts but a depreciation of portfolio securities is booked to cover unrealised capital losses, after consideration of any gains made on any related hedging transactions.

Allocations to and reversals of depreciations for losses on short-term investment securities together with gains and losses on sales of these securities are recorded under *Net income from financial transactions* in the income statement.

Short-term investment securities may be reclassified into the *Long-term investment securities* category provided that :

- exceptional market situations generate a change of holding strategy, or
- if after their acquisition debt securities become no longer negotiable in an active market and Societe Generale has the intention and the ability to hold them for the foreseeable future or until maturity.

- **Long-term investment securities**

Long-term investment securities are acquired debt securities or reclassified short-term investment securities which Societe Generale intends to hold until maturity, where it has the financial capacity to do so and is not subject to any legal or other form of constraint that might undermine its ability to do so. Long-term investment securities also include trading and short-term investment securities which have been reclassified by Societe Generale following the particular conditions described here before (facing exceptional market situations or when debt securities are no longer negotiable in an active market).

These instruments may be designated as hedged items in hedging transactions using forward financial instruments used to hedge the interest rate risk on identifiable items or groups of similar items.

Long-term investments are booked according to the same principles as short-term investment securities, except that no depreciation is made for unrealised losses, unless there is a strong probability that the securities will be sold in the short term, or unless there is a risk that the issuer will be unable to redeem them.

Allocations to and reversals of depreciations for losses on long-term investment securities, together with gains and losses on sales of these securities, are recorded in the income statement under *Net income from long-term investments.*

- **Investments in consolidated subsidiaries and affiliates, and other long-term equity investments**

This category of securities covers shares held in consolidated subsidiaries and affiliates, when it is deemed useful to Societe Generale's business to hold the said shares in the long term. This notably covers investments that meet the following criteria:

- shares in companies that share directors or senior managers with Societe Generale and where influence can be exercised over the company in which the shares are held;
- shares in companies that belong to the same group controlled by individuals or legal entities, where the said persons or entities exercise control over the group and ensure that decisions are taken in unison;
- shares representing more than 10% of the voting rights in the capital issued by a bank or a company whose business is directly linked to that of Societe Generale.

This category also includes *Other long-term equity investments.* These are equity investments made by Societe Generale with the aim of developing special professional relations with a company over the long term but without exercising any influence on its management due to the low proportion of attached voting rights.

Investments in consolidated subsidiaries and affiliates, and other long-term equity investments are recorded at their purchase pricenet of acquisition costs. Dividend income earned on these securities is booked in the income statement under *Dividend income.*

At year-end, investments in consolidated subsidiaries and affiliates are valued at their value in use, namely the price the company would accept to pay to obtain the said securities if it had to acquire them in view of its investment objective. This value is estimated on the basis of various criteria, such as shareholders' equity, profitability, and the average share price over the last three months. Unrealised capital gains are not recognised in the accounts but a depreciation on portfolio securities is booked to cover unrealised capital losses. Allocations to and reversals of depreciations as well as any capital gains or losses realised on the disposal of these securities, including any profit or loss generated when tendering these securities to public share exchange offers, are booked under *Net income from long-term investments.*

TANGIBLE AND INTANGIBLE FIXED ASSETS

Premises, equipment and other fixed assets are carried at their purchase price on the assets side of the balance sheet. Borrowing expenses incurred to fund a lengthy construction period for fixed assets are included in the acquisition cost, along with other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets.

Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development, which includes external expenditure on hardware and services and personnel expenses which can be attributed directly to its production and preparation for use.

As soon as they are fit for use, fixed assets are depreciated over their useful life. Any residual value of the asset is deducted from its depreciable amount.

Where one or several components of a fixed asset are used for different purposes or to generate economic benefits over a different time period from the asset considered as a whole, these components are depreciated over their own useful life, through the income statement under *Depreciation and amortisation*. Societe Generale has applied this approach to its operating property, breaking down its assets into the following minimum components with their corresponding depreciation periods:

Infrastructure	Major structures	50 years
	Doors and windows, roofing	20 years
	Façades	30 years
Technical installations	Elevators	10-30 years
	Electrical installations	
	Electricity generators	
	Air conditioning, extractors	
	Technical wiring	
	Security and surveillance installations	
	Plumbing	
	Fire safety equipment	
Fixtures and fittings	Finishings, surroundings	10 years

Depreciation periods for fixed assets other than buildings depend on their useful life, usually estimated in the following ranges:

Plant and equipment	5 years
Transport	4 years
Furniture	10-20 years
Office equipment	5-10 years
IT equipment	3-5 years
Software, developed or acquired	3-5 years
Concessions, patents, licenses, etc.	5-20 years

AMOUNTS DUE TO BANKS, CUSTOMER DEPOSITS

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand (demand deposits and current accounts) and time deposits and borrowings in the case of banks, and regulated savings accounts and other deposits in the case of customers. They also include securities sold to banks and customers under repurchase agreements.

Interest accrued on these deposits is recorded as *Related payables* and as an expense in the income statement.

SECURITISED DEBT PAYABLES

These liabilities are classified by type of security: loan notes, interbank market certificates, negotiable debt instruments, bonds and other debt securities, but exclude subordinated notes which are classified under *Subordinated debt.*

Interest accrued is recorded as *Related payables* and as an expense in the income statement. Bond issuance and redemption premiums are amortised using the straight-line or actuarial method over the life of the related borrowings. The resulting expense is recorded in the income statement under *Net income from bonds and other debt securities.*

Bond issuance costs accrued over the period are booked as expenses for the period, under *Net income from bonds and other debt securities* in the income statement.

SUBORDINATED DEBT

This item includes all dated or undated borrowings, whether or not in the form of securitised debt, which in the case of liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

Interest accrued and payable in respect of long-term subordinated debt, if any, is booked as *Related payables* and as an expense in the income statement.

PROVISIONS

Provisions include:

- provisions for country risks considered as a reserve, which are made up on a lump-sum basis based on estimates by Societe Generale of its risks on the related countries and on debtors located in these countries at the balance sheet date, using criteria such as estimates of the country's economic, financial and socio-political situation, or the discount rate on the secondary market;
- provisions for commitments;
- provisions for contingencies and disputes.

A description of contingencies and disputes is provided in the Risk Management report.

Provisions for contingencies and disputes are defined as liabilities with no precisely defined amount or due date. They are only booked if the company has an obligation to a third party that will probably or necessarily lead to a transfer of funds to the third party, without compensation for at least an equivalent amount being expected from this third party.

CRB regulation 99-06 defines the funds necessary for the deposit guarantee fund. These resources comprise certificates of association acquired by each entity, together with annual subscription fees. CRB regulation 99-08 sets the total amount of these subscription fees which were payable over the period 1999 through 2002 in order to endow the fund. Half of the said fees were paid in the form of guarantee deposits. Certificates of association and guarantee deposits are booked on the balance sheet under *Other sundry debtors.* A provision was booked at the end of 1999 under *Exceptional items* for all subscription fees to be paid by Societe Generale over the 2000-2002 period for the initial endowment of the guarantee fund. Subsequent fees were booked under *Other operating expenses*.

In case of share purchase options and free shares plans granted to employees, a provision has to be recorded for the loss that the entity will support when it will deliver treasury shares to the employees.

This provision is booked under *Personnel expenses* for an amount equal to the difference :

- between the quoted price of the treasury shares on the balance sheet closing date and the exercise price (zero in case of free shares) if the entity has not already purchased its treasury shares in order to give them to the employees,
- between the acquisition price of treasury shares held and the exercise price (zero in case of free shares) if the entity has already purchased its treasury shares in order to give them to the employees.

If vesting conditions like service or performance conditions have to be satisfied for the employees to become entitled to receive shares, the allowance expense on provision shall be accounted for the services as they are rendered by the employees during the vesting period.

In case of share subscription plans, no expense shall be recorded concerning treasury shares that have to be issued.

COMMITMENTS UNDER CONTRATS EPARGNE-LOGEMENT (MORTGAGE SAVINGS AGREEMENTS)

The *comptes d'épargne-logement* (CEL or mortgage savings accounts) and *plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers which are governed by Law 65-554 of July 10, 1965 and combine an initial deposits phase in the form of an interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans. Under the current regulation, this last phase is subject to the prior existence of the savings phase and is therefore inseparable from it. The savings deposits collected and loans granted are booked at amortised cost.

These instruments create two types of commitments for Societe Generale: the obligation to remunerate customer savings for an indeterminate future period at an interest rate fixed at the inception of the mortgage savings agreement, and the obligation to subsequently lend to the customer at an interest rate also fixed at the inception of the savings agreement.

If it is clear that commitments under the PEL/CEL agreements will have negative consequences for the company, a provision is booked on the liabilities side of the balance sheet. Any variations in these provisions are booked as *Net Banking Income* under Net interest income. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between different PEL generations, and for all mortgage saving accounts (CEL) which constitute a single generation.

During the savings phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of savings and the minimum expected amount. These two amounts are determined statistically on the basis of the historical observed past behaviour of customers.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable on the basis of the amount of balance sheet loans at the date of calculation and the historical observed past behaviour of customers.

A provision is booked if the discounted value of expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated on the basis of interest rates available to individual customers for equivalent savings and loan products (with similar estimated life and date of inception).

TREASURY SHARES

In accordance with Recommendation No. 2000-05 of the French National Accounting Standards Board relating to the recognition in the accounts of treasury shares held by companies governed by the French Banking and Financial Regulation Committee, Societe Generale shares acquired for allocation to employees are booked as *Short-term investment securities – Treasury shares* on the assets side of the balance sheet.

Societe Generale shares held with a view to underpinning the share price or as part of arbitrage transactions on the CAC 40 index are booked under *Trading securities.*

TRANSACTIONS DENOMINATED IN FOREIGN CURRENCIES

Gains and losses arising from ordinary activities in foreign currencies are booked to the income statement. In accordance with CRB regulation 89-01, outright forward foreign exchange transactions and those used to hedge other forward foreign exchange transactions are valued on the basis of the forward foreign exchange rate of the relevant currency for the remaining maturity. Spot and other forward foreign exchange positions are revalued on a monthly basis using official month-end spot rates. Unrealised gains and losses are recognised in the income statement. Premiums and discounts resulting from hedged forward foreign exchange transactions, as defined by article 9 of the above-mentioned regulation, are amortised to income on a straight-line basis over the remaining term to maturity of these transactions.

FORWARD FINANCIAL INSTRUMENTS

Forward financial instruments relating to interest rates, foreign exchange or equities are used for trading and hedging purposes and are accounted for in compliance with CRB amended regulations 88-02 and 90-15 and directive 94-04 of the French Banking Commission (*Commission bancaire*). Nominal commitments on forward financial instruments are recorded as a separate off-balance sheet item. This amount represents the volume of outstanding transactions and does not represent the potential gain or loss associated with the market or counterparty risk on these transactions. Credit derivatives purchased to hedge credit risks on financial assets which are not valued at market value are classified and treated as guarantee commitments received.

The accounting treatment of income or expenses on these forward financial instruments depends on the purpose for which the transaction was concluded, as follows:

- **Hedging transactions**

Income and expenses on forward financial instruments used as a hedge and assigned from the beginning to an identifiable item or group of similar items, are recognised in the income statement in the same manner as revenues and expenses on the hedged item. Income and expenses on interest rate instruments are booked as net interest income in the same interest income or expense account as the items hedged. Income and expenses on other instruments such as equity instruments, stock market indexes or currencies are booked as *Net income from financial transactions,* under *Net income from forward financial instruments.*

Income and expenses on forward financial instruments used to hedge or manage an overall interest rate risk are recognised in the income statement over the life of the instrument under *Net income from financial transactions,* in the caption *Net income from forward financial instruments.*

- **Trading transactions**

Trading transactions include instruments traded on organised or similar markets and other instruments, such as credit derivatives and composite option products, which are included in the trading portfolio although they are traded over-the-counter on less liquid markets, together with debt securities with a forward financial instrument component for which this classification in the accounts most appropriately reflects the results and associated risks. These transactions are measured at their market value at the balance sheet date. If there is no liquid market for the instruments, this value is generally determined on the basis of in-house models. Where necessary, these valuations are adjusted for reasons of prudence by applying a discount (Reserve Policy). This discount is determined on the basis of the instruments concerned and the associated risks, and takes into account:

- a prudential valuation of all the instruments, regardless of the liquidity of the corresponding market;
- a reserve calculated according to the size of the position and intended to cover the risk that Societe Generale will be unable to liquidate the investment in one go due to the size of the holding;
- an adjustment for the reduced liquidity of instruments and modeling risks in the case of complex products as well as transactions on less liquid markets (less liquid since they have been developed recently or are more specialised).

Furthermore, for over-the-counter transactions on forward interest rate instruments, the market value takes into account counterparty risks and the discounted value of future management costs.

The corresponding gains or losses are directly booked as income for the period, regardless of whether they are realised or unrealised. They are recognised in the income statement as *Net income from financial transactions.*

Gains or losses corresponding to contracts concluded within the scope of cash management activities managed by the trading room, in order to benefit from any interest rate fluctuations, are recorded when liquidated or over the life of the contract, depending on the type of instrument. Unrealised losses are provisioned at year-end and the corresponding amount is booked under Net income from financial transactions.

PERSONNEL EXPENSES

The *Personnel expenses* account includes all expenses related to personnel, notably the cost of the legal employee profit-sharing and incentive plans for the year, as well as the cost of internal restructuring operations.

EMPLOYEE BENEFITS

Societe Generale in France, and its branches in foreign countries, may award their employees:

- post-employment benefits, such as pension plans or retirement bonuses,
- long-term benefits such as deferred variable remuneration, long service awards or the *Compte Epargne Temps* (CET) flexible working provisions,
- termination benefits.

Post-employment benefits

Pension plans may be defined contribution or defined benefit.

Defined contribution plans limit Societe Generale's liability to the subscriptions paid into the plan but do not commit the company to a specific level of future benefits. Contributions paid are booked as an expense for the year in question.

Defined benefit plans commit Societe Generale, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the medium- or long-term risk.

Provisions are booked on the liabilities side of the balance sheet under *Provisions*, to cover the whole of these retirement obligations. This is assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

When these plans are financed from external funds classed as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance (return on plan assets) are booked as actuarial gains or losses. They are amortised in the income statement according to the "corridor" method: i.e. over the expected average remaining working lives of the employees participating in the plan, as soon as they exceed the greater of:

- 10% of the present value of the defined benefit obligation (before deducting plan assets);
- 10% of the fair value of the assets at the end of the previous financial year.

Where a new or amended plan comes into force the cost of past services is spread over the remaining period until vesting.

An annual charge is booked under *Personnel expenses* for defined benefit plans, consisting of:

- the additional entitlements vested by each employee (current service cost);
- the financial expense resulting from the discount rate;
- the expected return on plan assets (gross return);
- the amortisation of actuarial gains and losses and past service cost;
- the settlement or curtailment of plans.

Long-term benefits

These are benefits paid to employees more than 12 months after the end of the period in which they provided the related services. Long-term benefits are measured in the same way as post-employment benefits, except for the treatment of actuarial gains and losses and past service costs which are booked immediately to income.

Termination benefits

Societe Generale signed a CATS agreement for its staff (*Cessation Anticipée d'Activité des Travailleurs Salariés*, or early retirement agreement), which is applicable from January 1, 2002 to March 31, 2006. The company booked a provision for this agreement based on the amounts it has agreed to pay for staff departures.

COST OF RISK

The item *Net cost of risk* is limited to net allocations to depreciations for counterparty risks, country risks and disputes. Net allocations to provisions are classified by type of risk in the corresponding accounts in the income statement.

NET INCOME FROM LONG-TERM INVESTMENTS

This item covers capital gains or losses realised on disposals, as well as the net allocation to depreciations for investments in consolidated subsidiaries and affiliates, long-term investment securities and offices and other premises. Income from real-estate holdings excluding offices is booked under *Net Banking Income.*

INCOME TAX

Current taxes

In the 1989 financial year, Societe Generale opted to apply a tax consolidation regime. At December 31, 2009, 316 subsidiaries had signed a tax consolidation agreement with the company, under which they are required to book in their accounts the tax expense they would have paid if they had not been consolidated with Societe Generale for tax purposes. In 2009, the difference booked by Societe Generale between the corporation tax levied on the tax group and the tax expense it would have generated a decrease of deferred income tax asset amounted to EUR 56.9 million.

In France, the normal corporate income tax rate is 33.33%. Since January 1, 2007, long-term capital gains on equity investments are exempted but taxed a share of expenses of 1.66%. Additionally, *a Contribution sociale de solidarité* (national contribution payment based on pre-tax earnings) was introduced in 2000 equal to 3.3% (after a deduction from basic taxable income of EUR 0.76 million). Dividends from companies in which Societe Generale's interest is at least 5% are tax exempt.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under *Income tax* in the consolidated income statement.

- **Deferred tax**

Societe Generale has opted to apply the option allowing it to book deferred taxes in its parent company accounts.

Deferred taxes are booked when there is a timing difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments. Deferred tax assets and liabilities are measured based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. The impact of changes to tax rates is booked in the income statement under *Deferred taxes*. Net deferred tax assets are not recorded unless it is probable that the subsidiary that owns the assets is likely to be able to apply them within a set timeframe.

The normal tax rate applicable to French companies to determine their deferred tax is 34.43%, and the reduced rate is 1.72% taking into account the nature of the taxed transactions.

Deferred taxes are determined separately for each taxable entity and are not discounted to present value when the corresponding effect is not significant or when a precise timetable has not been drawn up.

EXCEPTIONAL ITEMS

This caption includes income earned and expenses incurred by Societe Generale that are considered to be exceptional in view of either the amount or the manner in which they were generated. In most cases, the said income or expenses are the result of events that fall outside Societe Generale's activity.

NOTE 2

Due from banks

(In millions of euros)	December 31, 2009	December 31, 2008
Deposits and loans		
Demand		
Current accounts	25,023	24,586
Overnight deposits and loans	1,630	1,596
Loans secured by notes-overnight	-	-
Term		
Term deposits and loans	85,024	92,829
Subordinated and participating loans	2,882	3,703
Loans secured by notes and securities	452	547
Related receivables	439	599
Gross amount	**115,450**	**123,860**
Depreciations	(143)	(85)
Net amount	**115,307**	**123,775**
Securities purchased under resale agreements	34,644	24,731
Total (1) (2)	**149,951**	**148,506**

(1) At December 31, 2009 doubtful loans amounted to EUR 356 million (of which EUR 103 million were non-performing loans) against EUR 197 million (of which EUR 119 million were non-performing loans) at December 31, 2008.

(2) Including amounts receivable from subsidiaries : EUR 81,789 million at December 31, 2009 (EUR 102,310 million at December 31, 2008).

NOTE 3

Customer loans

(In millions of euros)	December 31, 2009	December 31, 2008
Discount of trade notes (1)	2,265	3,404
Other loans :		
Short-term loans	58,608	64,949
Export loans	7,881	6,490
Equipment loans	44,878	40,658
Mortgage loans	60,407	58,794
Other loans	49,815	47,805
Sub-total (2) (3)	**221,589**	**218,696**
Overdrafts	10,563	9,970
Related receivables	1,198	1,556
Gross amount	**235,615**	**233,626**
Depreciations	(3,103)	(2,463)
Net amount	**232,512**	**231,163**
Loans secured by notes and securities	159	234
Securities purchased under resale agreements	24,916	15,174
Total (4)	**257,587**	**246,571**

(1) Including pledged loan : EUR 54,872 million of which amounts eligible for refinancing with Bank of France : EUR 19,435 million at December 31, 2009 (EUR 20,160 million at December 31, 2008).

(2) Of which participating loans : EUR 1,994 million at December 31, 2009 (EUR 1,854 million at December 31, 2008).

(3) At December 31,2009 doubtful loans amounted to EUR 7,346 million (of which EUR 3,678 million were non-performing loans) against EUR 4,809 million (of which EUR 2,986 million were non-performing loans) at December 31,2008.

(4) Of which amounts receivable from subsidiaries : EUR 62,993 million at December 31, 2009 (EUR 41,637 million at December 31, 2008).

NOTE 4

Treasury notes, bonds and other debt securities, shares and other equity securities

	December 31, 2009				December 31, 2008			
(In millions of euros)	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities	Total	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities *	Total
Trading securities	36,169	55,245	90,624	182,038	26,241	29,968	101,565	157,774
Short-term investment securities [(1)] :								
Gross book value	4,659	917	37,014	42,590	4,637	262	43,487	48,386
Depreciations	(49)	(10)	(610)	(669)	(35)	(10)	(466)	(511)
Net book value	4,610	907	36,404	41,921	4,603	252	43,021	47,876
Long-term investment securities:								
Gross book value	217		22,015	22,232	251		24,142	24,393
Depreciations			(1,563)	(1,563)				
Net book value	217		20,452	20,669	251		24,142	24,393
Related receivables	34	17	216	267	19	19	1,596	1,634
Total	**41,030**	**56,169**	**147,696**	**244,895**	**31,114**	**30,239**	**170,324**	**231,677**

(1) : Of which Bank of France elligible securities in refinancement : EUR 28,290 million and securities collateral : EUR 5,314 million.

** The 2008 amounts have been modified in order to correct the classification between long-term investment securities and short-term investment securities.*

Additional information on securities

(In millions of euros)	December 31, 2009	December 31, 2008
Estimated market value of short-term investment securities :		
Unrealised capital gains [(*)]	369	106
Estimated value of long-term investment securities :	(259)	14
Premiums and discounts relating to short-term and long-term investment securities [(1)]	(2,947)	(3,947)
Investments in mutual funds :		
- French mutual funds	4,169	4,012
- Foreign mutual funds	8,012	7,432
Of which mutual funds which reinvest all their income	12	12
Listed securities [(**)]	202,238	185,549
Subordinated securities	388	398
Securities lent	10,797	3,840

(1) : the fall is mainly explained by the transfers of portfolio of the fourth quarter of 2008.

(*) Not including unrealised gains or losses on forward financial instruments, if any, used to hedge short-term investment securities.

(**) The listed trading securities amounted to EUR 158,024 million at December 31, 2009 against EUR 135,884 million at December 31, 2008.

The amount of the sales of the long-term investment securities portfolio (excluding the transferred assets) is EUR 754 million.

Portfolios transfers

In application of the amendment to IAS39 published in October 2008, Societe Generale Group proceeded to the following transfers during 4th quarter 2008

Portfolio origin	Net book value of provisions at December 31, 2007	FINANCIAL ASSETS AVAILABLE FOR SALE	LOANS AND ACCOUNTS RECEIVABLES	TOTAL	Net book value at December 31, 2009	Fair value at December 31, 2008
Transaction portfolio						
Debts securitues and other debts instruments	24,078	28	21,066	21,094	17,810	15,728

The amount of the profit or loss without the transfer would be a loss of EUR 1,527 million.

NOTE 5

Affiliates and other long term securities

(In millions of euros)	December 31, 2009	December 31, 2008
Banks	467	523
Others	2,076	2,097
Gross book value (1)	**2,543**	**2,620**
Depreciations	**(44)**	**(80)**
Net book value	**2,499**	**2,540**

(1) Of which investments in listed companies (book value over EUR 2 million) : EUR 48 million at December 31, 2009 (EUR 127 million at December 31, 2008).

NOTE 6

Investments in subsidiaries

(In millions of euros)	December 31, 2009	December 31, 2008
Banks	21,568	18,598
Others	12,235	13,526
Gross book value (1)	**33,803**	**32,124**
Depreciation.	(3,396)	(1,793)
Net book value	**30,407**	**30,331**

(1) The main changes for 2009 concern :

The allocation of the shares of SGASH : EUR + 1,307 million;

The acquisition of the totality Credit du Nord minority shares : EUR + 676 million;

The confusion of capital of IPERSOC : EUR - 1,536 million.

NOTE 7

Tangible and intangible fixed assets

(In millions of euros)	Gross book value December 31, 2008	Acquisitions	Disposals	Scope variation and other movements (1)	Gross book value December 31, 2009	Accumulated depreciation and amortisation Dec. 31, 2009	Net book value December 31, 2009
OPERATING ASSETS							
Intangible assets							
Start-up costs	-	-	-	-	-	-	-
Software, EDP development costs	1,513	63	(27)	106	1,655	(1,360)	295
Other	526	95	(25)	(121)	475	(24)	451
Sub-total	**2,039**	**158**	**(52)**	**(15)**	**2,130**	**(1,384)**	**746**
Tangible assets							
Land and buildings	332	45	(1)	26	402	(104)	298
Other	2,014	126	(32)	(57)	2,051	(1,584)	467
Sub-total	**2,346**	**171**	**(33)**	**(31)**	**2,453**	**(1,688)**	**765**
NON-OPERATING ASSETS							
Tangible assets							
Land and buildings	17	-	(10)	-	7	(4)	3
Other	9	-	(1)	-	8	(6)	2
Sub-total	**26**	**-**	**(11)**	**-**	**15**	**(10)**	**5**
Total	**4,411**	**329**	**(96)**	**(46)**	**4,598**	**(3,082)**	**1,516**

(1) Including the write-off of fully depreciated fixed assets purchased more than ten years ago.

NOTE 8

Treasury stock

(In millions of euros)	December 31, 2009			December 31, 2008		
	Quantity	Book value (1)	Market value	Quantity	Book value	Market value
Short-term investment securities	6,905,844	530	334	5,815,199	469	203
Long-term equity investments	5,070,777	229	248	5,188,387	188	187
Total	**11,976,621**	**759**	**582**	**11,003,586**	**657**	**390**

Nominal value : EUR 1.25.
Market value per share : EUR 48.95 at December 31, 2009.

(1) The accounting value is assessed according to the new notice of the CNC N 2008-17 approved on November 6, 2008 concerning stock-options and bonus issues of shares.

NOTE 9

Accruals, other accounts receivable and other assets

(In millions of euros)	December 31, 2009	December 31, 2008
Other assets		
Miscellaneous receivables	20,550	27,265
Premiums on options purchased	109,395	179,933
Settlement accounts on securities transactions	809	2,677
Other	128	115
Sub-total	**130,882**	**209,990**
Accruals and similar		
Prepaid expenses	514	490
Deferred taxes	5,348	4,313
Accrued income	2,065	1,600
Other (1)	56,216	124,561
Sub-total	**64,143**	**130,964**
Gross amount	**195,025**	**340,954**
Depreciations	(27)	(24)
Net amount	**194,998**	**340,930**
Deferred taxes		
Losses of lease finance partnerships	(91)	(104)
Gain on sales of assets to companies included in the tax consolidation	(163)	(160)
Other (principally relating to other reserves)	5,602	4,577
Total	**5,348**	**4,313**

(1) including derivative instruments valuation for EUR 51,994 million.

NOTE 10

Due to banks

(In millions of euros)	December 31, 2009	December 31, 2008
Demand deposits		
Demand deposits and current accounts	20,418	20,870
Borrowings secured by notes - overnight	1	2
Sub-total	**20,419**	**20,872**
Term deposits		
Term deposits and borrowings	157,890	201,564
Borrowings secured by notes and securities	-	64
Sub-total	**157,890**	**201,628**
Related payables	431	930
Total deposits	**178,740**	**223,430**
Securities sold under repurchase agreements	27,345	27,578
Total [(1)]	**206,085**	**251,008**

(1) Including amounts due to subsidiaries : EUR 112,912 million at December 31, 2009 (EUR 128,660 million at December 31, 2008).

NOTE 11

Customer deposits

(In millions of euros)	December 31, 2009	December 31, 2008
Regulated savings accounts		
Demand	28,269	25,057
Term	11,751	11,293
Sub-total	**40,020**	**36,350**
Other demand deposits		
Businesses and sole proprietors	22,846	24,559
Individual customers	20,095	18,707
Financial customers	28,137	22,220
Others	3,731	8,412
Sub-total	**74,809**	**73,898**
Other term deposits		
Businesses and sole proprietors	24,215	27,941
Individual customers	1,139	3,426
Financial customers	106,103	90,555
Others	14,914	8,415
Sub-total	**146,371**	**130,337**
Related payables	1,015	1,620
Total customer deposits	**262,215**	**242,205**
Borrowings secured by notes and securities	104	76
Securities sold to customers under repurchase agreements	22,231	21,333
Total (1)	**284,550**	**263,614**

(1) Including deposits of subsidiaries : EUR 103,951 million at December 31, 2009 (EUR 84,120 million at December 31, 2008).

NOTE 12

Securitised debt payables

(In millions of euros)	December 31, 2009	December 31, 2008
Term savings certificates	5	10
Bond borrowings	160	230
Related payables	2	2
Sub-total	**167**	**242**
Interbank certificates and negotiable debt instruments	115,097	117,948
Related payables	2,050	2,800
Total	**117,314**	**120,990**

NOTE 13

Accruals, other accounts payable and other liabilities

(In millions of euros)	December 31, 2009	December 31, 2008
Transactions on securities		
Amounts payable for securities borrowed	12,412	7,682
Other amounts due for securities	29,092	14,308
Sub-total	**41,504**	**21,990**
Other liabilities		
Miscellaneous payables	16,358	19,767
Premiums on options sold	112,796	182,223
Settlement accounts on securities transactions	1,742	1,138
Other securities transactions	7	79
Related payables	411	166
Sub-total	**131,314**	**203,373**
Accruals and similar		
Accrued expenses	3,398	1,866
Deferred taxes	6	4
Deferred income	1,465	1,223
Others [(1)]	17,611	23,971
Sub-total	**22,480**	**27,064**
Total	**195,298**	**252,427**

(1) including derivative instruments valuation for EUR 16,429 million.

NOTE 14

Provisions and depreciations

(In millions of euros)	December 31, 2009	December 31, 2008
Assets depreciations :		
Banks	143	85
Customer loans	3,103	2,463
Lease financing agreements	2	2
Others	27	24
Sub-total	**3,275**	**2,574**
Provisions :		
Prudential general country risk reserve (1)	816	680
Commitments made to banks	37	45
Commitments made to customers	88	80
Sectoral provisions and other	776	704
Provisions for other risks and commitments	30,276	69,328
Sub-total	**31,993**	**70,837**
Total provisions and depreciations (excluding securities) (2)	**35,268**	**73,411**
Provisions on securities	5,672	2,384
Total provisions and depreciations	**40,940**	**75,795**

(1) Societe Generale has maintained the country risk reserve in its parent company accounts. This provision is calculated using those methods defined by the French authorities.

(2) The change provisions and depreciations breaks down as follows:

		Net allowances				
(In millions of euros)	2008	Net cost of risk	Other income statement	Used provisions	Change in scope and exchange rates	2009
Prudential country risk reserve	680	137	-	-	(1)	816
Assets' depreciations	2,574	1,281	-	(512)	(68)	3,275
Provisions (3)	70,157	201	(39,354)	(85)	258	31,177
Total	**73,411**	**1,619**	**(39,354)**	**(597)**	**189**	**35,268**

(3) Analysis of provisions :

		Net allowances				
(In millions of euros)	2008	Net cost of risk	Other income statement	Used provisions	Change in scope and exchange rates	2009
Provisions for off-balance sheet commitments to banks	45	(5)	-	(1)	(1)	38
Provisions for off-balance sheet commitments to customers	80	9	-	-	(1)	88
Sectoral provisions and other	704	76	-	-	(5)	775
Provisions for employee benefits	1,092	-	192	-	8	1,292
Provisions for restructuring costs and litigations expenses	54	-	(2)	-	2	54
Provisions for tax adjustments	277	-	(8)	-	-	269
Provisions for forward financial instruments	67,489	-	(39,548)	(6)	258	28,193
Other provisions	416	121	12	(78)	(3)	468
Total	**70,157**	**201**	**(39,354)**	**(85)**	**258**	**31,177**

NOTE 15

Mortgage savings agreements (PEL / CEL)

1. Outstanding deposits in mortage savings agreements (PEL / CEL)

(In millions of euros)	December 31, 2009	December 31, 2008
Mortgage savings plans (PEL) less than 4 years old	2,646	1,698
between 4 and 10 years old	3,958	4,550
more than 10 years old	3,750	3,721
Sub-total	**10,354**	**9,969**
Mortgage savings accounts (CEL)	1,845	1,901
Total	**12,199**	**11,870**

2. Outstanding housing loans granted with respect to mortage savings agreements (PEL / CEL)

(In millions of euros)	December 31, 2009	December 31, 2008
less than 4 years old	309	265
between 4 and 10 years old	102	131
more than 10 years old	27	43
Total	**438**	**439**

3. Provisions for commitments linked to mortage savings agreements (PEL / CEL)

(In millions of euros)	December 31, 2008	Allocations	Reversals	December 31, 2009
Mortgage savings plans (PEL) less than 4 years old	30	-	30	-
between 4 and 10 years old	-	16	-	16
more than 10 years old	15	41	2	54
Sub-total	**45**	**57**	**32**	**70**
Mortgage savings accounts (CEL)	34	3	26	11
Total	**79**	**60**	**58**	**81**

The "Plans d'Epargne Logement" (PEL or mortgage savings plans) entail two types of commitment that have the negative effect of generating a PEL/CEL provision for Societe Generale : a commitment to lend at an interest rate fixed on the plan opening date and a commitment to remunerate the savings at an interest rate also fixed on the plan opening date.

The level of provisions is sensitive to the long term interest rates. Since the long term rates have remained at a relatively high level during 2009, the provisions for PEL and CEL mortgage saving accounts is linked to the risks attached to the commitment to lend. Provisioning for PEL/CEL savings amounted to 0,66% of total outstandings at December 31, 2009.

4. Methods used to establish the parameters for valuing provisions

The parameters used for estimating the future behaviour of customers are derived from historical observations of customer behaviour patterns over long period (more than 10 years). The values of these parameters can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past datas as an indicator of future customer behaviour.

The values of the different market parameters used, notably interest rates and margins, are calculated on the basis of observable datas and constitute a best estimate, at the date of valuation, of the future value of these elements for the period concerned, in line with the retail banking division's policy of interest rate risk management.

The discount rates used are derived from the zero coupon swaps vs. Euribor yield curve on valuation date, averaged over a 12-month period.

NOTE 16

Subordinated debt

(in millions of euros)

Issuance date	Currency	Amount issued	Maturity date	December 31, 2009	December 31, 2008
Undated subordinated capital notes					
July 1, 1985	EUR	348	Undated	70	70
November 24, 1986	USD	500	Undated	172	178
June 30, 1994	JPY	15,000	Undated	113	119
December 30, 1996	JPY	10,000	Undated	75	79
February 1, 2000	EUR	500	Undated	500	500
November 10, 2003	EUR	215	Undated	215	215
November 10, 2003	EUR	45	Undated	45	45
January 26, 2005	EUR	1,000	Undated	1,000	1,000
March 27, 2007	GBP	350	Undated	394	367
April 5, 2007	USD	1,100	Undated	764	790
April 5, 2007	USD	200	Undated	139	144
December 19, 2007	EUR	600	Undated	600	600
May 22, 2008	EUR	1,000	Undated	1,000	1,000
June 16, 2008	GBP	700	Undated	788	735
July 7, 2008	EUR	100	Undated	100	100
December 11, 2008	EUR	1,700	Undated	-	1,700
February 27, 2009	USD	450	Undated	312	-
September 4, 2009	EUR	1,000	Undated	1,000	-
October 7, 2009	USD	1,000	Undated	694	-
Sub-total (1)				**7,980**	**7,642**
Subordinated long-term debt and notes					
January 10, 1997	EUR	91	January 31, 2009	-	91
July 23, 1997	EUR	122	July 23, 2009	-	122
May 28, 1998	EUR	229	May 28, 2010	229	229
June 29, 1998	EUR	146	June 29, 2010	142	146
December 9, 1998	EUR	122	December 9, 2010	118	122
June 3, 1999	EUR	55	June 3, 2009	-	55
June 29, 1999	EUR	30	June 30, 2014	30	30
July 19, 1999	EUR	120	July 19, 2011	114	120
October 21, 1999	EUR	120	October 21, 2011	117	120

(in millions of euros)

Issuance date	Currency	Amount issued	Maturity date	December 31, 2009	December 31, 2008
April 13, 2000	EUR	120	April 13, 2012	114	120
April 27, 2000	EUR	500	April 27, 2015	500	500
June 23, 2000	EUR	125	April 27, 2015	125	125
July 10, 2000	EUR	100	July 10, 2012	96	100
July 21, 2000	EUR	78	July 31, 2030	39	43
November 3, 2000	EUR	100	November 5, 2012	96	100
April 18, 2001	EUR	120	April 25, 2013	115	120
April 24, 2001	EUR	40	April 24, 2011	40	40
June 29, 2001	EUR	120	June 29, 2013	114	120
October 10, 2001	EUR	120	October 10, 2013	113	120
November 27, 2001	USD	90	November 27, 2021	62	65
November 27, 2001	USD	335	November 27, 2021	233	241
December 21, 2001	EUR	300	December 21, 2016	300	300
February 13, 2002	EUR	600	February 13, 2012	600	600
July 3, 2002	EUR	180	July 3, 2014	175	180
October 16, 2002	EUR	170	October 16, 2014	164	170
December 18, 2002	EUR	650	December 18, 2014	-	650
January 21, 2003	GBP	450	January 30, 2018	507	472
April 28, 2003	EUR	100	April 28, 2015	94	100
June 2, 2003	EUR	110	December 21, 2016	110	110
October 13, 2003	EUR	120	October 13, 2015	113	120
November 10, 2003	EUR	390	November 10, 2023	390	390
December 29, 2003	GBP	150	January 30, 2018	169	157
January 7, 2004	USD	75	January 7, 2014	-	54
February 4, 2004	EUR	120	February 4, 2016	114	120
February 18, 2004	USD	75	March 18, 2014	-	54
March 12, 2004	EUR	300	March 12, 2019	300	300
March 15, 2004	EUR	700	March 15, 2016	700	700
May 6, 2004	EUR	118	May 6, 2016	113	118
October 29, 2004	EUR	100	October 29, 2016	94	100
February 3, 2005	EUR	120	February 3, 2017	112	120
May 13, 2005	EUR	100	May 13, 2017	90	100
June 30, 2005	CZK	2,590	June 30, 2015	85	96
August 1, 2005	EUR	100	December 31, 2015	50	50
August 16, 2005	EUR	226	August 18, 2025	226	226

(in millions of euros)

Issuance date	Currency	Amount issued	Maturity date	December 31, 2009	December 31, 2008
September 30, 2005	USD	75	September 30, 2015	52	54
April 4, 2006	EUR	50	April 4, 2016	50	50
April 20, 2006	USD	1,000	April 20, 2016	694	719
May 15, 2006	EUR	135	May 15, 2018	125	135
August 16, 2006	USD	400	August 16, 2016	278	287
October 20, 2006	USD	523	October 20, 2016	363	376
October 26, 2006	EUR	120	October 26, 2018	111	120
February 9, 2007	EUR	124	February 11, 2019	116	124
June 7, 2007	EUR	1,000	June 7, 2017	1,000	1,000
July 16, 2007	EUR	135	July 16, 2019	130	135
October 30, 2007	EUR	134	October 30, 2019	129	134
February 14, 2008	EUR	225	February 14, 2018	225	225
March 26, 2008	EUR	550	March 26, 2018	550	550
April 7, 2008	EUR	250	April 6, 2023	250	250
April 15, 2008	EUR	321	April 15, 2023	321	321
April 28, 2008	EUR	50	April 6, 2023	50	50
May 14, 2008	EUR	150	April 6, 2023	150	150
May 14, 2008	EUR	50	April 6, 2023	50	50
May 14, 2008	EUR	90	April 6, 2023	90	90
May 30, 2008	EUR	79	April 15, 2023	79	79
June 10, 2008	EUR	300	April 12, 2023	300	300
June 30, 2008	EUR	40	June 30, 2023	40	40
August 20, 2008	EUR	1,000	August 20, 2018	1,000	1,000
Sub-total (1)				**13,055**	**14,255**
Related payables				**535**	**507**
Total (2)				**21,570**	**22,404**

(1) The Board of Directors may decide to defer payouts on undated subordinated notes (TSDI) in full or in part in case the Ordinary General Meeting called to approve the parent company financial statements has decided not to pay any dividends.

Societe Generale has issued EUR 348 million in undated subordinated notes with warrants for the acquisition of preferential investment certificates attached, all of which are eligible for dividends on income earned from July 1, 1985. These certificates shall only be redeemed in the event of the liquidation of the company and once all unsubordinated debt has been reimbursed in full.

The other securities and borrowings have an early redemption clause as of their tenth year which may only be exercised by Societe Generale. Furthermore, since 1995, Societe Generale has carried out the partial repurchase of undated subordinated notes issued in 1985 and 1986.

(2) The bank's global subordinated debt expense amounted to EUR 1,241 million in 2009 (compared with EUR 1,071 million in 2008).

NOTE 17

Changes in shareholders' equity

(In millions of euros)	Capital Stock	Additional paid-in-capital	Reserves, unappropriated retained earnings	Shareholders' equity
At December 31, 2007	**583**	**8,507**	**10,456**	**19,546**
Increase in capital stock [(1)]	143	4,583		4,726
Net income for the period			(2,964)	(2,964)
Dividends paid [(2)]			(401)	(401)
Other movements				
At December 31, 2008	**726**	**13,090**	**7,091**	**20,907**
Increase in capital stock [(3)]	199	5,384	(450)	5,133
Net income for the period			922	922
Dividends paid [(4)]			(293)	(293)
Other movements			(1)	(1)
At December 31, 2009	**925**	**18,474**	**7,269**	**26,668**

(1) At December 31, 2008, Societe Generale's fully paid-up capital amounted to EUR 725,909,055.00 and was made up of 580,727,244 shares with a nominal value of EUR 1.25.
Societe Generale proceeded in 2008 to the increases and the following decreases of capital, representing a total of EUR 143 million, with a issuing premium of EUR 4,583 million :
- *EUR 0.043 million resulting from the exercise by employees of stock options granted by the Board of Directors, with EUR 2 million of issuing premium;*
- *EUR 145.8 for the capital increase using preferred subscription rights, with EUR 5,395 million issuing premium;*
- *EUR 9.3 million for the capital increase reserved for the employees , with EUR 391 million issuing premium;*
- *EUR -12.5 million of capital reduction by cancellation of 10 million shares with an impact on the issuing premium of EUR -1,205 million.*

(2) After elimination of treasury stock dividend : EUR 19 million.

(3) At December 31, 2009, Societe Generale's fully paid-up capital amounted to EUR 924,757,831.25 and was made up of 739,806,265 shares with a nominal value of EUR 1.25.
Societe Generale proceeded in 2009 to the increases and the following decreases of capital, representing a total of EUR 198.8 million, with a issuing premium of EUR 5,384.5 million :
- *EUR 56.3 million resulting from the issuing of prefered shares, with EUR 1,643.7 million of issuing premium;*
- *EUR 17.3 due to the dividends distribution, with EUR 432.3 million issuing premium;*
- *EUR 13.4 million for the capital increase reserved for the employees , with EUR 278 million issuing premium;*
- *EUR 168.1 million for the capital increase with prefered subscription rights, with EUR 4,674.2 million issuing premium;*
- *EUR -56.3 million of capital reduction by cancellation of prefered shares, with an impact on the issuing premium of EUR -1,643.7 million.*

(4) After elimination of treasury stock dividend : EUR 15 million.

NOTE 18

Commitments

(In millions of euros)	December 31, 2009	December 31, 2008
Commitments granted [(1)]		
Loan commitments		
- To banks	21,660	21,162
- To customers	109,263	103,212
Total	**130,923**	**124,374**
Guarantee commitments		
- On behalf of banks	148,644	153,879
- On behalf of customers	61,611	60,179
Total	**210,255**	**214,058**
Commitments received [(2)]		
Loan commitments received from banks	44,526	52,099
Guarantee commitments received from banks	56,439	88,100
Total	**100,965**	**140,199**

(1) Of which commitments granted to subsidiaries : EUR 75,221 million at December 31, 2009 (EUR 28,025 million at December 31, 2008).

(2) Of which commitments received from subsidiaries : EUR 4,077 million at December 31, 2009 (EUR 8,396 million at December 31, 2008).

NOTE 19

Forward financial instruments commitments

(In millions of euros)	Fair value Trading transactions	Hedging transactions	Total at December 31, 2009	Total at December 31, 2008
Firm transactions				
Transactions on organised markets				
- Interest rate futures	506,214		506,214	498,266
- Foreign exchange futures	27,595		27,595	19,195
- Other forward contracts	1,439,508	106	1,439,614	1,656,794
OTC agreements				
- Interest rate swaps	7,690,502	28,086	7,718,588	7,321,133
- Currency financing swaps	536,918	4,555	541,473	380,422
- Forward Rate Agreements (FRA)	1,075,977		1,075,977	625,266
- Others	44,305	84	44,389	32,707
Optional transactions				
- Interest rate options	2,721,498		2,721,498	2,942,693
- Foreign exchange options	304,357		304,357	429,085
- Options on stock exchange indexes and equities	1,062,225	8,537	1,070,762	1,468,913
- Other options	174,600		174,600	256,582
Total	**15,583,699**	**41,368**	**15,625,066**	**15,631,055**

Fair-value of the transactions qualified as hedging

(in millions of euros)	December 31, 2009
Firm transactions	
Transactions on organised markets	
- Interest rate futures	
- Foreign exchange futures	
- Other forward contracts	(55)
OTC agreements	
- Interest rate swaps	(1,656)
- Currency financing swaps	35
- Forward Rate Agreements (FRA)	
- Other	
Optional transactions	
- Interest rate options	
- Foreign exchange options	
- Options on stock exchange indexes and equities	120
- Other options	
Total	**(1,556)**

NOTE 20

Interest and related income and expenses

(In millions of euros)	2009	2008
Interest and related income :		
Interest income from transactions with banks :		
Transactions with central banks, post office accounts and banks	7,384	7,922
Net premiums and discounts	1	(4)
Securities sold under repurchase agreements and borrowings secured by notes and securities	1,594	3,554
Sub-total	**8,979**	**11,472**
Interest income from transactions with customers :		
Trade notes	144	236
Other customer loans :		
Short-term loans	1,553	2,805
Export loans	232	299
Equipment loans	1,503	1,754
Mortgage loans	2,534	2,538
Other loans	2,175	2,979
Sub-total	**7,997**	**10,375**
Overdrafts	321	651
Net premiums and discounts		
Securities sold under repurchase agreements and borrowings secured by notes and securities	1,148	2,046
Sub-total	**9,610**	**13,308**
Bonds and other debt securities	***5,426***	***9,131***
Other interest and related income	***277***	***756***
Sub-total	**24,292**	**34,667**
Interest and related expenses :		
Interest expense from transactions with banks :		
Transactions with central banks, post office accounts and banks	(3,947)	(9,237)
Securities sold under repurchase agreements and borrowings secured by notes and securities	(1,438)	(3,749)
Sub-total	**(5,385)**	**(12,986)**
Interest expense from transactions with customers :		
Special savings accounts	(815)	(1,128)
Other deposits	(4,098)	(4,837)
Securities sold under repurchase agreements and borrowings secured by notes and securities	(1,567)	(2,635)
Sub-total	**(6,480)**	**(8,600)**
Bonds and other debt securities	***(4,684)***	***(9,187)***
Other interest and related expenses	***(701)***	***(1,154)***
Sub-total	**(17,250)**	**(31,927)**
Net total	**7,042**	**2,740**

NOTE 21

Dividend income

(In millions of euros)	2009	2008
Dividends from shares and other equity securities	5	2
Dividends from investments in non-consolidated subsidiaries and affiliates, and other long-term securities	3,113	2,669
Total (1)	**3,118**	**2,671**

(1) Dividends received from investments in the trading portfolio have been classified under "Net income from financial transactions".

NOTE 22

Net fee income

(In millions of euros)	2009	2008
Fee income from :		
Transactions with banks	109	103
Transactions with customers	1,195	970
Securities transactions	490	695
Primary market transactions	267	76
Foreign exchange transactions and forward financial instruments	33	79
Loan and guarantee commitments	1,127	969
Services and other	1,486	1,489
Sub-total	**4,707**	**4,381**
Fee expense on :		
Transactions with banks	(97)	(105)
Transactions with customers	-	-
Securities transactions	(518)	(604)
Foreign exchange transactions and forward financial instruments	(356)	(377)
Loan and guarantee commitments	(330)	(415)
Other	(104)	(167)
Sub-total	**(1,405)**	**(1,668)**
Net total	**3,302**	**2,713**

NOTE 23

Net income from financial transactions

(In millions of euros)	2009	2008
Net income from the trading portfolio :		
Net income from operations on trading securities	10,939	(41,821)
Net income from forward financial instruments	(12,807)	38,227
Net income from foreign exchange transactions	918	699
Sub-total	**(950)**	**(2,895)**
Net income from short-term investment securities :		
Gains on sale	402	152
Losses on sale	(428)	(198)
Allocation to depreciations	(331)	(578)
Reversal of depreciations	295	46
Sub-total	**(62)**	**(578)**
Net total	**(1,012)**	**(3,473)**

NOTE 24

Personnel expenses

(In millions of euros)	2009	2008
Employee compensation [1]	3,026	2,642
Social security benefits and payroll taxes [1]	1,417	1,182
Employer contribution, profit sharing and incentives [2]	198	172
Total	**4,641**	**3,996**
Average staff	**46,181**	**45,698**
In France	40,606	39,975
Outside France	5,575	5,723

(1) For the accounting treatment of remuneration schemes that follows the provisions of the Ministerial Order issued in France on November 3, 2009 and related to the remunerations of employees whose activities may have consequences on the risk exposure of banks and investment companies, two payment schemes are to be distinguished regarding variable remuneration for 2009 that will be granted to financial market professionals :

- *a short-term part of these variable remunerations that will be paid in cash during the first quarter of 2010. The related expense is fully recorded in the income statement at the end of 2009 ;*
- *a deferred part that will be subject to service and performance conditions, paid over several years and based on shares (cash payment indexed on Societe Generale shares, or allocation of free Societe Generale shares the number of which will be fixed by the Board of Directors that will award them in 2010). The related expense is recorded in the income statement over the vesting period beginning on January 1, 2009.*

(2) Analysis of personnel expenses for the last five years:

(In millions of euros)	2009	2008	2007	2006	2005
Societe Generale					
Profit sharing	22	18	56	26	20
Incentives	106	79	75	99	80
Employer contribution	67	71	79	73	78
Sub-total	**195**	**168**	**210**	**198**	**178**
Subsidiaries	**3**	**4**	**4**	**3**	**5**
TOTAL	**198**	**172**	**214**	**201**	**183**

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS

Total attendance fees paid in January 2010 to the company's directors for the 2009 financial year amounted to EUR 1,1 million.

The remuneration paid in 2009 to the Chief Executive Officers amounted to EUR 4,37 million (including EUR 1,73 million in the form of retirement compensation and non-competition indemnity and no variable in respect of the 2008 financial year).

NOTE 25

EMPLOYEE BENEFITS

1. Defined Contribution Plans

Defined contribution plans limit Societe Generale's liability to the contributions paid to the plan but do not commit the company to a specific level of future benefits.

Main defined contribution plans provided to employees of Societe Generale are located in France. They include State pension plans and other national retirement plans such as ARRCO and AGIRC, as well as pension schemes put in place by some entities of Societe Generale for which the only commitment is to pay annual contributions (PERCO).

Contributions to those schemes amount to EUR 357 million in 2009 (EUR 360 million in 2008).

2. Post-employment benefit plans (defined benefit Plans) and other long term benefits

2.1. RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

	December 31, 2009				December 31, 2008			
	Post employment benefits				Post employment benefits			
(in millions of euros)	Pension plans	Others	Other long term benefits	Total	Pension plans	Others	Other long term benefits	Total
Reminder of provisions recorded in the balance sheet	153	1	1,093	**1,247**	177	1	886	**1,064**
Reminder of assets recorded in the balance sheet	(168)	-	-	**(168)**	(196)	-	-	**(196)**
Net balance	**(15)**	**1**	**1,093**	**1,079**	**(18)**	**1**	**886**	**869**
Breakdown of the net balance								
Present value of defined benefit obligations	1,591	-	87	**1,678**	1,406	-	78	**1,484**
Fair value of plan assets	(1,288)	-	(49)	**(1,337)**	(1,270)	-	(45)	**(1,315)**
Actuarial deficit (net balance) A	**303**	**-**	**37**	**340**	**136**	**-**	**33**	**169**
Present value of unfunded obligations B	76	1	1,055	**1,132**	68	1	853	**922**
Unrecognised items								
Unrecognised Past Service Cost	45	-	-	**45**	61	-	-	**61**
Unrecognised Net Actuarial (Gain)/Loss	356	-	-	**356**	200	-	-	**200**
Separate assets	-	-	-	**-**	-	-	-	**-**
Plan assets impacted by change in Asset Celling	(5)	-	-	**(5)**	(39)	-	-	**(39)**
Total unrecognised items C	**395**	**-**	**-**	**395**	**222**	**-**	**-**	**222**
Net balance (Deficit in the plan) A + B-C	**(15)**	**1**	**1,093**	**1,079**	**(18)**	**1**	**886**	**869**

Notes:

Until December 31, 2008 the two first lines of the table mentioned the gross liabilities and assets (amounts recognised in the balance sheet and the unrecognised items). As from 2009, these two first lines mention only net liabilities and net assets in the balance sheet ; the unrecognised items are detailed in the table.

1. *For pensions and other post-employment plans, actuarial gains and losses, which exceed 10% of the greater of the defined benefit obligations or funding assets, are amortised on the estimated average remaining working life of the employees participating in the plan in accordance with Recommendation 2003-R.01 of the French Accounting Standard Board (CNC), dated April 1, 2003, on the accounting treatment and valuation of retirement and similar benefits.*
2. *Pension plans include pension benefit as annuities and end of career payments. Pension benefit annuities are paid additionally to pensions state plans. Societe Generale grants 29 pension plans located in 17 countries. 6 pension plans located in France, the UK, Germany and the US represents 90% of gross liabilities of these pension plans.*

Other long-term employee benefits include deferred bonuses, flexible working provisions (French acronym : compte épargne temps) and long-service awards. Roughtly 10 benefits are located in 10 countries.

3. *The present values of defined benefit obligations have been valued by independant qualified actuaries.*
4. *Societe Generale Pension fund (CRSG) was dissolved on December 31, 2009 but not yet closed out. The liabilities which it managed were either transferred to external insurers to the Group or been purchased.*

2.2. EXPENSES RECOGNISED IN THE INCOME STATEMENT

(in millions of euros)	December 31, 2009				December 31, 2008			
	Post employment benefits				Post employment benefits			
	Pension plans	Others	Other long term benefits	Total	Pension plans	Others	Other long term benefits	Total
Current Service Cost including Social Charges	32	-	432	464	38	-	154	192
Employee contributions	-	-	-	-	-	-	-	-
Interest Cost	91	-	4	95	96	-	4	100
Expected Return on Plan Assets	(77)	-	(3)	(80)	(102)	-	(4)	(106)
Expected Return on Separate Assets	-	-	-	-	-	-	-	-
Amortisation of Past Service Cost	22	-	-	22	18	-	-	18
Amortisation of Losses (Gains)	13	-	8	21	(5)	-	33	28
Settlement, Curtailment	(1)	-	1	-	58	-	-	58
Change in asset ceiling	1	-	-	1	(57)	-	-	(57)
Transfer from non recognised assets	-	-	-	-	-	-	-	-
Total Charges	**81**	**-**	**442**	**523**	**46**	**-**	**187**	**233**

2.3. MOVEMENTS IN NET LIABILITIES OF POST-EMPLOYMENT BENEFIT PLANS BOOKED IN THE BALANCE SHEET

• 2.3.a. Movements in the present value of defined benefit obligations

(in millions of euros)	2009			2008		
	Post employment benefits			Post employment benefits		
	Pension plans	Others	Total	Pension plans	Others	Total
At January 1	**1,474**	**1**	**1,475**	**1,786**	**1**	**1,787**
Current Service Cost including Social Charges	32	-	32	38	-	38
Interest Cost	91	-	91	96	-	96
Employee contributions	-	-	-	-	-	-
Actuarial Gain / loss	250	-	250	(211)	-	(211)
Foreign Exchange adjustment	25	-	25	(123)	-	(123)
Benefit payments	(195)	-	(195)	(105)	-	(105)
Past Service Cost	5	-	5	32	-	32
Acquisition of subsidiaries	-	-	-	-	-	-
Transfers and others	(14)	-	(14)	(39)	-	(39)
At December 31	**1,668**	**1**	**1,669**	**1,474**	**1**	**1,475**

2.3.b. Movements in Fair Value of plan assets and separate assets

(in millions of euros)	2009 Post employment benefits Pension plans	2009 Post employment benefits Others	2009 Total	2008 Post employment benefits Pension plans	2008 Post employment benefits Others	2008 Total
At January 1	**1,270**	**-**	**1,270**	**1,788**	**-**	**1,788**
Expected Return on Plan Assets	77	-	77	102	-	102
Expected Return on Separate Assets	-	-	-	-	-	-
Actuarial Gain / loss	85	-	85	(486)	-	(486)
Foreign Exchange adjustment	23	-	23	(116)	-	(116)
Employee contributions	-	-	-	-	-	-
Employer Contributions to plan assets	33	-	33	169	-	169
Benefit payments	(144)	-	(144)	(89)	-	(89)
Acquisition of subsidiaries	-	-	-	-	-	-
Transfers and others	(56)	-	(56)	(98)	-	(98)
At December 31	**1,288**	**-**	**1,288**	**1,270**	**-**	**1,270**

2.4. INFORMATION REGARDING PLAN ASSETS

2.4.a. General information regarding plan assets

The breakdown of the fair value of plan assets is as follows: 37% bonds, 50% equities, 5% monetary instruments and 8% others. Societe Generale's own financial instruments directly held are not significant.

For pension plans with a fair value of plan assets in excess of defined benefit obligations, the aggregate of plan assets is EUR 173 million, including EUR 5 million unrecognised.

Employer contributions to be paid to post-employment defined benefit plans for 2010 are estimated at EUR 44 million.

2.4.b. Actual returns on plan assets

The actual return on plan and separate assets were:

(in millions of euros)	2009 Post employment benefits Pension plans	2009 Post employment benefits Others	2009 Other long term benefits	2009 Total	2008 Post employment benefits Pension plans	2008 Post employment benefits Others	2008 Other long term benefits	2008 Total
Plan assets	162	-	5	**167**	(384)	-	(29)	**(413)**

The assumption on return on assets is presented in the section 2.5 (note 3).

2.5. MAIN ASSUMPTIONS DETAILED BY GEOGRAPHIC AREA

	December 31, 2009	December 31, 2008 *
Discount rate		
Europe	5.35%	5.94%
Americas	6.60%	7.08%
Asia-Oceania-Africa	3.40%	5.83%
Long term inflation		
Europe	2.71%	2.48%
Americas	2.16%	1.18%
Asia-Oceania-Africa	1.51%	1.59%
Expected return on plan assets (separate and plan assets)		
Europe	5.91%	5.85%
Americas	6.50%	6.50%
Asia-Oceania-Africa	3.08%	4.12%
Future salary increase		
Europe	1.93%	1.03%
Americas	2.00%	2.00%
Asia-Oceania-Africa	2.21%	2.57%
Average and remaining lifetime of employees (in years)		
Europe	8.6	9.6
Americas	9.2	7.5
Asia-Oceania-Africa	8.9	14.5

* *Amounts reprocessed with regard to the published financial statements Cf 1.*

Notes:

1. *For year 2009, the assumptions by geographical zone are weighted averages by the present value of the liabilities (DBO) with the exception of the expected returns on plan assets which are weighted averages by the fair value of assets. For year 2008, these assumptions by geographical zone were arithmetic averages.*
2. *Since 2004, the rate curve used to discount the liabilities is based on the yields of the corporate AA bonds (Merrill Lynch source) observed in the middle of October. As these rates may not be available for all the durations, an interpolation is realised: a spread of rate corresponding to an estimation of the risk premium required on corporate AA bonds is added to the rate curve of government bonds (zero coupon bonds). Another observation of these rates is done at the beginning of December for possible adjustment. Inflation rates are determined, for the main durations, by the measure of the spread between bonds rates not indexed to inflation and the rates of indexed bonds for the same durations.*
3. *The range of expected return on plan assets rate is due to actual plan assets allocation.*
   Generally, expected return rates of plan assets are calculated by weighting expected anticipated returns on each category of assets with their respected weights in the asset fair value. For the French plan assets, the long term return rates are 7% for the equities, 4.5% for the bonds and 3.5% for the cash. For the United Kingdom plan assets, the return rates are 7.7% for the equities and the 5% for the bonds.
4. *Average remaining lifetime of employees is calculated taking into account turnover assumptions.*

2.6. SENSITIVITIES ANALYSIS OF OBLIGATIONS COMPARED TO MAIN ASSUMPTIONS RANGES

	2009			2008 *		
(Measured element percentage)	**Pension plans**	**Post employment healthcare plans**	**Other plans**	**Pension plans**	**Post employment healthcare plans**	**Other plans**
Variation from +1% in discount rate						
Impact on Defined Benefit Obligations at 31 December	-13%	NA	-8%	-12%	NA	-7%
Impact on total Expenses N+1	-33%	NA	0%	-29%	NA	-54%
Variation from +1% in Expected return on plan assets						
Impact on Plan Assets at 31 December	1%	NA	1%	1%	NA	1%
Impact on total Expenses N+1	-18%	NA	-9%	-30%	NA	-1%
Variation from +1% in Future salary increases						
Impact on Defined Benefit Obligations at 31 December	2%	NA	4%	6%	NA	7%
Impact on total Expenses N+1	7%	NA	6%	19%	NA	61%

* *Amounts reprocessed with regard to the published financial statements Cf 1.*

Note:

1. *For year 2009, the disclosed sensibilities are weighted averages of the variations observed by the liabilities (impact on the Defined Benefit Obligation at December 31), or by the fair values of assets (impact on the Plan Assets at December 31) or by the expected expenses N+1 (impact on total expenses N+1). For year 2008, these assumptions by geographical zone were arithmetic averages.*

2.7. EXPERIENCE ADJUSTMENTS OF POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS

(in millions of euros)	**December 31, 2009**	**December 31, 2008**	**December 31, 2007**	**December 31, 2006**	**December 31, 2005**
Defined Benefit Obligations	1,668	1,474	1,786	1,955	1,913
Fair value of plan assets	1,288	1,270	1,788	1,791	1,661
Deficit / (surplus)	380	204	(2)	164	252
Adjustments of Plan Liabilities due to experience (negative:gain)	52	10	38	(7)	23
Adjustments of Plan Liabilities due to experience (negative:gain), % of DBO	3.1%	0.7%	2.1%	-0.4%	1.2%
Adjustments of Plan Assets due to experience (negative:gain)	(85)	486	53	(69)	(84)
Adjustments of Plan Assets due to experience (negative:gain), % of Assets	-6.6%	38.3%	3.0%	-3.9%	-5.1%

NOTE 26

SUBSCRIPTION OR PURCHASE STOCK OPTION PLANS AND FREE SHARES PLANS

1. Amount of the expense recorded in the income statement and the debt recorded in the balance sheet

	December 31, 2009			December 31, 2008
(In millions of euros)	Stock option plans	Free shares plans	Total	Total
Debt recorded in the balance sheet	-	87	87	90
Reversal of expense related to stock options or free shares forfeited	-	-	-	2

2. Mains characteristics of subscription or purchase stock option plans and free shares plans

Plans for employees for the year ended December 31, 2009 are briefly described below:

Issuer	**Societe Generale**
Year of grant	**2009**
Type of plan	**subscription stock option**
Number of stock-options granted	627,512
Options exercised	411
Options forfeited at December 31, 2009	91,993
Options outstanding at December 31, 2009	535,519
Exercise price	23.18
Total value of shares reserved	-
Performance conditions	yes(1)
Resignation from the Group	forfeited
Redundancy	forteited
Retirement	maintened
Death	maintened for 6 month period
Share price for social contributions	EUR 4 M

Issuer	**Societe Generale**
Year of grant	**2009**
Type of plan	**free shares**
Number of free shares granted	2,034,610
Shares exercised	513
Shares forfeited at December 31, 2008	18,555
Shares outstanding at December 31, 2008	2,016,055
Number of shares reserved at December 31, 2008	2,016,055
Performance conditions	yes(1)
Resignation from the Group	forteited
Redundancy	forteited
Retirement	maintened
Death	maintened for 6 month period
Share price for social contributions	EUR 35 M

(1) There are conditions of performance which are described in the corporate governance section

3. Informations relative to treasury shares

	December 31, 2009			December 31, 2008
	Shares linked to a specific plan	Shares available for future plans	Total	Total
Number of treasury shares	2,016,055		2,016,055	2,505,846
Acquisition prise	123		123	267
Allocations to depreciations				

NOTE 27

Cost of risk

(In millions of euros)	2009	2008
Net allocation to depreciations and provisions for identified risks		
Identified risks [1]	(1,361)	(1,270)
Losses not covered by depreciations and amounts recovered on write-offs	(172)	(59)
Other risks and commitments	(121)	(94)
Sub-total	**(1,654)**	**(1,423)**
Net allocation to general country risk reserves [1]	(137)	(142)
Net allocation to depreciations and provisions for receivables and commitments	**(1,791)**	**(1,565)**
(1) Including gain (loss) on revaluation of currency hedge of provisions:		
- Provisions for identified risks	*24*	*24*
- Net allocation to general country risk reserves	*(1)*	*3*

NOTE 28

Net income from long-term investments

(In millions of euros)	2009	2008
Long-term investment securities:		
Net capital gains (or losses) on sale	(14)	-
Net allocation to depreciations	(1,469)	-
Sub-total	**(1,483)**	**-**
Investments in subsidiaries and affiliates:		
Gains on sale [1]	230	481
Losses on sale	(7)	(32)
Allocation to depreciations	(1,593)	(1,625)
Reversal of depreciations	98	155
Subsidies granted to affiliates (subsidiaries)	-	-
Sub-total	**(1,272)**	**(1,021)**
Operating fixed assets:		
Gains on sale	2	9
Losses on sale	(1)	(2)
Sub-total	**1**	**7**
Net total	**(2,754)**	**(1,014)**

(1) The capital gain from the sale of the Group's stake in Bank Muscat amounts to EUR 262 million in 2008.
The creation of the new merged company Newedge has generated a capital gain of EUR 155 million in 2008.

NOTE 29

Income tax

(In millions of euros)	2009	2008
Current taxes	(51)	953
Deferred taxes	605	1,003
Total [(1)]	**554**	**1,956**

(1) 2009 income tax includes a gain of EUR 56.9 million (2008 loss of EUR 21.7 million) as a consequence of the tax consolidation.

NOTE 30

Breakdown of assets and liabilities by term to maturity

	Outstanding at December 31, 2009					
(In millions of euros at December 31, 2009)	**Less than 3 months**	**3 months to one year**	**1 to 5 years**	**More than 5 years**	**Intercompany eliminations: Societe Generale Paris/ branches**	**Total**
ASSETS						
Due from banks	**222,750**	**26,948**	**29,705**	**16,609**	**(146,061)**	**149,951**
Customer loans	**70,278**	**28,247**	**83,554**	**75,508**		**257,587**
Bonds and other debt securities :						
Trading securities	4,069	83,829	428	2,549	(251)	90,624
Short-term investment securities	3,307	30,849	340	2,077		36,573
Long-term investment securities	2,753	74	713	16,959		20,499
Total	**303,157**	**169,947**	**114,740**	**113,702**	**(146,312)**	**555,234**
LIABILITIES						
Due to banks	235,921	29,812	41,334	45,314	(146,296)	206,085
Customer deposits	190,686	28,409	44,870	20,585		284,550
Liabilities in the form of securities issued	67,822	21,391	24,321	3,816	(36)	117,314
Total	**494,429**	**79,612**	**110,525**	**69,715**	**(146,332)**	**607,949**

NOTE 31

Transactions in foreign currencies

(In millions of euros)	December 31, 2009				December 31, 2008			
	Assets	**Liabilities**	**Foreign exchange bought, not yet received**	**Foreign exchange sold, not yet delivered**	**Assets**	**Liabilities**	**Foreign exchange bought, not yet received**	**Foreign exchange sold, not yet delivered**
EUR	600,941	591,072	163,788	190,916	682,823	670,898	145,970	153,137
USD	174,325	211,302	296,702	258,302	183,255	225,807	230,445	211,405
GBP	21,511	17,225	45,035	42,809	28,180	30,350	32,405	32,555
JPY	26,063	29,533	46,905	45,827	35,256	32,218	41,561	39,361
Other currencies	62,703	36,411	94,693	108,366	75,056	45,297	85,016	96,395
Total	**885,543**	**885,543**	**647,123**	**646,220**	**1,004,570**	**1,004,570**	**535,397**	**532,853**

NOTE 32

Geographical breakdown of net banking income [1]

	France		Europe		Americas	
(In millions of euros)	2009	2008	2009	2008	2009	2008
Net interest and similar income	8,953	4,590	104	(127)	790	771
Net fee income	2,767	2,051	140	445	357	170
Net income from financial transactions	(2,209)	(2,007)	1,411	(49)	(229)	(1,430)
Other net operating income	(88)	39	93	92	(10)	(12)
Net banking income	**9,423**	**4,673**	**1,748**	**361**	**908**	**(501)**

	Asia		Africa		Oceania	
(In millions of euros)	2009	2008	2009	2008	2009	2008
Net interest and similar income	124	128	5	3	207	109
Net fee income	19	15	3	4	16	27
Net income from financial transactions	117	136	4	9	(106)	(132)
Other net operating income	(1)	(1)	-	-	(6)	(1)
Net banking income	**259**	**278**	**12**	**16**	**111**	**3**

	Total	
(In millions of euros)	2009	2008
Net interest and similar income	10,183	5,474
Net fee income	3,302	2,713
Net income from financial transactions	(1,012)	(3,473)
Other net operating income	(12)	117
Net banking income	**12,461**	**4,831**

(1) Geographical regions in which companies recording income is located

NOTE 33

Operations in uncooperative States or territories

In 2003, Societe Generale defined strict internal rules to prevent the development of operations in countries qualified as uncooperative tax havens by the OECD. Any operations, or the development of activities as part of existing operations, may only be authorised by decision of the General Management after approval by the Corporate Secretariat and the Risk Division.

Name	Nationality	Branch/Division	Management Department	% Net Interest	% Net Votes	Type of entity	Activity	Date of creation
SG MANILLE	Philippines	SGIB	SGIB	NA	NA	Branch	Under liquidation	02/04/1997
SG FSC Manilla	Philippines	PRIV	PRIV	NA	NA	Sales office	Customer prospecting	26/04/2006
SG Panama	Panama	PRIV	PRIV	NA	NA	Sales office	Customer prospecting	01/12/2002
SEA BAILO MARITIME INC	Panama	SGIB	CAFI	100,00	100,00	Subsidiary	Leasing	02/05/1997
SEA BAISEN MARITIME INC	Panama	SGIB	CAFI	100,00	100,00	Subsidiary	Leasing	02/05/1997
SG FSC Brunei	Brunei	PRIV	PRIV	NA	NA	Branch	Private banking	16/09/2005

Activities of subsidiaries and affiliates

(in thousands of euros or local currencies) Company/Head Office	Activity / Division		2009 Registered capital (local currency) (1)	2009 Shareholders' equity other than capital (local currency) (1)	2009 Share of capital held (%)	2009 Book value of shares held Gross (EUR)	Net (EUR)
I – INFORMATION ON INVESTMENTS WITH A BOOK VALUE IN EXCESS OF 1% OF SOCIETE GENERALE'S SHARE CAPITAL							
A) Subsidiaries (more than 50% owned by Societe Generale)							
SG ASSET MANAGEMENT Immeuble SGAM 170, Place Henri Régnault 92400 Courbevoie – France	**Asset Management** Private Banking, Global Investment Management and Services	EUR	378,896	816,448	100.00	2,085,819	2,085,819
SOCIETE GENERALE IMMOBEL 5, place du Champs de Mars -1050 Bruxelles – Belgique	**Real estate** Corporate and Investment Banking	EUR	2,000,062	(2,965)	100.00	2,000,061	2,000,061
GENEFINANCE 29, boulevard Haussmann 75009 Paris – France	**Portfolio management** Corporate centre	EUR	1,600,000	297,582	100.00	1,736,024	1,736,024
SG FINANCIAL SERVICES HOLDING 29, boulevard Haussmann 75009 Paris – France	**Portfolio management** Corporate centre	EUR	862,976	136,719	100.00	1,357,285	1,357,285
SG AMERICAS SECURITIES HOLDINGS, LLC 1221 avenue of the Americas – New York 10020 – USA	**Investment Banking** Corporate and Investment Banking	USD	1,430,976	396,545	100.00	1,270,668	1,270,668
CREDIT DU NORD 28, place Rihour, 59800 Lille – France	**French Retail Banking** French Networks	EUR	740,263	641,050	100.00	1,260,255	1,260,255
SOCIETE GENERALE SPLITSKA BANKA Rudera Boskovica 16 21000 Split – Croatie	**International Retail Banking** International Retail Banking	HRK	491,426	2,630,804	100.00	1,059,686	1,059,686
GENEVAL 29, boulevard Haussmann 75009 Paris – France	**Portfolio management** Corporate centre	EUR	538,630	452,412	100.00	1,910,368	1,055,132
LINDEN 17, cours Valmy, 92800 Puteaux – France	**Portfolio management** Corporate and Investment Banking	EUR	101	963,046	100.00	1,001,040	1,001,040

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue for the last fiscal year (local currency) (1) (2)**	**Net income (loss) for the last fiscal year (local currency) (1)**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation differences**
979,734	0	NC	NC	0	
0	0	91,980	91,179	88,708	
2,519,245	0	368,577	366,974	271,000	
4,273,433	0	208,106	80,413	233,588	
0	0	650,797	238,247	0	1 EUR = 1.4406 USD
1,781,483	89	1,054,647	331,356	103,629	
0	202,259	1,241,487	237,419	0	1 EUR = 7,3 HRK
0	0	23,272	94,925	0	
0	0	44,216	39,389	60,032	dont 37 433 acompte/dividendes 2009

(in thousands of euros or local currencies)			2009	2009	2009	2009	
						Book value of shares held	
Company/Head Office	Activity / Division		Registered capital (local currency) (1)	Shareholders' equity other than capital (local currency) (1)	Share of capital held (%)	Gross (EUR)	Net (EUR)
ALD INTERNATIONAL SA	**Car rental and financing**						
15, allée de l'Europe, 92110 Clichy sur Seine – France	Specialised Financing and Insurance	EUR	550,038	(44,900)	100.00	804,000	804,000
GENEFIMMO	**Real estate and real estate financing**						
29, boulevard Haussmann 75009 Paris – France	French Networks	EUR	392,340	18,636	100.00	651,732	651,732
ORPAVIMOB	**Real estate and real estate financing**						
17, cours Valmy, 92800 Puteaux – France	Corporate and Investment Banking	EUR	552,253	3,689	100.00	552,253	552,253
BANCO SG BRAZIL SA	**Investment Banking**						
Rua Verbo Divino 1207, Châcara Santo Antonio, Sâo Paulo CEP 04719-002, Brésil	Corporate and Investment Banking	BRL	1,404,908	51,721	100.00	537,912	537,912
SG AMERICAS, INC.	**Investment Banking**						
1221 avenue of the Americas – New York 10020 – USA	Corporate and Investment Banking	USD	0	1,017,918	100.00	1,718,694	460,648
SOCIETE GENERALE (CHINA) LIMITED	**International Retail Banking**						
2, Wudinghou Street, Xicheng Disctrict – 100140 Beijing – Chine	Corporate and Investment Banking	CNY	4,000,000	(220,717)	100.00	411,221	411,221
SG HAMBROS LIMITED (HOLDING)	**Asset Management**						
Exchange House – Primrose st. – Londres EC2A 2HT – Grande Bretagne	Private Banking, Global Investment Management and Services	GBP	282,185	71,388	100.00	347,335	347,335
SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD	**Brokerage of marketable securities**						
Ark Mori Building – 13-32 Akasaka 1 – Chome, Minato+Ku – 107-6015 Tokyo – Japon	Corporate and Investment Banking	JPY	26,703,000	5,628,000	100.00	309,317	309,317
VALMINVEST	**Office space**						
29, boulevard Haussmann 75009 Paris – France	Corporate centre	EUR	248,877	(11,408)	100.00	249,427	249,427

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue for the last fiscal year (local currency) (1) (2)**	**Net income (loss) for the last fiscal year (local currency) (1)**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation differences**
137,088	43	35,436	(19,761)	0	
116,094	1,000	24,907	21,023	37,819	
0	580,409	38,190	4,832	24,667	
0	0	124,058	38,048	0	1 EUR = 2,5113 BRL
0	0	53,998	(11,186)	1,307,098	capital = 1 USD 1 EUR = 1.4406 USD
0	0	234,926	(218,423)	0	1 EUR = 9,835 CNY
0	153,685	116,767	23,484	0	1 EUR = 0,8881 GBP
0	0	12,125,000	6,083,000	0	1 EUR = 133,16 JPY
0	0	5,495	895	0	

(in thousands of euros or local currencies)

Company/Head Office	Activity / Division		2009 Registered capital (local currency) (1)	2009 Shareholders' equity other than capital (local currency) (1)	2009 Share of capital held (%)	2009 Book value of shares held Gross (EUR)	Net (EUR)
GENEGIS I	**Office space**						
29, boulevard Haussmann 75009 Paris – France	Corporate centre	EUR	192,900	14,454	100.00	196,061	196,061
SOCIETE GENERALE SECURITIES SERVICES HOLDING	**Portfolio management**						
17, cours Valmy, 92800 Puteaux – France	Private Banking, Global Investment Management and Services	EUR	163,287	(79)	100.00	163,287	163,287
SOCIETE GENERALE BANKA SRBIJA	**International Retail Banking**						
Vladimira Popovica 6 – 11070 Novi Belgrade – Serbie	International Retail Banking	RSD	12,897,455	6,397,108	100.00	160,081	160,081
COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	**Office space**						
29, boulevard Haussmann 75009 Paris – France	Corporate centre	EUR	76,627	3,044	100.00	155,837	155,837
SOGINFO – SOCIETE DE GESTION ET D'INVESTISSEMENTS FONCIERS	**Office space**						
29, boulevard Haussmann 75009 Paris – France	French Networks	EUR	123,411	23,296	100.00	148,720	148,720
DC MORTGAGE FINANCE NETHERLAND BV	**Mortgage Financing**						
1012 KK Amsterdam, Rokin 55 – Netherland	International Retail Banking	RUB	1,009	4,867,029	100.00	144,362	144,362
SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG-KONG)	**Investment Banking**						
41/F Edinburgh Tower – 15 Queen's Road Central, Hong Kong	Corporate and Investment Banking	USD	154,990	317,282	100.00	135,617	135,617
SOCIETE GENERALE ALGERIE	**International Retail Banking**						
75, chemin Cheikh Bachir Ibrahimi, El-Biar, 16010 Alger – Algérie	International Retail Banking	DZD	10,000,000	6,707,587	100.00	110,524	110,524
SOGEMARCHE	**Real estate**						
17, cours Valmy, 92800 Puteaux – France	Corporate centre	EUR	108,037	154	100.00	108,037	108,037
SI DU 29 BOULEVARD HAUSSMANN	**Office space**						
29, boulevard Haussman 75009 Paris – France	Corporate centre	EUR	90,030	1,592	100.00	89,992	89,992
FONTANOR	**Portfolio management**						
17, cours Valmy, 92800 Puteaux – France	Corporate and Investment Banking	EUR	40	88,519	100.00	78,900	78,900

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue for the last fiscal year (local currency) (1) (2)	Net income (loss) for the last fiscal year (local currency) (1)	Dividends received by the Company during the year (in EUR)	Remarks Revaluation differences
0	0	211,805	17,937	0	
0	0	23	(68)	0	
321,392	272,357	7,033,603	1,588,408	0	1 EUR = 96,09 RSD
35,480	0	1,307	3,270	3,588	
0	0	25,477	9,260	13,212	
263,836	0	4,065,972	2,298,707	0	1 EUR = 1.4406 USD
0	0	198,718	64,439	7,171	1 EUR = 1.4406 USD
0	0	10,461,707	3,458,094	0	1 EUR = 103,7594 DZD
0	0	203	(4)	0	
27,800	0	8,012	3,593	3,526	
0	0	0	(20)	0	

(in thousands of euros or local currencies)			2009	2009	2009	2009	
						Book value of shares held	
Company/Head Office	**Activity / Division**		**Registered capital (local currency) (1)**	**Shareholders' equity other than capital (local currency) (1)**	**Share of capital held (%)**	**Gross (EUR)**	**Net (EUR)**
SG ASSET MANAGEMENT BANQUE Immeuble SGAM 170, Place Henri Régnault 92400 Courbevoie – France	**Asset Management** Private Banking, Global Investment Management and Services	EUR	293,277	(218,016)	100.00	67,783	67,783
SOCIETE GENERALE (CANADA) Montréal Québec H3B 3A7 – Canada	**Investment Banking** Corporate and Investment Banking	CAD	80,772	195,952	100.00	52,403	52,403
SOCIETE GENERALE SCF 17, cours Valmy, 92800 Puteaux – France	**Mortgages** Corporate and Investment Banking	EUR	50,000	5,784	100.00	50,000	50,000
SOGECAMPUS 17, cours Valmy, 92800 Puteaux – France	**Real estate** Corporate centre	EUR	45,037	721	100.00	45,037	45,037
SG FINANCE IRELAND LTD 31/32 Morisson Chambers, Nassau street, Dublin 2 – Irlande	**Portfolio management** Corporate and Investment Banking	EUR	43,004	2,376	100.00	43,593	43,593
ELEAPARTS 29, boulevard Haussmann 75009 Paris – France	**Office space** French Networks	EUR	37,967	258	100.00	37,978	37,978
SOCIETE GENERALE ENERGIE 17, cours Valmy, 92800 Puteaux – France	**Portfolio management** Corporate and Investment Banking	EUR	34,000	36,619	100.00	35,785	35,785
SG ASIA (HONG-KONG) LTD 42/F Edinburgh Tower – 15 Queen's Road Central, Hong Kong	**Merchant bank** Corporate and Investment Banking	HKD	400,000	3,073	100.00	35,605	35,605
SOCIETE GENERALE VIET FINANCE COMPANY LTD 801, Nguyen Van Linh Boulevard Tan Phu Ward – Ho Chi Minh City – Vietnam	**Consumer credit** Specialised Financing and Insurance	VND	520,000,000	(154,668,693)	100.00	23,444	23,444
SG AUSTRALIA HOLDINGS LTD 350, George Street – Sydney NSW 3000 – Australie	**Portfolio management** Corporate and Investment Banking	AUD	21,500	186,490	100.00	22,789	22,789

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue for the last fiscal year (local currency) (1) (2)	Net income (loss) for the last fiscal year (local currency) (1)	Dividends received by the Company during the year (in EUR)	Remarks Revaluation differences
1,633,585	0	84,172	26,453	0	
0	3,544	75,087	47,976	0	1 EUR = 1,5128 CAD
0	5,000,000	10,768	4,520,000	0	
0	0	591	120	0	
0	0	1,734	1,495	0	
0	0	2,205	349	788	
0	0	0	95,700	0	
0	0	488,601	181,764	35,597	1 EUR = 11,1709 HKD
26,968	6,941	130,152,259	(78,108,877)	0	1 EUR = 26 630,72 VND
0	0	40,386	(23,124)	0	1 EUR = 1,6008 AUD

(in thousands of euros or local currencies) Company/Head Office	Activity / Division		2009 Registered capital (local currency) [(1)]	2009 Shareholders' equity other than capital (local currency) [(1)]	2009 Share of capital held (%)	2009 Book value of shares held Gross (EUR)	Net (EUR)
GENINFO	**Portfolio management**						
Les Miroirs, Bt. C, 18, avenue d'Alsace, 92400 Courbevoie	Gestion propre	EUR	18,524	27,005	100.00	20,477	20,477
SG CONSUMER FINANCE	**Portfolio management**						
59, Avenue de Chatou 92853 Rueil Malmaison – France	Specialised Financing and Insurance	EUR	260,037	(149,579)	100.00	260,037	19,560
INORA LIFE LTD	**Compagnie d'assurance vie**						
6, Exchange Place, International Financial Services centre, Dublin 1 – Irlande	Corporate and Investment Banking	EUR	21,000	(572)	100.00	21,000	17,000
SG EUROPEAN MORTGAGE INVESTMENTS	**Portfolio management**						
17, cours Valmy, 92800 Puteaux – France	Corporate and Investment Banking	EUR	590,037	0	99.99	590,000	590,000
LYXOR ASSET MANAGEMENT	**Alternative asset management**						
17, cours Valmy, 92800 Puteaux – France	Corporate and Investment Banking	EUR	40,506	117,257	99.98	39,680	39,680
SOCIETE DE LA RUE EDOUARD VII	**Office space**						
29, boulevard Haussmann 75009 Paris – France	Corporate centre	EUR	11,396	811	99.91	59,617	23,601
BSGV	**International Retail Banking**						
5, Nikitsky Pereulok, 103009 Moscou – République de Russie	International Retail Banking	RUB	12,918,000	3,918,005	99.83	369,542	369,542
SG EXPRESS BANK	**International Retail Banking**						
92, Bld Vl Varnentchik, 9000 Varna – Bulgarie	International Retail Banking	BGN	33,674	262,346	99.69	62,285	62,285
SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	**Investment Banking**						
SG House, 41 Tower Hill, EC3N 4SG Londres – Grande-Bretagne	Corporate and Investment Banking	GBP	157,883	131,017	98.96	193,992	193,992
BANK OF PROFESSIONAL FINANCE, PUBLIC JOINT STOCK COMPANY	**International Retail Banking**						
100, a Prospekt Illycha 83052 – Donetsk – Ukraine	Specialised Financing and Insurance	UAH	96,250	19,431	98.10	23,235	23,235

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue for the last fiscal year (local currency) (1) (2)	Net income (loss) for the last fiscal year (local currency) (1)	Dividends received by the Company during the year (in EUR)	Remarks Revaluation differences
0	0	2,367	6,428	1,968	
763,497	0	36,518	(129,996)	0	Résultat net provisoire
0	0	656	(6,111)	0	
0	0	0	28,632	29,783	
0	0	183,941	8,172	55,040	
0	0	0	179	414	écart = 16,509
954,656	262,361	8,803,087	(2,647,451)	0	1 EUR = 43,154 RUB
495,188	67,588	142,852	21,844	0	1 EUR = 1,9558 BGN
732,674	761,538	15,919	32,069	0	1 EUR = 0,8881 GBP
5,658	0	69,330	907		1 EUR = 11.5375 UAH

(in thousands of euros or local currencies) Company/Head Office	Activity / Division		2009 Registered capital (local currency) [1]	2009 Shareholders' equity other than capital (local currency) [1]	2009 Share of capital held (%)	2009 Book value of shares held Gross (EUR)	Net (EUR)
SKB BANKA Adjovscina, 4 – 1513 Ljubljana – Slovénie	**International Retail Banking** Réseaux Internationaux	EUR	52,784	188,079	97.56	220,144	220,144
SG FINANCE, INC. Corporation Trust centre, 1209 Orange street, Wilmington – New Castel – Delaware – USA	**Investment Banking** Corporate and Investment Banking	USD	224,000	(31,326)	97.39	155,491	132,168
PODGORICKA BANKA SOCIETE GENERALE GROUP AD PODGORICA 8 a Novaka Miloseva Street, 81000 Podgorica – Serbie et Monténégro	**International Retail Banking** International Retail Banking	EUR	24,731	7,881	90.56	28,819	28,819
BRIGANTIA INVESTMENTS B.V. Kamer van Koophandel Deruyterkade 5 PO Box 2852 – Amsterdam – Pays-Bas	**Portfolio management** Corporate and Investment Banking	GBP	684,000	(12,763)	80.00	784,044	784,044
BANK REPUBLIC 2 Gr, Abashidze St-Tbilisi – Géorgie	**International Retail Banking** International Retail Banking	GEL	42,600	74,430	80.00	70,242	65,251
NATIONAL SOCIETE GENERALE BANK 5, rue Champollion – Le Caire – Egypte	**International Retail Banking** International Retail Banking	EGP	3,332,351	3,306,669	77.17	264,646	264,646
BANKA POPULLORE SH.A BLV Deshmoret e Kombit Twin Tower -Tirana – Albanie	**International Retail Banking** International Retail Banking	ALL	4,665,900	(230,815)	75.01	52,204	52,204
BANQUE DE POLYNESIE Bd Pomare, BP 530, Papeete, Tahiti – Polynésie française	**International Retail Banking** International Retail Banking	XPF	1,380,000	7,391,091	72.10	12,397	12,397
SG DE BANQUES EN COTE D'IVOIRE 5 & 7, avenue J. Anoma, 01 BP 1355, Abidjan 01 – Côte d'Ivoire	**International Retail Banking** International Retail Banking	XAF	15,555,555	56,779,894	71.84	30,504	30,504
BALLANE 15, rue du Louvre, 75001 Paris – France	**Portfolio management** Corporate and Investment Banking	EUR	421,103	1,168,423	71.79	1,187,728	1,187,728

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue for the last fiscal year (local currency) (1) (2)**	**Net income (loss) for the last fiscal year (local currency) (1)**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation differences**
0	0	104,317	22,029	7,774	
0	0	119,569	76,083	0	1 EUR = 1.4406 USD
83,000	51,007	11,168	1,903	0	
0	0	43,508	30,460	35,395	1 EUR = 0,8881 GBP
0	0	83,630	(7,685)	0	1 EUR = 2,4391GEL
0	47,298	2,429,647	1,435,540	31,183	1 EUR =7,9048 EGP
65	13,300	1,605,899	(367,621)	0	1 EUR = 138,176 ALL
145,858	148,082	8,201,425	1,794,238	7,881	1 EUR = 119,33174 XPF
0	57,923	55,774,408	20,630,443	12,909	écart = 5,166 1 EUR = 655,957 XAF
0	0	0	218,119	50,596	

(in thousands of euros or local currencies) Company/Head Office	Activity / Division		2009 Registered capital (local currency) (1)	2009 Shareholders' equity other than capital (local currency) (1)	2009 Share of capital held (%)	2009 Book value of shares held Gross (EUR)	Net (EUR)
MOBIASBANCA GROUPE SOCIETE GENERALE	**International Retail Banking**						
Bd. Stefan cel Mare 81A, MD-2012 mun.-Chisinau – République de Moldavie	International Retail Banking	MDL	100,000	371,152	67.85	24,960	24,960
MAKATEA JV INC.	**Portfolio management**						
1221, avenue of the Americas, New York, NY 10020 – USA	Corporate and Investment Banking	USD	4,492,000	8,552	66.67	1,735,388	1,735,388
SOGESSUR	**Insurance**						
2, rue Jacques-Daguerre, 92565 Rueil-Malmaison – France	Specialised Financing and Insurance	EUR	25,500	7,469	65.00	74,940	20,344
ROSBANK	**International Retail Banking**						
11 , Masha Poryvaeva St PO Box 208, Moscou – Russie	International Retail Banking	RUB	9,537,510	42,401,187	64.68	2,104,997	1,630,768
SG DE BANQUES AU SENEGAL	**International Retail Banking**						
19 avenue Léopold Sédar Senghor – Dakar – Sénégal	International Retail Banking	XAF	10,000,000	45,291,159	63.31	9,344	9,344
KOMERCNI BANKA A.S	**International Retail Banking**						
Centrala Na Prokope 33 – Postovni Prihradka 839 – 114 07 Praha 1 – République tchèque	International Retail Banking	CZK	19,004,926	34,053,605	60.35	1,324,288	1,324,288
BRD – GROUPE SOCIETE GENERALE	**International Retail Banking**						
A, Doamnei street, 70016 Bucarest 3, Roumanie	International Retail Banking	RON	696,902	3,103,955	59.37	218,665	218,665
OHRIDSKA BANKA	**International Retail Banking**						
Makedonski Prosvetiteli 19 6000 – Macédoine	International Retail Banking	MKD	854,755	449,246	59.23	25,371	25,371
SOCIETE GENERALE DE BANQUE AU CAMEROUN	**International Retail Banking**						
Rue Joss – Douala – Cameroun	International Retail Banking	XAF	12,500,000	18,275,010	58.08	16,940	16,940
GENEFIM	**Real estate lease finance**						
29, boulevard Haussmann 75009 Paris – France	French Networks	EUR	72,779	29,155	57.62	89,846	89,846

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue for the last fiscal year (local currency) (1) (2)**	**Net income (loss) for the last fiscal year (local currency) (1)**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation differences**
13,906	0	282,776	213,987	0	1 EUR = 17,7404 MDL
0	0	269,861	175,690	106,525	dont 106 525 acompte/dividendes 2009 1 EUR = 1.4406 USD
0	412	184,313	1,637	0	
738,476	0	27,297,933	(17,568,495)	0	1 EUR = 43,154 RUB
0	38,223	45,660,551	16,836,484	1,980	écart = 1,447
0	526,076	31,331,406	10,845,462	147,621	1 EUR = 26,473 CZK
0	0	3,481,754	1,252,257	70,914	1 EUR = 4,2363 RON
40,000	0	756,285	24,381	0	1 EUR = 61,4139 MKD
0	27,134	34,403,461	10,230,320	6,021	écart = 1,675 1 EUR = 655,957 XAF
1,391,940	0	29,196	11,956	15,517	

(in thousands of euros or local currencies) Company/Head Office	Activity / Division		2009 Registered capital (local currency) (1)	2009 Shareholders' equity other than capital (local currency) (1)	2009 Share of capital held (%)	2009 Book value of shares held Gross (EUR)	2009 Book value of shares held Net (EUR)
UNION INTERNATIONALE DE BANQUES	**International Retail Banking**						
65, avenue Habib Bourguiba, 1000A Tunis – Tunisie	International Retail Banking	TND	196,000	(126,250)	57.20	118,877	66,141
SG MAROCAINE DE BANQUES	**International Retail Banking**						
55, boulevard Abdelmoumen, Casablanca – Maroc	International Retail Banking	MAD	2,050,000	2,967,146	56.91	135,765	135,765
BOURSORAMA SA	**Online Brokerage**						
18, Quai du Point du Jour, 92100 Boulogne-Billancourt – France	Private Banking, Global Investment Management and Services	EUR	34,927	350,633	55.53	300,705	300,705
GENIKI	**International Retail Banking**						
109, Messogion Avenue, 11510 Athénes – Grèce	International Retail Banking	EUR	255,600	130,581	53.97	390,524	257,633
SG CYPRUS LTD	**International Retail Banking**						
20, ayias Paraskevis Street Strovolos 25400 Nicosie – Chypre	International Retail Banking	EUR	5,614	14,681	51.00	12,204	12,204
NEWEDGE GROUP	**Brokerage and derivatives**						
52/60, Avenue des Champs Elysées, 75008 Paris – France	Private Banking, Global Investment Management and Services	EUR	395,130	1,377,045	50.00	226,708	226,708

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue for the last fiscal year (local currency) (1) (2)**	**Net income (loss) for the last fiscal year (local currency) (1)**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation differences**
0	0	132,370	(23,370)	0	1 EUR = 1,9005 TND
					écart = 1,142
119,633	31,208	2,960,952	959,356	11,379	1 EUR = 11,3113 MAD
135,134	460,000	178,154	83,812	0	
1,214,383	0	189,584	(111,869)	0	
8,000	53,879	13,861	(1,565)	0	
368,402	188,056	439,649	57,846	22,024	

(in thousands of euros or local currencies)

Company/Head Office	Activity / Division		2009 Registered capital (local currency) (1)	2009 Shareholders' equity other than capital (local currency) (1)	2009 Share of capital held (%)	2009 Book value of shares held Gross (EUR)	Net (EUR)
B) Affiliates (10% to 50% owned by Societe Generale)							
FIDITALIA SPA	**Consumer credit**						
Via G. Ciardi, 9 – 20148 – Milan – Italie	Specialised Financing and Insurance	EUR	130,000	420,087	48.68	224,318	224,318
SOGEPARTICIPATIONS	**Portfolio management**						
29, boulevard Haussmann 75009 Paris – France	Corporate centre	EUR	411,267	355,317	24.58	234,000	234,000
SG CALEDONIENNE DE BANQUE	**International Retail Banking**						
56, rue de la Victoire, Nouméa, Nouvelle-Calédonie	International Retail Banking	XPF	1,068,375	9,244,183	20.61	16,268	16,268
SOUTH EAST ASIA COMMERCIAL BANK	**International Retail Banking**						
16, Lang Ha Street – Hanoî – Vietnam	International Retail Banking	VND	5,068,545,450	404,000,000	20.00	89,344	89,344
CAISSE DE REFINANCEMENT DE L'HABITAT	**Housing loan refinancing**						
35, rue de la Boetie 75008 Paris – France	Corporate centre	EUR	199,928	8,013	13.85	22,797	22,797
CREDIT LOGEMENT	**Credit institution**						
50, boulevard Sébastopol 75003 Paris – France	Corporate centre	EUR	1,253,975	1,345,000	13.50	171,037	171,037

(1) For foreign subsidiaries and affiliates, shareholders' equity booked in the Group consolidated accounts in their consolidated reporting currency.

(2) For banking and finance subsidiaries, revenues refer to net banking income.

2009	2009	2009	2009	2009	2009
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue for the last fiscal year (local currency) (1) (2)**	**Net income (loss) for the last fiscal year (local currency) (1)**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation differences**
0	0	294,763	(61,829)	15,187	
1,300,004	0	133,572	104,378	0	
67,365	95,042	9,131,970	3,007,885	4,169	1 EUR = 119,33174 XPF
356	0	733,000,000	290,000,000	593	1 EUR = 26 630,72 VND
0	0	2,752	589	365	
442,775	0	424,371	188,243	10,917	

Activities of subsidiaries and affiliates (continued)

	Book value of shares held					
(in thousands of euros)	Gross	Net	Unreimbursed loans and advances	Guaranteees given by the Company	Dividends received during the year	Remarks
II – INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES						
A) Subsidiaries not included in paragraph 1:						
1) French subsidiaries	63,702	63,031	10,854,387	3,428,884	113,539	Revaluation difference: 2,158
2) Foreign subsidiaries	113,362	54,429	85,347	59,837	68,378	Revaluation difference: 0
B) Affiliates not included in paragraph 1:						
1) French subsidiaries	13,154	3,764	196	0	(493)	Revaluation difference: 0
2) Foreign subsidiaries	33,305	13,720	14,799	646	1,813	Revaluation difference: 0
	223,523	134,944	10,954,729	3,489,367	183,237	

MAIN CHANGES IN THE INVESTMENT PORTFOLIO IN 2009

In 2009, the following transactions affected Societe Generale's investment portfolio:

OUTSIDE FRANCE	IN FRANCE
Creation of SG Saudi Arabia	**Creation of**
Acquisition of interest in	**Acquisition of interest in**
Acquisition	**Acquisition**
Increase of interest in ROSBANK – Bank Republic SGB Guinée – SGB Sénégal SGB Côte d'Ivoire – BRD	**Increase of interest in** CRH Crédit du Nord
Subscription to capital increase SG Express Bank – ROSBANK – SGSNP – General Bank of Greece – Inora Life Ltd – SG Vostok – Banka Popullore – Lyxor Asset Management – SG Algérie – ProFin Bank – SG Cyprus – SG Securities Asia International Holdings – Podgoricka Banka – Banco SG Brazil.	**Subscription to capital increase** SGAM – SG Securities Services Holding.
Disposal of total interest in Industrial Bank of Korea	**Disposal of total interest in**

In accordance with article L. 233.6 of the French Commercial Code, the following table summarises the significant changes in Societe Generale's investment portfolio in 2009.

Increase				Decrease			
		(% of capital)				(% of capital)	
Declaration threshold	Company	Dec. 31, 2009	Previously	Declaration threshold	Company	Dec. 31, 2009	Previously
5%				5%	IBK	0%	0.9%
10%	CRH	13.9%	9.9%	10%			
20%				20%			
33%				33%			
50%	General Bank of Greece	54%	52.3%	50%			
	SGB Guinée	57.9%	52.9%				
	SGB Sénégal	63.3%	57.7%				
	Rosbank	64.7%	57.6%				
	SGB Côte d'Ivoire	71.8%	66.8%				
	Bank Republic	80%	60%				
	Crédit du Nord	100%	80%				
	BRD	59.4%	58.5%				

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Societe Generale – Year ended December 31, 2009

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. The report also includes information relating to the specific verification of information in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying annual financial statements of Societe Generale;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques and other methods of selection, to obtain evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made as well as the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2009 and of the results of its operations for the year then ended, in accordance French accounting principles.

Without qualifying our opinion, we draw your attention to note 1 to the financial statements that describes a change in accounting method arising from a new regulation issued by the Accounting Regulation Committee (*Comité de la Réglementation Comptable*) which is applied starting 2009.

II – JUSTIFICATION OF ASSESSMENTS

Accounting estimates for the purpose of preparing the financial statements for the year ended December 31, 2009 have been made in an economic context and market conditions still deteriorated. It is in this context and in accordance with article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments that we bring to your attention the following matters:

ACCOUNTING PRINCIPLES

Note 1 to the annual financial statements detailed a change in accounting method during the year ended December 31, 2009 as a result of a new regulation issued by the Accounting Regulation Committee (*Comité de la Réglementation Comptable*). As part of our assessment of the general accounting policies applied by your Company, we have verified the correct application of this change in accounting method and the appropriateness of its presentation.

ACCOUNTING ESTIMATES

- For the purpose of preparing the financial statements, your Company records depreciations and provisions to cover the credit risks inherent to its activities and performs significant accounting estimates, as described in note 1 to the financial statements, related in particular to the valuation of investments in subsidiaries and other long-term equity investments, as well as the assessment of pension plans and other post-employment benefits. Taking into account the specific context of the current crisis, we have reviewed and tested the processes implemented by management and the underlying assumptions and valuation parameters, and assessed whether these accounting estimates are based on documented procedures consistent with the accounting policies disclosed in note 1 to the annual financial statements.

- In the context of the financial crisis, as detailed in note 1 to the financial statements, your Company uses internal models to measure financial instruments that are not listed on active markets. Our procedures consisted in reviewing the control procedures for the models used, assessing the underlying data and assumptions, and verifying that the risks and results related to these instruments were taken into account.
- Likewise, in this same context, we have reviewed the control procedures relating to the identification of financial instruments that can no longer be traded on an active market or for which market parameters could no longer be observed, and the methodology used for their valuation as a consequence.

These assessments were made as part of our audit of the annual financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – SPECIFIC VERIFICATIONS AND DISCLOSURES

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Regarding the information disclosed in accordance with the requirements of article L. 225-102-1 of the French commercial code (*Code de commerce*) relating to remunerations and benefits and any other commitments granted to directors, we have verified its consistency with the financial statements, or with the information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or being controlled by your Company. On the basis of this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense and Neuilly-sur-Seine, March 4, 2010

The Statutory Auditors

French original signed by

ERNST & YOUNG AUDIT	DELOITTE & ASSOCIES	
Philippe Peuch-Lestrade	Damien Leurent	Jean-Marc Mickeler

11 LEGAL INFORMATION

BY-LAWS

(at December 31, 2009)

Type of company – Name – Registered Office – Purpose

Article 1

The Company, named Societe Generale, is a public limited company incorporated by deed approved by the Decree of May 4, 1864, and is approved as a bank.

The duration of Societe Generale, previously fixed at 50 years with effect from January 1, 1899, was then extended by 99 years with effect from January 1, 1949.

Under the legislative and regulatory provisions relating to credit institutions, notably the articles of the Monetary and Financial Code that apply to them, the Company is subject to the commercial laws, in particular articles L. 210-1 and following of the French Commercial Code, as well as the current By-laws.

Article 2

Societe Generale's registered office is at 29, boulevard Haussmann, Paris (9th district).

In accordance with current legislative and regulatory provisions it may be transferred to any other location.

Article 3

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

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

Societe Generale may also, on a regular basis, as defined in the conditions set by the French Financial and Banking Regulation Committee, engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Societe Generale may carry out, on its own behalf, on behalf of a third-party or jointly, all financial, commercial, industrial, agricultural, security or property transactions, directly or indirectly related to the abovementioned activities or likely to facilitate the accomplishment of such activities.

Capital – Shares

Article 4

4.1. Share capital

The share capital amounts to EUR 924,757,831.25. This is divided into 739,806,265 shares each having a nominal value of EUR 1.25 and fully paid up.

The shares are classified into two categories:

- The shares of category "A" (the "A shares"), which are ordinary shares; and
- The shares of category "B" (the "B shares"), which are preference shares deprived of voting rights and of pre-emptive subscription rights pursuant to the provisions of Articles L. 228.11 and following of the French Commercial Code. B shares benefit from preferential financial rights defined by Articles 18 and 19 of these By-laws. The terms and conditions of these financial rights will be automatically modified in the event the French State (as defined in article 6 of the By-laws) transfers the B shares. B shares are not convertible into A shares.

The share capital is divided into 739,806,265 A shares and 0 B shares.

In these By-laws:

- A shares and B shares are collectively defined as "shares";
- A shareholders and B shareholders are collectively defined as "shareholders";
- Holders of A shares are defined as "A shareholders"; and
- Holders of B shares are defined as "B shareholders".

4.2. Capital increase and reduction

The capital may be increased, reduced or divided into shares of different nominal value on the decision of the competent General Meeting or Meetings.

B shares are deprived of pre-emptive subscription rights for any capital increase in cash.

In the event of a share capital increase by incorporation of reserves, profits, premiums or any other amount that may be incorporated into the capital through the allocation of free shares, B shares will be allocated free of charge to B shareholders in the same proportion as for A shareholders and in proportion to their stake in the share capital.

In the event of a free allocation to A shareholders of financial securities other than A shares, B shareholders will receive, according to choice, in the same proportions as A shareholders and in proportion to their equity stake in the share capital, either (i) the same securities, it being specified that in the case of securities giving immediate or future access to share capital, these securities will give right to B shares; or (ii) a cash payment equal to the value of the securities calculated by an expert designated by the B shareholders and the Company or by order of the President of the Paris Commercial Court in an interim judgement.

Except in the event of a capital increase in A shares, whether immediate or in the future, maintaining or cancelling pre-emptive subscription rights, regardless of the terms thereof, the Company shall take, in the event of any other changes to the capital of the Company, the necessary measures to protect the interests of B shareholders, notwithstanding the provisions of the French Commercial Code relating to the safeguard of the rights of preference shareholders.

In the event of a division or increase of the nominal value of A shares, the characteristics of the B shares will automatically be adjusted to take into account these changes, as the nominal value of a B share shall always be equal to that of an A share.

Any capital reduction motivated by losses shall be shared between shareholders in proportion to their share of the capital.

Article 5

Unless otherwise provided by legislative and regulatory provisions, all shares have the same rights.

All shares which make up or which will make up the share capital will be given equal rank as regards taxes. Consequently, all taxes which, for whatever reason, may become payable on certain shares following capital reimbursement, either during the life of the Company or during its liquidation, shall be divided between all the shares making up the capital on such reimbursement(s) so that, while allowing for the nominal and non-amortised value of the shares and for their respective rights, all present or future shares shall entitle their owners to the same effective advantages and to the right to receive the same net sum.

Whenever it is necessary to possess a certain number of shares in order to exercise a right, it is incumbent on shareholders who own fewer shares than the total number required to assemble the necessary number of shares.

Article 6

6.1. Form and transfer of shares

A shares may, in accordance with the holder's wishes, be registered or bearer shares and shall be freely negotiable, unless otherwise stipulated by law.

B shares may only be registered and their title to ownership cannot be contractually divided.

The B shares have been subscribed for by the Société de la prise de Participation de l'Etat, a French public limited company (*société anonyme*) with a share capital of EUR 1,000,000 whose registered office is located at 139, rue de Bercy, 75012 Paris, registered with the Commercial and Companies Register of Paris under number 507 542 652 (hereafter the "SPPE"), which can freely transfer the shares to the French State or to an entity exclusively held directly or indirectly by the French State. Subsequent transfers between the French State and an entity exclusively held directly or indirectly by the French State, or between entities exclusively held directly or indirectly by the French State, shall be freely transferable (the French State, the SPPE and the entities exclusively held directly or indirectly by the French State, shall be referred to as the "French State").

Except in the case of the above-mentioned transfers, should the French State envisage transferring the B shares, it shall be obliged to transfer the entirety of the B shares it holds and shall notify the Company by registered letter with acknowledgment of receipt. The notice shall state the full identity of the envisaged transferee(s) including, in the event the potential transferee(s) are legal entities, any information relevant for determining the identity of the entity that ultimately controls the transferee.

Within one month following receipt of the above notice, the Company may send a Repurchase Notice (as defined in Article 19 below) to the French State to repurchase all or part of the B shares, at the earliest opportunity, according to the said terms, it being specified that no prior agreement from the French State shall be required. Where applicable, the one-month period stated shall be extended until prior agreement is obtained from the General Secretariat of the French Banking Commission (*Secrétariat Général de la Commission Bancaire*).

The French State shall have a six-month period as from either the partial repurchase of the B shares by the Company or, in the absence of repurchase, from the expiry of the time allotted to the Company for sending the Repurchase Notice, to carry out the initially envisaged transfer, it being specified that the transfer should concern the entirety of the B shares that were not repurchased by the Company. The French State undertakes to notify the Company at the earliest opportunity if the notified transfer envisaged becomes null and void.

In the event of transfer of B shares by the French State to a third-party, the terms and conditions of the financial rights attached to B shares will be modified on the date of the transfer thereof in accordance with the provisions of Articles 18 and 19.

In this Article, a transfer refers to any transaction whose purpose or effect is to transfer directly or indirectly the ownership of a share.

6.2. Statutory thresholds

Any shareholder acting on his own or jointly, who comes to hold directly or indirectly at least 1.5% of the capital or voting rights, must inform the Company within fifteen days of the time at which he exceeds this threshold, and must also indicate in his declaration the number of shares he holds in the share capital. Mutual fund management companies must provide this information based on the total number of shares held in the Company by the funds they manage. Beyond the initial 1.5%, shareholders are obliged to notify the Company, under the aforementioned conditions, whenever their holding of capital or voting rights exceeds an additional 0.50%.

Failure to comply with this requirement will be penalised in accordance with legal provisions on this matter, at the request of one or more shareholders with at least a 5% holding in the Company's capital or voting rights. The said request will be duly recorded in the minutes of the General Meeting.

Any shareholder acting on his own or jointly, is also required to inform the Company within fifteen days if the percentage of his capital or voting rights falls below each of the thresholds described in paragraph 2 above.

6.3. Identification of shareholders

The Company can at any time, in accordance with current legislative and regulatory provisions, request that the organisation responsible for securities clearing provide information relating to the shares granting the right to vote in its General Meetings, either immediately or in the future, as well as information about the holders of these shares.

6.4. Shareholders' rights

The rights of shareholders shall comply with applicable legislative and regulatory provisions, subject to the specific provisions of the current By-laws.

Board of Directors

Article 7

I – DIRECTORS

The Company is administered by a Board of Directors made up of two categories of Directors:

1. **Directors appointed by the Ordinary General Meeting of Shareholders**
   There are at least nine of these Directors, and thirteen at the most.

   The term of office of Directors appointed by the Ordinary General Meeting shall expire four years after the approval of the current article. This provision does not apply to Directors in office at the time of this approval.

   When, in application of current legislative and regulatory provisions, a Director is appointed to replace another, then his term of office shall not exceed the term of office remaining to be served by his predecessor.

   Each Director must hold at least six hundred shares.

2. **Directors elected by employees**
   The status and methods of electing these Directors are laid down by Articles L. 225-27 to L. 225-34 of the French Commercial Code, as well as by these By-laws.

   There are two Directors, one to represent the executives and one to represent all other Company employees.

   In any event, their number may not exceed one-third of the Directors appointed by the General Meeting.

   Their term of office is three years.

   Regardless of the appointment procedure, the duties of a Director cease at the end of the Ordinary General Meeting called to approve the financial statements of the previous fiscal year and held during the year in which his term of office expires.

   Directors may be re-elected, as long as they meet the legal provisions, particularly with regard to age.

II – METHODS OF ELECTING DIRECTORS ELECTED BY EMPLOYEES

For each seat to be filled, the voting procedure is that set forth by law.

The first Directors elected by employees will begin their term of office during the Board of Directors' Meeting held after publication of the full results of the first elections.

Subsequent Directors shall take up office upon expiry of the outgoing Directors' terms of office.

If, under any circumstances and for any reason whatsoever, there shall remain in office less than the statutory number of Directors before the normal end of the term of office of such Directors, vacant seats shall remain vacant until the end of the term of office and the Board shall continue to meet and take decisions validly until that date.

Elections shall be organised every three years so that a second vote may take place at the latest fifteen days before the normal end of the term of office of outgoing Directors.

For both the first and second ballot, the following deadlines should be adhered to:

- posting of the date of the election at least eight weeks before the polling date;
- posting of the lists of the electors at least six weeks before the polling date;
- registration of candidates at least five weeks before the polling date;
- posting of lists of candidates at least four weeks before the polling date;
- sending of documents required for postal voting at least three weeks before the polling date.

The candidatures or lists of candidates other than those entered by a representative trade union should be accompanied by a document including the names and signatures of the one hundred employees presenting the candidates.

Polling takes place the same day, at the work place, and during working hours. Nevertheless, the following may vote by post:

- employees not present on the day of polling;
- employees working abroad;
- employees of a department or office, or seconded to a subsidiary in France, not having a polling station, or who cannot vote in another office.

Each polling station consists of three elective members, the Chairman being the oldest one among them. The Chairman is responsible for seeing that voting operations proceed correctly.

Votes are counted in each polling station, and immediately after the closing of the polls; the report is drawn up as soon as the counting has been completed.

Results are immediately sent to the Head Office of Societe Generale, where a centralised results station will be set up with a view to drafting the summary report and announcing the results.

Methods of polling not specified by Articles L. 225-27 to L. 225-34 of the French Commercial Code or these By-laws are decreed by the General Management after consulting with the representative trade unions.

These methods may include electronic voting, whose organisation may deviate from the practical organisation of the election described herein.

III – NON-VOTING DIRECTORS

On the proposal of the Chairman, the Board of Directors may appoint one or two Non-Voting Directors.

Non-Voting Directors are convened and attend Board of Directors' meetings in a consultative capacity.

They are appointed for a period not exceeding four years and the Board can renew their terms of office or terminate them at any time.

They may be selected from among shareholders or non-shareholders, and receive an annual remuneration determined by the Board of Directors.

Article 8

The Board of Directors determines the Company's strategy and ensures its implementation. Subject to the powers expressly attributed to the General Meeting and within the scope provided for in the corporate purpose, it considers all matters that affect the Company's operations and settles by its decisions matters that concern it.

It carries out all the controls and verifications it deems appropriate. The Chairman or Chief Executive Officer is required to furnish each director with all documents required to carry out their function.

Article 9

The Board of Directors elects a Chairman from among its natural person members, determines his remuneration and sets the duration of his term of office, which may not exceed that of his term of office as Director.

No member of 70 years of age or more shall be appointed Chairman. If the Chairman in office reaches the age of 70, his duties shall cease after the next Ordinary General Meeting called to approve the financial statements of the preceding fiscal year.

The Chairman organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He ensures that the Company's bodies operate correctly and in particular ensures that the Directors are able to fulfil their functions.

Article 10

The Board of Directors meets as often as is required by the interests of the Company, upon convocation by the Chairman, either at the registered office or in any other place indicated in the Notice of Meeting. The Board examines the items placed on the agenda.

It shall meet when at least one-third of Board members or the Chief Executive Officer submits a request for a meeting with a specific agenda to the Chairman.

If the Chairman is unable to attend, the Board of Directors can be convened either by one-third of its members, or by the Chief Executive Officer or a Deputy Chief Executive Officer, provided they are members of the Board.

Unless specifically provided for, Directors are called to meetings by letter or by any other means. In any event, the Board may always deliberate validly if all its members are present or represented.

Article 11

Board meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director designated for this purpose at the beginning of the meeting.

Every Director may give his proxy to another Director, but a Director may act as proxy for only one other Director and a proxy can only be given for one specific meeting of the Board.

In all cases, deliberations of the Board are valid only if at least half the members are present.

The Chief Executive Officer attends meetings of the Board.

One or several delegates of the Central Works Council attend Board meetings, under the conditions laid down by the legislation in force.

At the request of the Chairman of the Board of Directors, members of the General Management, the Statutory Auditors or other persons outside the Company with specific expertise relating to the items on the agenda may attend all or part of a Board meeting.

Resolutions are adopted by a majority vote of the Directors present or represented. In the event of a tie, the Chairman holds a casting vote.

A member of the Management appointed by the Chairman serves as Secretary of the Board.

Minutes are prepared and copies or extracts certified and delivered in accordance with the law.

Article 12

Members of the Board may receive Director's fees in the form of a global sum set by the General Meeting distributed by the Board among its members as it sees fit.

General Management

Article 13

The General Management of the Company is the responsibility of either the Chairman of the Board of Directors, or any other individual appointed by the Board of Directors to act as Chief Executive Officer.

The Board of Directors may choose between the two general management structures, and its decision is only valid if:

- the agenda with respect to this choice is sent to members at least 15 days before the date of the Board Meeting,
- at least two-thirds of Directors are present or represented.

Shareholders and third-parties shall be informed of this decision in accordance with the regulations in force.

When the Chairman of the Board of Directors assumes responsibility for the general management of the Company, the following provisions relating to the Chief Executive Officer shall be applicable to him.

The Chief Executive Officer shall be granted exhaustive powers to act on behalf of the Company in all matters. He shall exercise these powers within the scope of the Company's purpose and subject to those powers expressly assigned by law to meetings of shareholders and the Board of Directors. He shall represent the company *vis-à-vis* third-parties.

The Board of Directors sets the remuneration and the duration of the Chief Executive Officer's term, which may not exceed that of the dissociation of the functions of Chairman and Chief Executive Officer nor, where applicable, the term of his Directorship.

No person aged 70 or more may be appointed Chief Executive Officer. If the Chief Executive Officer in office reaches 70 years of age, his functions shall end at the end of the next Ordinary General Meeting called to approve the financial statements of the preceding fiscal year.

On recommendation by the Chief Executive Officer, the Board of Directors can appoint up to five persons to assist the Chief Executive Officer, who shall have the title Deputy Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the extent and duration of the powers granted to Deputy Chief Executive Officers. The Board of Directors sets their remuneration. With respect to third-parties, Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

Shareholders' Meeting

Article 14

General Meetings are comprised of all shareholders. However, only A shareholders are entitled to vote at Extraordinary and Ordinary General Meetings. The provisions of this Article relating to voting rights are not applicable to B shareholders.

The General Meeting is called and deliberates as provided for by the legal and regulatory provisions in force.

It meets at the Company's head office or in any other place in mainland France indicated in the Notice to attend the General Meeting.

Such meetings are chaired by the Chairman of the Board or, in his absence, by a Director appointed for this purpose by the Chairman of the Board.

Regardless of the number of shares held, all shareholders whose shares are registered under the terms and at a date set forth by decree have the right, upon proof of their identity and status as a shareholder, to participate in the General Meetings. They may, as provided for by the legal and regulatory provisions in force, personally attend the General Meetings, vote remotely or appoint a proxy.

The intermediary registered on behalf of shareholders may participate in the General Meetings, as provided for by the legal and regulatory provisions in force.

In order for the ballots to be counted, they must be received by the Company at least two days before the General Meeting is held, unless otherwise specified in the Notice of Meeting or required by the regulations in force.

Shareholders may participate in General Meetings by videoconference or any other means of telecommunication, when stipulated in the Notice of Meeting and subject to the conditions provided therein.

The General Meeting may be publicly broadcast by means of electronic communication subject to the approval and under the terms set by the Board of Directors. Notice will be given in the preliminary Notice of Meeting and/or Notice to attend the Meeting.

Double voting rights, in relation to the share of capital stock they represent, are allocated to all those shares which are fully paid up and which have been registered in the name of the same shareholder for at least two years as from January 1, 1993. Double voting rights are also allocated to new registered shares that may be allocated free of charge to a shareholder in respect of the shares with double voting rights already held by him, in the case of a capital increase by incorporation of reserves, earnings, or additional paid-in capital.

The number of votes at General Meetings to be used by one shareholder, either personally or by a proxy, may not exceed 15% of total voting rights at the date of the Meeting.

This 15% limit does not apply to the Chairman or any other proxy with respect to the total number of voting rights they hold on a personal basis and in their capacity as proxy, provided each shareholder for which they act as proxy complies with the rule stipulated in the previous paragraph.

For the purposes of applying this limit, shares held by a single shareholder include shares held indirectly or jointly in accordance with the conditions described in Articles L. 233-7 and following of the French Commercial Code.

This limit ceases to apply when a shareholder acquires – either directly or indirectly or jointly with another shareholder – more than 50.01% of the Company's voting rights following a public offering.

In all General Meetings, the voting right attached to shares that include a usufructuary right, is exercised by the usufructuary.

Special Meetings

Article 15

Special Meetings of B shareholders are convened and deliberate as provided by applicable legislative and regulatory provisions and Article 14 herein, it being specified that each B share provides entitlement to one vote in the Special Meeting and that for as long as the B shares are registered, any publications as referred to in the relevant section are replaced by a notification by simple letter.

Any decision of the Company or the General Meeting of Shareholders relating to modifications of the rights attached to B shares shall be deemed final only after approval by the Special Meeting of B shareholders.

A shareholders have no right to participate in Special Meetings of B shareholders.

Auditors

Article 16

The Statutory Auditors are appointed and carry out their duties according to the applicable statutory and regulatory provisions.

Annual Financial Statements

Article 17

The fiscal year is the calendar year.

The Board of Directors prepares the financial statements for the year under the conditions fixed by the applicable laws and regulations.

All other documents prescribed by the applicable laws and regulations are also drawn up.

Article 18

The results for the year are determined in accordance with the applicable legal and regulatory provisions.

At least 5% of the profits for the year, less any previous losses, must be set aside by law to form a reserve fund until the said fund reaches 10% of the capital.

The net income available after this deduction, increased by any net income brought forward, constitutes the profits available for distribution, to be successively allocated to ordinary, extraordinary or special reserves or to be carried forward in those amounts which the General Meeting may deem useful, upon the recommendation of the Board of Directors.

The General Meeting may also resolve to distribute amounts from available reserves.

Insofar as payment is possible, any distribution to shareholders of:

(i) the entirety of the B Dividend (as defined below) to B shareholders; and

(ii) a dividend to A shareholders,

shall be made as follows.

Subject to (i) the absence of a Regulatory Event (as defined in the schedule to the By-laws), and (ii) a vote by the General Meeting of Shareholders, by recommendation of the Board of Directors, to distribute the said B Dividend and a dividend to A shareholders, the B Dividend shall be equal to the product of the Current Amount (as defined in the schedule to the By-laws) and the higher of the two following rates, which in any event cannot exceed twice the TSS Rate (as defined in the schedule to the By-laws).

(i) the TSS Rate plus an additional 25 basis points for the financial year 2009 and for each following financial year until financial year 2014, such that as from financial year 2014 the TSS Rate shall be increased by 150 basis points, it being specified that for the first period for which the B Dividend shall be due, i.e. 2009, this rate shall be applied to the period between the issue date of the B shares inclusive and December 31, 2009 exclusive, on a 365-day basis;

(ii) a percentage rate (the "Payout Ratio") equal to the dividend paid on each A share divided by the Unit Issue Price (as defined in the schedule to the By-laws) of the B shares, a percentage set at 105% for the dividend paid for the 2009 period; 110% for that paid for 2010; 115% for that paid for the years 2011 to 2017; and 125% for the amount paid from 2018 onwards. It is specified that the Payout Ratio shall be applied for the period between the issue date of the B shares inclusive and December 31, 2009 exclusive, on a 365-day basis.

In the event the French State no longer holds the B shares, the rates envisaged in (i) and (ii) shall be set at the level reached at such time as the aforesaid B shares shall be disposed of by the French State.

As is the case for the A shares dividend, the B Dividend is not cumulative. Thus, if for any reason whatsoever, the B Dividend was not due for a period, it would not be carried forward to subsequent periods.

The B Dividend shall be paid to B shareholders in cash and on the date of the payment of dividends to A shareholders, it being specified that any interim dividend payment to A shareholders shall also give rise to an interim dividend payment of the same amount to B shareholders.

The General Meeting approving the annual financial statements may, with regard to the whole or part of the dividend or interim dividend, grant each A shareholder the option to choose between payment of the dividend or interim dividend in cash or in A shares in accordance with the conditions fixed by the laws in force. A shareholders who exercise this option must do so for all of the dividends or interim dividends attached to their A shares.

Any decision of the Company resulting in an amendment to the rules governing profit distribution shall be subject to the prior agreement of the Special Meeting of B shareholders mentioned above in Article 15.

The Company may make an exceptional distribution of reserves or premiums in the form of an exceptional dividend subject to:

(i) the existence of sufficient distributable amounts to pay all of the Exceptional B Dividend (as defined below); and

(ii) the absence of a Regulatory Event.

The Exceptional B Dividend per B share shall be equal to a percentage of the exceptional amount distributed on each A share, equal to 105% for any dividend paid during the 2009 period; 110% for 2010; 115% for the years 2011 to 2017; and 125% for any amount paid from 2018 onwards (this variable percentage being defined as the "Multiplier Coefficient").

For any B shares no longer held by the French State, the percentage envisaged above will be set as from the moment the French State transfers the B shares.

Except in cases of a reduction in capital, no distribution may be made to shareholders if the capital of the Company is or may subsequently become less than the minimum capital and reserves that may be distributed by law or under the Company's By-laws.

Repurchasing of B shares

Article 19

1. If all B shares are held by the French State, the Company shall be entitled, at any time, to repurchase all or part of the B shares at the Repurchase Price (as defined below).

However, if the Current Amount per B share (as defined in the schedule to the By-laws), increased by any distributions made to B shareholders, any premiums of any kind which constitute a reimbursement of a contribution as divided by the number of existing B shares, without taking into account the Multiplier Coefficient (as defined in Article 18 above), is lower than the Unit Issue Price (as defined in the schedule to the By-laws), the repurchase will be subject to the approval of the French State.

The Repurchase Price consists, for each B share:

(A) For the period from the issue date until June 30, 2013 (inclusive), of the higher of the two following amounts:

(i) 100% of the Current Amount per B share, increased by an amount (x) due on the date of repurchase, equal to the product of the Current Amount per B share and the TSS Rate, calculated during the Calculation Period (as defined in the schedule to the By-laws), on a 365-day basis, or a 366-day basis for a leap year;

(ii) the arithmetic average of the daily volume-weighted stock price of the Company's A share on the Euronext Paris market during the thirty-day trading period preceding the repurchase date.

If the resulting Repurchase Price:

- is determined in accordance with paragraph (A) (i) above, the Company shall pay, at the time of the Annual General Meeting following the repurchase date, an additional amount (y) equal to the difference, if positive, between:

  (a) the product of the Current Amount per B share and the Payout Ratio (as defined in Article 18 herein), calculated during the Calculation Period, on a 365-day basis, or 366-day basis for a leap year; and

  (b) The amount (x) calculated above.

- is determined in accordance with paragraph A (ii) above and the sum of the amount (A) (i) + (y) is higher than (A)(ii), the Company shall pay on the date of the Annual General Meeting following the repurchase date, an amount equal to (A) (i) + (y) – (A)(ii).

In any case, the Repurchase Price cannot be higher than a percentage of the Unit Issue Price which is set at:

- 103% if the repurchase takes place between the issue date and June 30, 2010;
- 105% if the repurchase takes place between July 1, 2010 and June 30, 2011;
- 110% if the repurchase takes place between July 1, 2011 and June 30, 2012; and
- 115% if the repurchase takes place between July 1, 2012 and June 30, 2013.

(B) For the period from July 1, 2013, of the higher of the two following amounts:

(i) 110% of the Current Amount per B share, plus an additional amount (x) as defined above;

(ii) the arithmetic average of the daily volume-weighted stock price of the Company's A share on the Euronext Paris market during the thirty-day trading period preceding the repurchase date.

If the resulting Repurchase Price:

- is determined in accordance with paragraph (B) (i) above, the Company shall pay, at the time of the Annual General Meeting following the repurchase date, an additional amount (y) equal to the difference, if positive, between:

  (a) the product of the Current Amount per B share and the Payout Ratio (as defined in Article 18 herein), calculated during the Calculation Period, on a 365-day basis, or 366-day basis for a leap year; and

  (b) the amount (x) calculated above

- is determined in accordance with paragraph B (ii) above and the sum of the amount (B)(i) + (y) is higher than (B)(ii), the Company shall pay on the date of the Annual General Meeting following the repurchase date, an amount equal to (B)(i) + (y) – (B)(ii).

In any case, the Repurchase Price cannot be higher than a percentage of the Unit Issue Price which is set at:

- 120% if the repurchase takes place between July 1, 2013 and June 30, 2014;
- 125% if the repurchase takes place between July 1, 2014 and June 30, 2015;
- 130% if the repurchase takes place between July 1, 2015 and June 30, 2017;
- 140% if the repurchase takes place between July 1, 2017 and June 30, 2019;
- 150% if the repurchase takes place between July 1, 2019 and June 30, 2022; and
- 160% if the repurchase takes place after July 1, 2022 inclusive.

2. In the case where the French State no longer holds the B shares, the Company shall have the right to repurchase all or part of the B shares as from the tenth financial year following the financial year in which they have been issued, subject to (i) the Current Amount being equal to the product of the Unit Issue Price multiplied by the number of existing B shares less any distributions to B shareholders of premiums of any kind which constitute reimbursement of a contribution, without taking into account the Multiplier Coefficient, and (ii) the B Dividend having been paid during the two financial years preceding the repurchase.

   The Repurchase Price for each B share shall in this case be equal to the Current Amount per B share, plus an additional amount equal to the product of the Current Amount per B share and the TSS Rate calculated during the Calculation Period, on a 365-day basis, or 366-day basis for a leap year.

3. Whoever the holder of B shares may be, in the event the shares are no longer eligible without limit to the Core Tier 1 capital of the Company as provided by law, as a result of a change in laws or regulations or a new interpretation of the law or regulations by the General Secretariat of the French Banking Commission (*Secrétariat Général de la Commission Bancaire*), the Company shall have the right, at any time, to repurchase all or part of the B shares at the Repurchase Price calculated, as the case may be, in accordance with paragraphs 1 or 2 above.

4. B shareholders shall be informed by registered letter at least 30 calendar days prior to the repurchase date ("the Repurchase Notice"). In the event the B shares are no longer held by the French State, the Repurchase Notice shall be replaced by a publication within the same timeframe in the French official bulletin of legal notices, the "Bulletin des Annonces Légales Obligatoires".

   Every repurchase of B shares is subject to the prior approval of the General Secretariat of the French Banking Commission (*Secrétariat Général de la Commission Bancaire*).

   Every repurchase of B shares shall be decided on by the Board of Directors, which shall have the power to subdelegate in accordance with the provisions set out by law.

   B shares repurchased in accordance with the terms of this Article shall be cancelled. So long as they are not cancelled, they will have the same characteristics as the B shares that have not been repurchased. The Board of Directors shall acknowledge the number of shares repurchased and cancelled and proceed with the amendments to the By-laws accordingly.

Forum selection cause

Article 20

Any dispute arising during the life of the Company or during its liquidation, between the Company and its shareholders or among the Shareholders themselves, related to Company matters, shall be brought before the courts under the proper jurisdiction effective at the Company's registered office.

Dissolution

Article 21

In the event that Societe Generale is wound up and unless otherwise provided for by law, the General Meeting determines the method of liquidation, appoints the liquidators on the proposal of the Board of Directors and continues to exercise its assigned powers during the said liquidation until completion thereof.

The net assets remaining after repayment of the nominal value of the shares are distributed among the shareholders, in proportion to their share of the capital.

Schedule to the By-laws

1. Current Amount

The "Current Amount" means the Unit Issue Price multiplied by the number of B shares in circulation (i) reduced by the Reduction Percentage applied to the Current Amount, (ii) increased by the Restitution Percentage applied to the Current Amount, (iii) reduced by the amount and/or the value of any assets granted to holders of B shares in circulation as compensation for any reduction in share capital not resulting from losses and (iv) reduced by any profit distribution to holders of B shares in circulation in the form of premiums of any kind which constitute reimbursement of a contribution, without taking into account the Multiplier Coefficient.

The Current Amount shall never be higher than the product of the Unit Issue Price multiplied by the number of B shares in circulation, less any distributions made to B shareholders of premiums of any kind which constitute reimbursement of a contribution, without taking into account the Multiplier Coefficient.

The Reduction Percentage applying to the Current Amount shall equal any Group net consolidated losses appearing in the annual consolidated financial statements approved by the Company which are over and above the Franchise, multiplied by the Percentage of the Notional Equity Capital accounted for by the B shares on the closing date of these financial statements. The Reduction Percentage shall be deemed to apply to the Current Amount on the date of certification of the consolidated financial statements in which these losses appear.

The Restitution Percentage applying to the Current Amount shall equal any Group net consolidated profits appearing in the annual consolidated financial statements approved by the Company, multiplied by the Percentage of the Notional Equity Capital accounted for by the B shares on the closing date of these financial statements. The Restitution Percentage shall be deemed to apply to the Current Amount on the date of certification of the consolidated financial statements in which Group net consolidated profits appear following the occurrence of a reduction in the Current Amount.

In the event that the French State no longer holds the B shares, in this case, for the purposes of calculating the B Dividend, the Current Amount Restitution Percentage shall only apply in the above manner from such time as a B Dividend has been paid over the previous two financial years.

Should a reduction in the Current Amount occur on several occasions, in this case, the aggregated reductions and the total restitutions effected shall be taken into account.

The Current Amount of a B share shall be the Current Amount divided by the number of B shares in circulation.

The Franchise shall mean all consolidated reserves, Group share, excluding statutory reserves, any shareholders' retained earnings and, where applicable, any other Group consolidated assets other than equity items or premiums of any kind which constitute reimbursement of a contribution.

The Notional Equity Capital, calculated at a given date, shall mean the share capital in the approved annual parent company financial statements, composed of A shares and B shares increased by the amounts of premiums of any kind whose reimbursement would constitute reimbursement of a contribution and the legal reserve.

The Notional Equity Capital making up the B shares shall mean, at any given date:

(i) the product of the number of B shares initially issued multiplied by the Unit Issue Price, i.e. EUR 37.74;

(ii) increased, for each issue of B shares through the incorporation of reserves carried out subsequently to the initial issue of B shares, by any increase in share capital and the related premiums;

(iii) increased by a share of any increase in the legal reserve (carried out since the initial issue of B shares), in the same proportion as the B shares bear to the share capital;

(iv) reduced by any impact on the share capital, premiums and/or the legal reserve of any reduction in share capital resulting from losses, calculated as the sum of (i) any reductions in share capital attributable to B shares and (ii) the product of the percentage of the Notional Equity Capital that existed prior to the reduction in share capital accounted for by B shares multiplied by the reduction in the amount of any premiums of any kind, whether they constitute the reimbursement of a contribution and/or the legal reserve, occurring concurrently with the reduction in share capital;

(v) reduced, in the event of a reduction in share capital not resulting from losses, either (i) as part of the cancellation of B shares, by the product of the Unit Issue Price multiplied by the number of B shares cancelled or (ii) in the event of a reduction in par value, by the amount consequently granted to B shareholders;

(vi) reduced by the amount and/or value of assets granted to holders of B shares as part of any distribution of premiums of any kind which constitute reimbursement of a contribution, without taking into account the Multiplier Coefficient.

The percentage of the Notional Equity Capital accounted for by B shares shall mean the proportion that the B shares bear to the Notional Capital.

2. Calculation Period

The Calculation Period shall mean:

(a) for any repurchase taking place between the issue date of the B shares and December 31, 2009, the number of days falling between the date of issue of the B shares (inclusive) and the repurchase date (exclusive),

(b) for any repurchase occurring between January 1, 2010 and December 31, 2010, the number of days falling between:

- on the one hand,
  - the issue date of B shares (inclusive) if (i) the General Meeting called to approve the profit distribution for the financial year 2009 has not yet been held or (ii) this meeting has been held and a B Dividend has been approved but not yet paid on the repurchase date; or
  - January 1, 2010 (inclusive) if (i) the B Dividend for the financial year 2009 has been approved and paid on the repurchase date, or (ii) no B Dividend was approved at the General meeting called to approve the profit distribution for the financial year 2009; and
- on the other hand, the repurchase date (exclusive).

(c) for any repurchase occurring during a financial year "n" subsequent to December 31, 2010, the days falling between:

- on the one hand,
  - January 1 (inclusive) of the financial year n-1 if (i) the General Meeting called to approve the profit distribution for

the financial year n-1 has not yet been held, or (ii) this meeting has been held and the B Dividend has been approved for that financial year but not yet paid on the repurchase date; or

– January 1 (inclusive) of the financial year “n” if (i) the B Dividend for the financial year n-1 has been approved and paid on the repurchase date, or (ii) no B Dividend was approved at the General Meeting called to approve the profit distribution for the year n-1;

- on the other hand, the repurchase date (exclusive).

3. TSS Rate

The TSS Rate is the average of the 5 year Constant Maturity Treasury (CMT) rate over the 20-trading day period preceding the date of the decision to issue B shares increased by 509 basis points, i.e. 7.81%.

4. Regulatory Event

The following two circumstances shall constitute a Regulatory Event:

(i) the consolidated solvency ratio of the Company is less than the minimum percentage required by applicable banking regulations; or

(ii) the Company receives a written notice from the General Secretariat of the French Banking Commission (*Secrétariat Général de la Commission Bancaire*) warning it that its financial situation will result in it falling below the minimum envisaged in (i) in the near future.

5. Unit Issue Price

The Unit Issue Price is defined as the sum of the issue price for each issue of B shares, divided by the total number of B shares issued (it being specified that the Unit Issue Price of the B shares initially issued amounts to EUR 37.74 per B share, and that the Unit Issue Price of any B share which would be issued on the free allocation of B shares, will be considered to equal EUR zero per B share).

INTERNAL RULES OF THE BOARD OF DIRECTORS(*)

(Updated on January 12, 2010)

Preamble

Societe Generale applies the December 2008 AFEP-MEDEF Corporate Governance Code for listed companies. The Board’s organisation and operating procedures are defined in these Internal Rules.

Copies of these Internal Rules are included in the Company’s Annual Report.

Article 1: Powers

The Board shall deliberate on any issues that fall within its legal or regulatory remit.

Moreover, the Board:

a) approves the Group’s strategy and reviews it at least once a year;

b) approves all strategic investments and transactions, notably acquisitions or disposals, liable to have a material impact on the Group’s earnings, its balance sheet structure or its risk profile.

This prior approval process concerns:

- organic growth operations where these represent a unit amount in excess of EUR 250 million and have not already been approved within the framework of the annual budget or the strategic plan;
- acquisitions for a unit amount exceeding 3% of the Group’s consolidated shareholders’ equity or 1.50% of consolidated shareholders’ equity where acquisitions do not comply with the development priorities approved in the strategic plan;
- disposals for a unit amount exceeding 1.50% of the Group’s consolidated shareholders’ equity;
- partnerships involving a cash payment exceeding 1.50% of the Group’s consolidated shareholders’ equity;
- transactions that would result in a substantial deterioration of the Group’s risk profile.

* *This document does not form part of Societe Generale’s By-laws. It is not enforceable against third-parties. It may not be cited by third-parties or shareholders as evidence against Societe Generale.*

If, for reasons of urgency, it is impossible to convene a meeting of the Board to deliberate on a transaction that falls within the aforementioned categories, the Chairman shall do his utmost to obtain the opinion of all the Directors before taking a decision. He shall keep the Vice-Chairman informed.

The Chairman assesses the appropriateness of convening the Board to deliberate on a transaction that does not fall within the aforementioned categories on a case-by-case basis.

During each Board meeting, the Chairman shall report on the transactions concluded since the previous meeting, as well as on the main projects in progress that are liable to be concluded before the next Board meeting.

c) deliberates on modifications to the Group's management structures prior to their implementation and is informed of the principal changes to its organisation;

d) notably ensures the adequacy of the Group's risk management infrastructures, monitors the global risk exposure of its activities and approves the annual risk limits for market and credit risk. At least once a year, it examines the main aspects of, and major changes to, the Group's risk management strategy;

e) deliberates at least once a year on its operation and that of its committees, and on the conclusions of their periodic evaluation;

f) sets the compensation of the Chief Executive Officers, particularly their basic fixed salaries, performance-linked pay and benefits in kind, as well as stock option allocations and post-employment benefits;

g) establishes the remuneration policy rules applicable within the Group, particularly those regarding financial market professionals, and ensures that the internal control systems effectively verify the rules' compliance with the regulations and professional standards and are suitable for meeting risk management objectives;

h) approves the "Corporate Governance" chapter of the Registration Document, which notably includes the Report of the Chairman on Corporate Governance and Internal Control and Risk Management Procedures and the Board and Committees' activity report, the presentation of the Board of Directors and the General Management and the policy followed for the remuneration of Chief Executive Officers and employees, as well as stock option subscription or purchase plans and free share plans;

i) ensures the accuracy and sincerity of the parent company and consolidated financial statements and the quality of the information communicated to shareholders and the market.

Article 2: The Chairman and Vice-Chairman of the Board of Directors

The Chairman calls and chairs the Board of Directors' meetings. He sets the timetable and the agenda of Board meetings. He organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He chairs the General Meetings of Shareholders.

The Chairman ensures that the Company's bodies, including the Board Committees, operate correctly and consistently with the best principles of corporate governance. He may request the opinion of the Committees on specific questions. He is a member of the Nomination and Corporate Governance Committee. He produces the report on the organisation of the Board's work and on internal control and risk management procedures.

He ensures that the Directors are in a position to fulfil their duties and that they are provided with the appropriate information.

He speaks alone in the Board's name, barring exceptional circumstances or specific assignments entrusted to another Director.

As the Chief Executive Officer, he proposes and implements the Company's strategy, within the limits defined by French Law and in compliance with the Company's corporate governance rules and the strategies determined by the Board of Directors.

The Board of Directors may appoint a Vice-Chairman to assist the Chairman in his tasks, particularly the organisation and correct operation of the Board and its committees, and the supervision of corporate governance, internal control and risk management.

Consequently the Vice-Chairman chairs the Audit, Internal Control and Risk Committee and is a member of the Nomination and Corporate Governance and the Compensation Committees. He may question the members of the Group Executive Committee and the managers responsible for drawing up financial statements, internal control, risk management, compliance and internal audits, and more generally the Group's management executives and Statutory Auditors. He is provided with the information and documents he deems necessary to accomplish his assignments.

At least once a year he holds a meeting with the Directors who are not employees of the Group, from which the Chairman and Chief Executive Officer is excluded, notably to evaluate the Chief Executive Officers.

In agreement with the Chairman and Chief Executive Officer, he may represent the Company during meetings with third-parties about corporate governance, internal control and risk management.

Article 3: Meetings

The Board shall meet at least five times a year.

The Directors participating in the Board meeting via videoconferencing or any other telecommunications equipment that allows their identification and active participation, shall be considered present for calculation of the quorum and majority. To this end, the means chosen must transmit at least the voice of the participating members and comply with specifications that permit continuous and simultaneous transmission of the debates.

This provision is not valid where the Board has been convened to establish and approve the parent company and consolidated financial statements and the Management Report.

Notices to attend Board meetings issued by the Secretary of the Board or the Corporate Secretary may be sent by letter, fax or electronic mail, or by any other means, including verbally.

On the decision of the Chairman, the Deputy Chief Executive Officers or other Group management executives or, where relevant, people who are not members of the Board and are able to contribute usefully to discussions, may attend all or part of meetings of the Board of Directors.

Article 4: Information provided to the Board of Directors

Each Director shall receive all the documents and information necessary for him to accomplish his mission.

Prior to the Board meetings, a file containing agenda items requiring special analysis and prior reflection, will be made available or posted online whenever confidentiality rules allow.

Moreover, between meetings, the Directors shall receive any relevant information, including any critical reviews, about significant events or transactions concerning the Company. In particular, they shall receive copies of press releases issued by the Company.

At least once a year, the Board is informed of and regularly discusses Group policy with respect to human resources, information systems and organisation.

Article 5: Training of Directors

Each Director may benefit, either at the time of his appointment or during the term of his mandate, from any training that he deems necessary for the exercise of his duties.

This training shall be organised and proposed by the Company, which shall bear its cost.

Article 6: The Board's Committees

In certain areas, the Board's resolutions are prepared by specialised Committees composed of Directors appointed by the Board, who examine the issues within their competencies and submit their opinions and proposals to the Board.

These Committees shall act under the responsibility of the Board.

The Committees may, in the course of their respective duties and after informing the Chairman, hear reports from the Group's management executives and request that external technical studies be conducted, at the expense of the Company. The Committees shall subsequently report on the information obtained and the opinions collected.

There are three permanent Committees:

- the Audit, Internal Control and Risk Committee;
- the Compensation Committee;
- the Nomination and Corporate Governance Committee.

The Board may create one or more "*ad hoc*" committees.

The Audit, Internal Control and Risk Committee shall be chaired by the Vice-Chairman or, in his absence, by a Chairman appointed by the Board of Directors based on a proposal made by the Nomination and Corporate Governance Committee.

The secretarial functions for each committee shall be the responsibility of a person appointed by the Chairman of the Committee.

Article 7: The Compensation Committee

The Compensation Committee:

a) proposes to the Board, in accordance with the guidelines given by the AFEP-MEDEF Corporate Governance Code and with the professional standards, the policy governing the remuneration of the Chief Executive Officers and Directors, and particularly the determination criteria, structure and amount of this remuneration, including benefits in kind, personal protection insurance or pension benefits, as well as any compensation received from Group companies, and ensures that the policy is properly applied;

b) prepares the annual performance appraisal of the Chief Executive Officers;

c) submits a proposal to the Board of Directors for the stock options policy and formulates an opinion on the list of beneficiaries;

d) prepares the decisions of the Board relating to the employee savings plan;

e) gives the Board of Directors its opinion on the General Management's proposals for the remuneration policy applicable within the Group, particularly regarding financial market professionals, and verifies with the General Management that the policy is being implemented. It also ensures that the General Management and Risk Management and Compliance do in fact cooperate in the definition and application of this policy, as required by professional standards, and that due consideration is given to the opinions of Risk Management and Compliance;

f) conducts an annual review of the remuneration policy for financial market professionals and checks that the report made to it by the General Management complies with regulation No. 97-02 and is consistent with the applicable professional standards. It receives all the information necessary for it to complete its mission and particularly the annual report sent to the French Banking Commission (*Commission bancaire*) and individual breakdowns of compensation amounts above a threshold that it determines. It shall call on the internal audit departments or outside experts where necessary. It reports to the Board on its activities. It may perform the same tasks for the Group companies monitored by the French Banking Commission (*Commission bancaire*) on a consolidated or sub-consolidated basis;

g) gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

It is made up of at least three Directors, who may not be Chief Executive Officers of the Company, nor linked to the Company or one of its subsidiaries by an employment contract, nor members of the Audit, Internal Control and Risk Committee, except for the Vice-Chairman. At least two-thirds of its members shall be independent according to the definition given in the AFEP-MEDEF Corporate Governance Code and have the expertise to analyse the remuneration policies and practices according to all the relevant criteria, including the Group risk policy.

The Chairman may not attend Committee meetings dealing with issues relating to him.

Article 8: The Nomination and Corporate Governance Committee

This Committee is assigned the task of submitting proposals to the Board for the nomination of Directors and for the appointment of successors to the Chief Executive Officers, especially where a position becomes vacant unexpectedly, after carrying out any necessary inquiries.

It provides the Board with proposals for appointments to the Board's Committees.

It may propose the appointment of a Vice-Chairman.

The Committee carries out preparatory work for the examination by the Board of Directors of corporate governance issues. It is responsible for the evaluation of the Board of Directors' performance, which shall be carried out at least once every three years.

It submits a proposal to the Board of Directors for the presentation of the Board of Directors to be included in the Registration Document and notably the list of independent Directors.

It gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

The Nomination and Corporate Governance Committee is informed prior to the appointment of any member of the Group's Executive Committee and any corporate department heads who do not sit on this committee. It is informed of the list of replacements for these senior managers.

It is composed of the members of the Compensation Committee and the Chairman of the Board. It is Chaired by the Chairman of the Compensation Committee.

Article 9: The Audit, Internal Control and Risk Committee

This Committee's mission is to monitor issues concerning the production and control of accounting and financial information, and to monitor the efficiency of the internal control and risk assessment, monitoring and management systems.

It is particularly in charge of:

- ensuring monitoring of the process for drawing up financial information, particularly examining the quality and reliability of the systems in place and making suggestions for their improvement;
- analysing the draft financial statements to be submitted to the Board in order in particular to verify the clarity of the information provided and to offer an assessment of the relevance and consistency of the accounting methods used to draw up parent company and consolidated financial statements;
- ensuring the independence of Statutory Auditors, in particular by reviewing the breakdown of the fees paid by the Group to them as well as to the network to which they may belong and through prior approval of all assignments that do not fall within the framework of a statutory audit of accounts, but which may be the consequence of, or a supplement to, the same, all other assignments being prohibited; implementing the procedure for selecting the Statutory Auditors and submitting an opinion to the Board of Directors concerning the appointment or renewal of such as well as their remuneration;
- examining the work programme of the Statutory Auditors and more generally ensuring the supervision of account monitoring by the Statutory Auditors;

- offering an assessment of the quality of internal control, in particular the consistency of risk assessment, monitoring and management systems, and proposing additional actions where appropriate. To this end, the Committee is responsible primarily for:
  - reviewing the Group's internal audit programme and the Annual Report on Internal Control drawn up in accordance with banking regulations, as well as formulating an opinion on the organisation and operation of the internal control departments;
  - reviewing the follow-up letters sent by the French Banking Commission (*Commission bancaire*) and issuing an opinion on draft responses to these letters;
  - examining the market risk and structural interest rate risk control procedures and being consulted about setting risk limits;
  - formulating an opinion on the Group's global provisioning policy, as well as on specific provisions relating to large sums;
  - examining the annual risk assessment and control procedures report in accordance with the French banking regulations;
  - reviewing the policy concerning risk management and off-balance sheet commitment monitoring, in particular in the light of memoranda drafted to this end by the Finance Department, the Risk Department and the Statutory Auditors.

Under conditions it shall establish, the Committee may interview the Company's Chief Executive Officers, the Statutory Auditors and the managers in charge of drawing up financial statements, internal control, risk management, compliance and internal audits. The Statutory Auditors shall be invited to meetings of the Audit, Internal Control and Risk Committee unless the Committee decides otherwise.

The Chairman of the Committee shall report on its work to the Board.

The Committee shall present its annual work programme to the Board.

It gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

The Audit, Internal Control and Risk Committee shall consist of at least three Directors appointed by the Board of Directors, who have appropriate financial, accounting, auditing or risk expertise. They may not be Chief Executive Officers of the Company, nor linked to the Company or one of its subsidiaries by an employment contract, nor members of the Compensation Committee, except for the Vice-Chairman. At least two-thirds of its members shall be independent according to the definition given in the AFEP-MEDEF Corporate Governance Code.

Article 10: Conflicts of interest

Any Director faced with a conflict of interest, or even a potential conflict of interest, especially when it concerns his role within another company, should inform the Board and abstain from voting on the corresponding resolution.

The Chairman may also request that he does not participate in the deliberating process.

Article 11: Directors' attendance fees

The global amount of the attendance fee is set at the General Meeting.

The Chairman and Chief Executive Officer does not receive any attendance fees.

The global amount of the attendance fee is divided into two parts: one fixed part equal to one-third of the global amount and one variable part equal to two-thirds.

The Vice-Chairman receives 35% of the fixed part of the annual attendance fee as a special attendance fee, calculated pro-rata to the duration of his mandate over the period.

After allocation of the Vice-Chairman's share, the fixed part of the attendance fee allocated to the other Directors, calculated pro-rata to the duration of their mandate over the period, is split as follows:

- four shares for the Chairman of the Audit, Internal Control and Risk Committee;
- three shares for the members of the Audit, Internal Control and Risk Committee;
- two shares for the Chairman of the Nomination and Corporate Governance and Compensation Committees;
- one share for the other Directors.

The variable part of the attendance fee is shared between the Directors at the end of the year according to the number of Board meetings or working meetings of the Board and Committee meetings that they have attended. However, meetings of the Compensation Committee and the Nomination and Corporate Governance Committee held on the same day are taken into account as one unit.

The compensation paid to the Non-Voting Directors for their participation in Board meetings is equal to the attendance fee paid to Directors who are not members of a committee, according to the terms defined above.

This article shall take effect as of the distribution of attendance fees due in respect of 2009.

Article 12: Reimbursement of expenses

Directors' and Non-Voting Directors' travel, accommodation, meals and assignment-related expenses linked to Board, Committee, the General Meeting of Shareholders or any other meetings associated with the duties of the Board or Committees, are paid for or reimbursed by Societe Generale, upon submission of receipts.

The Company pays for the Vice-Chairman's office, secretariat and communication expenses in relation with his duties.

The Secretary of the Board of Directors receives and checks these receipts and ensures that the amounts due are paid for by the Company or reimbursed.

Article 13: Confidentiality

Each Director or Non-Voting Director should consider himself bound by professional secrecy with regard to confidential information received in his capacity as Director or Non-Voting Director, and with regard to the opinions expressed by each Board member.

DIRECTOR'S CHARTER*

(Updated on August 1, 2007)

Article 1: Representation

The Board of Directors represents all shareholders and acts in the best interests of the Company. Each Director represents all the Company's shareholders, regardless of the manner in which he was appointed.

Article 2: Mission

Each Director undertakes to improve his knowledge of the Company and its sector of activity on an ongoing basis. He assumes an obligation of vigilance, circumspection and confidentiality.

Each Director undertakes to preserve the objectivity of his views, decisions and actions under all circumstances.

Each Director undertakes not to seek, nor to accept, any benefits liable to compromise said objectivity.

Article 3: Knowledge of rights and obligations

When a new Director or Non-Voting Director is appointed, the Corporate Secretary provides him with a file containing the Company's By-laws, the provisions enacted by the Board governing its functioning, and a presentation of the legal principles as regards the responsibilities of Directors.

Each Director or Non-Voting Director may consult with the Corporate Secretary, at any time, regarding the scope of these documents and his rights and obligations as a Director or Non-Voting Director.

Article 4: Insider trading rules

Each Director or Non-Voting Director shall refrain from carrying out transactions on the shares of companies where (and insofar as) he has access in his capacity as Board member to privileged information not yet publicly disclosed.

Article 5: Transactions on Societe Generale's shares[(1)]

Directors and Non-Voting Directors shall abstain from carrying out any stock market operations during the 30 calendar days prior to the publication of Societe Generale's quarterly, half-yearly and annual results as well as on the date of publication itself.

Directors and Non-Voting Directors shall abstain from carrying out speculative or leveraged transactions in the securities, and, to this end:

- shall conserve the acquired stocks for at least two months as of their date of purchase;
- shall abstain from using financial instruments likely to allow them to carry out speculative transactions. This specifically applies to put and call transactions, except when they correspond to hedging.

The same rules apply for dealings in the shares of French or foreign listed companies that are controlled directly or indirectly by Societe Generale as defined in Article L.233-3 of the French Commercial Code.

Directors and Non-Voting Directors shall bring any difficulty they may encounter in enforcing this provision to the attention of the Corporate Secretary.

* *This document does not form part of Societe Generale's By-laws. It is not enforceable against third-parties. It may not be cited by third-parties or shareholders as evidence against Societe Generale.*

(1) *Here the term shares is taken to mean, on the one hand, securities giving the buyer the right, however this right may be exercised, to buy or sell Societe Generale shares or to receive a sum calculated by referral to the current share price upon exercising this right; on the other hand, assets composed primarily of Societe Generale shares or related securities (e.g. units in the E-Fund (Societe Generale's employee share ownership plan)).*

Article 6: Transparency

The Directors of Societe Generale shall register all new Societe Generale securities acquired on or after June 1, 2002. It is recommended that they also register any Societe Generale securities held previously.

In accordance with Articles L. 621-18-2 of the French Monetary and Financial Code and Articles 223-22 and 223-26 of the General Regulations of the French Financial Markets Authority (AMF) and in compliance with AMF directive No. 2006-05 of February 3, 2006, Deputy Chief Executive Officers, Directors, Non-Voting Directors or anyone working closely with them must report all transactions involving the acquisition, disposal, subscription or exchange of Societe Generale shares or any other type of financial instruments linked to Societe Generale shares.

The following transactions do not need to be declared:

- acquisitions or disposals by means of donations, intervivus gifts and legacies;
- transactions carried out by a portfolio manager as part of discretionary portfolio management services where the principal takes no part in the management of this portfolio;
- transactions carried out by legal entities acting as Directors on behalf of a third-party.

The AMF is notified of each transaction by the parties concerned within five trading days following its completion. The AMF posts each declaration on its website.

A copy of this declaration is sent to the Company's Secretary of the Board of Directors. These declarations are kept on record by the Corporate Secretariat.

The Annual General Meeting of Shareholders is informed of transactions carried out during the fiscal year.

Article 7: Conflicts of interest

Each Director or Non-Voting Director shall inform the Board of any real or potential conflict of interest to which he may be directly or indirectly exposed. He shall refrain from participating in any discussion and voting on such matters.

Article 8: Regular attendance

Each Director or Non-Voting Director shall dedicate the time needed to fulfil his duties. In the event that a Director or Non-Voting Director accepts a new Directorship or changes his professional responsibilities, he shall inform the Chairman of the Nomination Committee[1].

The Annual Report shall indicate the rate of attendance at Board meetings and Committee meetings.

Each Director shall strive to attend the General Meetings of Shareholders.

(1) Which became the Nomination and Corporate Governance Committee on January 12, 2010.

12 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr. Frédéric Oudéa

Chairman and Chief Executive Officer of Societe Generale.

STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

I declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this Registration Document is in accordance with the facts and that it makes no omission likely to affect its meaning.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation scope, and that the Management Report presents a fair view of the Company's business, performance and financial position and that of all the undertakings included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the Auditors stating that they have audited the information contained in this Registration Document about the Company's financial position and accounts and that they have read this document in its entirety.

The historical financial data presented in this Registration Document has been discussed in the Statutory Auditors' reports found on pages 331 to 332 and 404 to 405 herein and those enclosed for reference for the financial years 2007 and 2008, found on pages 266 to 267 and 330 to 331 of the 2008 Registration Document and on pages 310 to 311 and 382 to 383 of the 2009 Registration Document. The Statutory Auditors' reports on the 2009 parent company and consolidated financial statements, and on the 2008 and 2007 parent company and consolidated financial statements contain remarks.

Paris, March 4, 2010

Chairman and Chief Executive Officer
Frédéric Oudéa

PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Statutory Auditors

Name: Cabinet Ernst & Young Audit
represented by Mr Philippe Peuch-Lestrade

Address: Faubourg de l'Arche - 11, allée de l'Arche
92037 Paris, La Défense

Date of first appointment: April 18, 2000

Term of mandate: six fiscal years

End of current mandate: at the close of the Ordinary General Meeting which will approve the financial statements for the year ended December 31, 2011.

Name: Société Deloitte et Associés
represented by Messrs. Jean-Marc Mickeler and Damien Leurent

Address: 185, avenue Charles-De-Gaulle - BP 136
92524 Neuilly-sur-Seine cedex

Date of first appointment: April 18, 2003

Term of mandate: six fiscal years

End of current mandate: at the close of the Ordinary General Meeting which will approve the financial statements for the year ended December 31, 2011.

Substitute Statutory Auditors

Name: Mr Robert Gabriel Galet

Address: Faubourg de l'Arche - 11, allée de l'Arche
92037 Paris, La Défense

Date of appointment: May 30, 2006

Term of mandate: six fiscal years

Name: Mr. Alain Pons

Address: 185, avenue Charles-De-Gaulle - BP 136
92524 Neuilly-sur-Seine cedex

Date of nomination: April 18, 2003

Term of mandate: six fiscal years

13 CROSS REFERENCE TABLE

Registration Document cross reference table

In accordance with the requirements of Article 28 of EC regulation No. 809/2004 dated April 29, 2004, the following elements are enclosed for reference purposes:

- The parent company and consolidated financial statements for the year ended December 31, 2008, the related Statutory Auditors' report and the Group Management Report presented respectively on pages 313 to 381 and 196 to 309, pages 310 to 311 and 382 to 383 and pages 26 to 62 of the Registration Document D.09-0095 submitted to the AMF on March 4, 2009;
- The parent company and consolidated financial statements for the year ended December 31, 2007, the related Statutory Auditors' report and the Group Management Report presented respectively on pages 269 to 329, pages 162 to 265, pages 330 to 331 and 266 to 267 and pages 24 to 61 of the Registration Document D.08-0084 submitted to the AMF on March 3, 2008.

The chapters of the Registration Documents D.09-0095 and D.08-0084 not mentioned above do not apply to investors or are covered in another part of the present document.

Annual Financial Report cross-reference table

In application of Article 222-3 of the AMF's General Regulations, the annual financial report referred to in paragraph 1 of Article 451-1-2 of the French Monetary and Financial Code contains the information described in the following pages of the Registration Document:

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