A French corporation with share capital of EUR 812,925,836.25
Head office: 29 boulevard Haussmann - 75009 PARIS
552 120 222 R.C.S. PARIS

SECOND UPDATE TO THE 2009 REGISTRATION DOCUMENT

Registration document filed with the AMF (French Securities Regulator) on March 4, 2009
under No. D.09-0095
Amendment to the Registration document filed with the AMF (French Securities Regulator) on April 8, 2009
The first update was filed with the AMF (French Securities Regulator) on May 12, 2009 under No D.09-0095-A01

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

**The original update was filed with the AMF (French Securities Regulator) on August 6, 2009 under No. D.09-0095-A02.
Only the French version is legally binding.**

CONTENTS

Update of the 2009 Registration Document by chapter

I. Chapter 2: Group strategy and businesses 4

1.1 EVENTS SUBSEQUENT TO THE SUBMISSION OF THE FIRST UPDATE 4

II. Chapter 3 : Facts and figures 9

2.1 DIVIDEND 9

2.2 PREFERENCE SHARE ISSUE 9

2.3 BREAKDOWN OF CAPITAL AND VOTING RIGHTS 10

III. Chapter 4: Group interim management report 11

3.1 SOCIETE GENERALE GROUP MAIN ACTIVITIES 11

3.2 GROUP ACTIVITY AND RESULTS 13

3.3 SUMMARY OF RESULTS AND PROFITABILITY BY CORE BUSINESS 16

3.4 THE GROUP'S FINANCIAL STRUCTURE 33

3.5 SIGNIFICANT NEW PRODUCTS OR SERVICES 34

3.6 MAJOR INVESTMENTS 36

3.7 EVENTS AFTER THE CLOSE ON JUNE 30, 2009 37

3.8 IMPLEMENTATION OF THE BASEL II REFORM 38

3.9 ANALYSIS OF THE CONSOLIDATED BALANCE SHEET 40

3.10 PROPERTY AND EQUIPMENT 45

3.11 MAIN RISKS AND UNCERTAINTIES OVER THE NEXT 6 MONTHS 45

3.12 TRANSACTIONS BETWEEN RELATED PARTIES 46

IV. Chapter 5: Corporate governance 47

4.1 BOARD OF DIRECTORS 47

4.2 GENERAL MANAGEMENT 48

4.3 GENERAL MEETING OF SHAREHOLDERS HELD ON MAY 19, 2009 49

4.4 GENERAL MEETING OF SHAREHOLDERS HELD ON JULY 6, 2009 50

4.5 EXECUTIVE COMMITTEE AT JUNE 30, 2009 51

4.6 GROUP MANAGEMENT COMMITTEE AT JUNE 30, 2009 52

V. Chapter 9: Risk Factors 53

5.1 PILLAR III REPORT (DISCLOSURES AS OF DECEMBER 31, 2008) 53

5.2 SPECIFIC FINANCIAL INFORMATION – FSF RECOMMENDATIONS FOR FINANCIAL TRANSPARENCY 110

5.3 CREDIT PORTFOLIO ANALYSIS: CREDIT RISK OUTSTANDINGS 118

5.4 PROVISIONING OF DOUBTFUL LOANS 120

5.5 CHANGE IN TRADING VAR 121

VI. Chapter 10: Financial information 122

6.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AT JUNE 30, 2009 122

6.2 STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST HALF-YEARLY FINANCIAL INFORMATION FOR 2009 169

6.3 SECOND QUARTER 2009 RESULTS 171

6.4 PRUDENTIAL RATIO MANAGEMENT 196

6.5 INFORMATION ON COMMON STOCK 196

VII. Chapter 11: Legal information 198

7.1 BY-LAWS UPDATED ON JULY 10, 2009 198

7.2 BOARD'S INTERNAL RULES (UPDATED ON JULY 6, 2009) 217

VIII. Chapter 12: Person responsible for updating the Registration Document 224

8.1 PERSON RESPONSIBLE FOR UPDATING THE REGISTRATION DOCUMENT 224

8.2 STATEMENT OF THE PERSON RESPONSIBLE FOR UPDATING THE REGISTRATION DOCUMENT 224

8.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS 225

IX. Chapter 13: Cross-reference table 226

Interim Financial Report

In compliance with article 212-13 of the AMF (French Securities Regulator) General Regulations, the present update contains the information of the Interim Financial Report referred to in article L. 451-1-2 of the French Monetary and Financial Code.

This Financial Report is comprised of the following information:
- Consolidated financial statements at June 30, 2009: pages 122 to 168;
- Half-yearly activities report: pages 11 to 37; pages 40 to 46
- Statement of the person responsible: page 224;
- Statutory Auditors' Report on the 2009 Interim Financial Information: pages 169 to 170.

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

I. CHAPTER 2: GROUP STRATEGY AND BUSINESSES

1.1 EVENTS SUBSEQUENT TO THE SUBMISSION OF THE FIRST UPDATE

1.1.1 PRESS RELEASE DATED MAY 27, 2009: SOCIETE GENERALE ACQUIRES ADDITIONAL 7% STAKE IN ROSBANK

Societe Generale Group has just acquired an additional stake of 7% in Rosbank shares from its Russian partner Interros.

Further to this acquisition, Societe Generale owns 64.7% of the shares of Rosbank. Societe Generale reiterates with this transaction its confidence in the development perspectives of Rosbank and in the future of the Russian banking market.

1.1.2 EXTRACT FROM THE PRESS RELEASE DATED JUNE 24, 2009: SOGECAP – 2008 EMBEDDED VALUE

SOGECAP, the SOCIETE GENERALE life insurance subsidiary, is publishing its Embedded Value and New Business Value results based on the principles of the CFO Forum applicable on December 31, 2008. These values correspond to all the company's business in France, including the ORADEA-VIE business; the foreign subsidiaries are taken into account based on their book value.

Alain de Saint-Martin, SOGECAP Chief Executive Officer, has commented "*In 2008, the Embedded Value of SOGECAP is €2,573 million, a decrease of 20% over 2007, hence demonstrating that our business has held up well in a very difficult economic environment. The ratio of New Business Value to the present value of premiums is 2.1%, a very satisfactory level.*"

Summary of results at December 31, 2008

In € millions	2008	2007	Variation
Adjusted Net Asset Value (ANAV)	1,100	1,199	-8.3%
Certainty equivalent portfolio value	2,277	2,540	-10.4%
Time value of financial options and guarantees	(555)	(272)	104%
Cost of capital and non financial risks	(249)	(266)	-6.4%
Embedded Value (EV)	**2,573**	**3,201**	**-19.6%**
New Business Value (NBV)	**154**	**202**	**-23.8%**
NBV / present value of premiums (1)	2.1%	2.3%	-8.7%
NBV / APE (2)	21.2%	23.1%	-8.2%

(1) Present value of premiums generated by activity in 2008 (including future scheduled premiums) is €7,273m.
(2) APE: Annualized Premium Equivalent (10% of single premiums and flexible premiums, 100% of scheduled premiums) amounts to €726m.

B&W Deloitte has certified the SOGECAP's Embedded Value calculations for December 31, 2008. In doing so, the firm reviewed exclusively the consistency of the applied methodology and assumptions and their compliance with the CFO Forum principles, the global reconciliation of the data with the accounts and the consistency of the results.

The Embedded Value at end 2008, representing the discounted value of in force business, was €2,573m, for an IFRS shareholders' Equity of €1,261m. The surplus value is therefore around €1.3bn.

The New Business Value (NBV) of French domestic business, the value of the activity generated in 2008, amounted to €154m, i.e. 2.1% of the present value of premiums.

Breakdown of movements in Embedded Value between 2007 and 2008

In € millions	**Adjusted net asset value**	**Portfolio value**	**Total**
Embedded Value published in 2007	**1,199**	**2,002**	**3,201**
Adjusted value in 2007	1,199	2,087	3,286
Operating result	203	75	278
Impact of the economic environment	(218)	(689)	(907)
Dividend paid in 2008	(195)		(195)
Increase in capital	110		110
Embedded Value in 2008	**1,100**	**1,473**	**2,573**

The difference between the published 2007 value and the adjusted 2007 value is due to the replacement of the Institute of Actuaries curve by the swap curve, the scenario generator and modelling changes.

The operating result corresponds mainly to the value of 2008 new business and the result expected to be generated by the portfolio of existing policies.

The economic environment had a negative impact on results (€-907m) following widening spreads, the sharp drop in the equity markets and the increase in equity and interest-rate volatility.

The operating return on Embedded Value was 8.5% (ratio between the operating margin and Embedded Value at end 2007) vs. 10.2% in 2007.

Embedded Value sensitivities analysis

An analysis of the main sensitivities to market changes has demonstrated that the sensitivity of the Embedded Value was no more or less than 7% at the end of 2008.

	In € millions	% of value
Increase in interest rates of 100 bp	(124)	-4.8%
Decrease in interest rates of 100 bp	+120	+4.7%
Decrease in equities of 10%	(170)	-6.6%
Increase in interest-rate volatility of 25%	(21)	-0.8%
Increase in equity volatility of 25%	(106)	-4.1%
Increase in administrative costs of 10%	(49)	-1.9%
Decrease in lapse rates of 10%	+97	+3.8%
Decrease in mortality rate of 5%	+32	+1.3%

New Business Value sensitivities analysis

	In € millions	% of value
Increase in interest rates of 100 bp	+9	+5.8%
Decrease in interest rates of 100 bp	(40)	-25.7%
Increase in interest rate volatility of 25%	(12)	-7.9%
Increase in equity volatility of 25%	(26)	-16.9%
Increase in administrative costs of 10%	(3)	-1.9%
Decrease in lapse rates of 10%	+20	+13.1%
Decrease in mortality rate of 5%	+4	+2.4%

1.1.3 PRESS RELEASE DATED JULY 6, 2009: ESTIMATED RESULTS FOR THE SECOND QUARTER OF 2009

The Group second quarter 2009 results will be published on 5 August. Net Income is expected to be slightly positive. Solid operational performances, in particular in Corporate & Investment Banking, will absorb the significant negative impact on the accounts of the substantial tightening of credit spreads stemming from an improving market environment and reduced aversion to risk since mid-March. Overall, the Group's net banking income is expected to register an estimated 1.3 billion euro negative impact from CDS used to hedge its loan portfolio and from debt instruments issued by the Group and booked at fair value.

The cost of risk is expected to reach a level comparable to its level in Q1 09. The impact of assets at risk should be limited. In the mean time, the Group continues to reduce its exposures.

The Group's Tier One and Core Tier One ratios are expected to be close to their levels at 31 March 2009 pro-forma of the issuance of preference shares to the French State [(1)].

[(1)] For reference, at the end of March 2009, the Group's Tier One and Core Tier One ratio proforma of the issuance of preference shares to the French State were respectively 9.2% and 7.0%.

1.1.4 PRESS RELEASE DATED JULY 9, 2009: CREDIT AGRICOLE S.A. AND SOCIETE GENERALE FINALISE AGREEMENT TO CREATE A COMBINED ASSET MANAGEMENT GROUP

Further to the preliminary agreement announced on January 26, 2009, Crédit Agricole S.A. and Societe Generale today signed a final agreement to combine their asset management operations.

With €591 billion[1] of assets under management, the combined entity will be ranked 4th in Europe and 8th worldwide[2]. It aims to be:

- the leading provider of savings solutions to the retail banking networks of the Crédit Agricole and Societe Generale groups. With 50 million retail clients around the world, the new entity will be an undisputed European leader in this field and will be well positioned to form partnerships with other operators,
- a multi-expert asset manager with a high-performance investment offering adapted to the requirements of institutional clients and backed by an extensive international network.

The new company will have three major advantages:

- a comprehensive investment offering suitable for both retail and institutional clients,
- a leading position in operational efficiency. Thanks to economies of scale, combining the two businesses will benefit all clients by creating a highly competitive industrial unit both in terms of the costs of production and the quality of service,
- wide geographic coverage, with a presence in over 37 countries and a strong position in high-growth regions, particularly Asia.

Since the announcement of the project, teams from each entity have been finalising work on due diligence and the consultation process with employee representatives inherent in this type of operation, but also working on the shape of the new combined group, in particular:

- establishing how the new company will function with all the networks,
- creating a dedicated structure designed for the Societe Generale network,
- defining the relationship between the new entity and the other businesses within the two groups (in particular, securities services and insurance).

Certain adjustments have been made to the framework of the transaction. The new entity (CAAM-SGAM) still includes 100% of the activities of the CAAM group, to which Societe Generale is bringing its fundamental investment activities, 20% of TCW and its joint-venture in India. However, on account of local regulatory constraints and agreements with partners, SGAM's joint-ventures in China and Korea will not be contributed. In this context, 75% of the new entity will be held by Crédit Agricole SA and 25% by Societe Generale, taking into account this change in scope, the level of equity capital contributed by the two entities, and the latest operating framework.

As originally agreed, Societe Generale will appoint one third of the directors of the Board of the new entity and, under group governance, will control the equivalent of one third of voting rights. Yves Perrier, the current CEO of CAAM, will become CEO of the new group.

[1] Pro forma as at the end of March 2009
[2] In terms of assets under management

The operation remains subject to approval from the relevant regulatory authorities. As a result, and as indicated in January, the transaction is expected to close during the 4th quarter of this year.

The next few months will be used to define the organisation of the new entity to enable it to be fully operational for the 2010 fiscal year.

II. Chapter 3 : Facts and figures

2.1 Dividend

2.1.1 Extract from the press release dated May 19, 2009: Information document made available to shareholders relating to the payment of the dividend in new shares

The Societe Generale Shareholders' General Meeting, held on May 19, 2009, decided to set the dividend per share at EUR 1.20 and to grant each shareholder the option to choose between the payment of dividend either in cash or in shares, on the whole dividend.

The shares will be traded ex-dividend as of May 27, 2009 and dividends made payable as from June 19, 2009.

2.1.2 Press release dated June 17, 2009: Result of the scrip dividend payment offer

See "Information on common stock" in Chapter 10: Financial information, on page 196.

2.2 Preference share issue

See "Information on common stock" in Chapter 10: Financial information, on page 196.

2.3 BREAKDOWN OF CAPITAL AND VOTING RIGHTS (1)

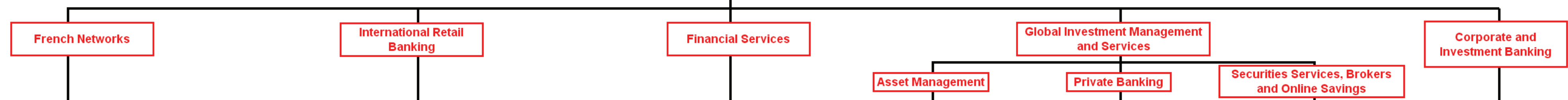
	At June 30,2009		
	Number of shares	% of capital	% of voting rights*
Employees and former employees via the Group employee share ownership program	41,213,750	6.44%	10.59%
Groupama	24,687,255	3.86%	5.30%
CDC	13,830,565	2.16%	2.96%
Meiji Yasuda Life Insurance	11,069,312	1.73%	3.36%
CNP	7,172,504	1.12%	1.28%
Fondazione CRT	2,193,567	0.34%	0.46%
Free float	473,299,608	74.00%	72.84%
Buybacks	12,084,171	1.89%	1.83%
Treasury stock	8,987,016	1.41%	1.36%
Sub-total (Ordinary shares)	***594,537,748***	***92.96%***	***100.00%***
SPPE (Preference shares)	45,045,045	7.04%	0.00%
Group total	**639,582,793**	**100.0%**	**100.0%**

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

** From 2006, in accordance with article 223-11 of the AMF's general regulations, voting rights are associated with own shares when calculating the total number of voting rights.*

III. CHAPTER 4: GROUP INTERIM MANAGEMENT REPORT

3.1 SOCIETE GENERALE GROUP MAIN ACTIVITIES



FRANCE

French Networks
- Societe Generale*
- Crédit du Nord Group 80.0%
- Compagnie Générale d'Affacturage 100%
- Sogéfinancement 100%
- Sogéfimur 100%
- Sogelease France 100%
- Sogébail 53.2%
- Groupama Banque 20.0%
- SG Services 100%
- Transactis 50%
- 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%

Financial Services
- Franfinance Group 100%
- CGI Group 99.9%
- ECS Group 100%
- Sogécap Group 100%
- Sogessur 65.0%
- Temsys 100%

Asset Management
- SG Asset Management Group (SGAM) 100%

Private Banking
- Societe Generale*

Securities Services, Brokers and Online Savings
- Societe Generale*
- Newedge Group 50%
- Parel 100%
- Boursorama Group 55.8%
- SGSS France 98.2%

Corporate and Investment Banking
- Societe Generale*
- CALIF 100%
- SG Securities (Paris) SAS 100%
- Lyxor Asset Management 100%
- Gaselys 49.0%
- Orbeo 50.0%
- SG Option Europe 100%
- Clickoptions 100%
- Societe Generale SCF 100%

EUROPE

International Retail Banking
- SKB Banka *Slovenia* 99.7%
- BRD-SG Group *Romania* 59.2%
- SG Express Bank *Bulgaria* 98.3%
- Komercni Banka A.S. (KB) *Czech Republic* 60.4%
- General Bank of Greece *Greece* 52.3%
- 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* 64.7%
- SG-Splitska Bank *Croatia* 100%
- Bank Republic *Georgia* 60.0%
- Mobiasbanca *Moldavia* 87.9%
- Banka Popullore *Albania* 75.0%
- Komercni Banka Bratislava *Slovakia* 60.4%

Financial Services
- 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%

Asset Management
- SG Russell Asset Management *Ireland* 50.0%
- SGAM Irlande 100%
- IKS *Czech Republic* 100%

Private Banking
- Societe Generale Bank & Trust Luxembourg [2] 100%
- SG Private Banking Suisse SA [1] 100%
- SG Private Banking (Belgium) 100%
- SG Hambros Bank Limited *United Kingdom* 100%
- SG Private Banking (Monaco) [1] 100%

Securities Services, Brokers and Online Savings
- 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*

Corporate and Investment Banking
- 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*

AFRICA - MIDDLE EAST

International Retail Banking
- SG Marocaine de Banques 56.9%
- SG de Banques en Côte d'Ivoire 68.2%
- 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 52.9%
- SG de Banques au Bénin 73.9%
- SG - SSB Limited *Ghana* 51.0%
- Societe Generale Mauritanie 51.0%
- BFV SG *Madagascar* 70.0%
- SG de Banques au Sénégal 59.3%
- SG Algérie 100%
- SG de Banques au Burkina 52.5%
- SG de Banque en Guinée Equatoriale 57.2%
- SG Tchadienne de Banque 55.2%

Financial Services
- Eqdom *Morocco* 54.7%
- La Marocaine Vie 100%

AMERICAS

Financial Services
- Banco Cacique S.A. *Brazil* 100%
- Banco Pecunia *Brazil* 70%

NORTH AMERICA

Asset Management
- TCW Group Inc *United States* 100%

Securities Services, Brokers and Online Savings
- Newedge USA, LLC 50%
- Newedge Canada Inc 50%

Corporate and Investment Banking
- 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

International Retail Banking
- South East Asia Commercial Bank *Vietnam* 20.0%

Financial Services
- Family Credit Limited *India* 100%

Asset Management
- SGAM Japon 100%
- SGAM Singapore 100%
- IBK-SGAM *Korea* 50.0%
- Fortune SGAM *China* 49.0%

Private Banking
- SG Private Banking (Japan) Ltd 100%

Securities Services, Brokers and Online Savings
- Newedge Japan Inc 50%

Corporate and Investment Banking
- 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*
  - New Dehli *India*
  - Seoul *South Korea*
  - Taipei *Taiwan*
  - Sydney *Australia*

* 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.

3.2 GROUP ACTIVITY AND RESULTS

The recession experienced by the global economy is the most brutal and deepest since the Second World War. That said, and despite a still challenging economic environment in Q2 (contraction in investment, deterioration in the labour market), there appear to be some signs that economic activity could stabilise at end-2009. Similarly, and although the outlook remains uncertain, investors demonstrated less risk aversion during Q2 than during the previous two quarters, as testified by the rebound in equity markets.

Benefiting from a solid capital position (Basel II Tier One ratio of 9.5%), Societe Generale continued with its plans for:

(i) the commercial growth of its Retail Banking and Private Banking activities both inside and outside France,

(ii) the substantial expansion of its Corporate and Investment Banking customer franchises while reducing its exposures at risk,

(iii) the focused realignment of its Specialised Financial Services platform,

(iv) the reorganisation of its Asset Management activities with, in particular, the signing of the definitive agreement with Crédit Agricole SA.

In millions of euros	H1 09	H1 08	Change	
Net banking income	10,629	11,263	-5.6%	-4.5%*
Operating expenses	(7,884)	(7,862)	+0.3%	+1.2%*
Gross operating income	**2,745**	**3,401**	**-19.3%**	**-17.6%***
Net allocation to provisions	(2,429)	(985)	x 2,5	x 2,5*
Operating income	**316**	**2,416**	**-86.9%**	**-85.6%***
Net income from companies accounted for by the equity method	(6)	12	NM	
Net income from other assets	14	641	-97.8%	
Impairment losses on goodwill	(18)	0	NM	
Income tax	(62)	(951)	-93.5%	
Net income before minority interests	244	2,118	-88.5%	
O.w. minority interests	213	378	-43.7%	
Net income	**31**	**1,740**	**-98.2%**	**-96.8%***
Cost/income ratio	74.2%	69.8%		
Average allocated capital	29,749	27,230	+9.3%	
ROE after tax	**NM**	**12.3%**		
Basel II Tier 1 Ratio	**9.5%**	**8.2%**		

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

Net banking income

Societe Generale enjoyed healthy commercial activity during the first half of the year. That said, its revenues (EUR 10.6 billion in H1) were affected mainly:

(i) in Q1, by the unfavourable trend in the US residential real estate market and monoline insurers' ratings. This situation stabilised in Q2, as illustrated by the rise in several representative indexes (ABX, CMBX, etc). As a result, the Group limited its losses and write-downs to EUR -0.4 billion in Q2 09, after EUR -1.5 billion in Q1.

(ii) in Q2, by accounting items related to changes in the Marked-to-Market value of corporate credit portfolio hedges and the Group's financial liabilities representing EUR -1.3 billion (EUR -0.3 billion in Q1).

When restated for all the non-recurring items (EUR -3.6 billion in H1 09), the revenues of the Group's core businesses amounted to EUR 14.5 billion for H1 (+15.2% vs. H1 08), a dynamic trend that well reflects the expansion of the customer franchises.

The French Networks published net banking income up +0.1%[1] vs. H1 08 at EUR 3.6 billion in H1 09.

Although affected by the recession which has spread to emerging countries, International Retail Banking posted a strong commercial performance with revenues of EUR 2.3 billion in H1 09 (+7.4%* vs. H1 2008).

In a generally unfavourable market, Financial Services continues to realign its operating infrastructure. Net banking income was virtually stable at EUR 1.5 billion in H1 09 (down -0.9%* vs. H1 08).

Asset Management has also been hit by the negative effects of the recession and the confirmed risk aversion of investors. As a result, the level of net outflow was EUR -3.4 billion in H1 2009. Despite Private Banking's strong performance (inflow of EUR +1.9 billion in H1), Asset Management continued to experience an outflow (EUR -5.3 billion) due to capital withdrawals observed in alternative investment activities, partially offset by the inflow in traditional investment activities. The revenues of Global Investment Management and Services totalled EUR 1.4 billion in H1 09 (-5.8%* vs. H1 08).

Corporate and Investment Banking provided further evidence of the dynamic growth of its customer franchises with sharply higher client-driven revenues in H1. As a result, net banking income for client-driven activities (excluding non-recurring items) amounted to EUR 2.9 billion in H1 09 (+25% vs. H1 08). In its trading activities, the Group generated a high level of revenues (excluding non-recurring items) in the first 6 months of the year at EUR 2.8 billion, while continuing to reduce its exposures at risk in H1 2009 (EUR -3.8 billion of disposals during H1). Corporate and Investment Banking's net banking income (excluding non-recurring items) totalled EUR 5.7 billion.

Operating expenses

The Group's operating expenses were generally stable in H1 at EUR 7.9 billion (+1.2%* vs. H1 08). The changes reflect the combination of:

(i) a deliberate policy to control all expenditure,

(ii) restructuring plans for Societe Generale (SGAM/CAAM, SGAM AI/Lyxor, changes in SG CIB's organisational structure), and

(iii) a strategy of commercial expansion targeted on high-potential sectors.

---

1 Excluding the effect of the PEL/CEL provision

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

Societe Generale's cost to income ratio was 74.2% for the first half (69.8% in H1 08).

Operating income

The Group's gross operating income amounted to EUR 2.7 billion in H1, down -17.6%* on the first 6 months of 2008, with the core businesses making a EUR 3.1 billion contribution to this result.

After a sharp increase in Q1 09, the Group's cost of risk was slightly lower in Q2 09, reflecting the slowdown in the deterioration of its portfolio. The cost of risk for the first 6 months of 2009 totalled EUR -2.4 billion. On the basis of Basel I risk-weighted assets, the Group's cost of risk in H1 amounted to 116 basis points.

- The cost of risk associated with the French Networks is high (EUR -443 million in H1, or 67 basis points).
- The high level of the cost of risk for International Retail Banking (EUR -609 million in H1 09, or 183 basis points) relates primarily to banking activities in Russia (515 bp in H1 09). In the other regions of activity, the cost of risk remains contained.
- Financial Services' cost of risk was substantially higher than in H1 08 at EUR -527 million (or 218 basis points), with a significant contribution from consumer credit activities (77% of total, for 370 basis points). Meanwhile, Equipment Finance's cost of risk amounted to 114 basis points in H1.
- After experiencing a significant cost of risk in Q1 09 (EUR -567 million), which included various specific or one-off items (provisions for litigation and portfolio-based), Corporate and Investment Banking's Q2 cost of risk amounted to EUR -258 million. The net cost of risk therefore totalled 118 basis points in H1.

Operating income for H1 totalled EUR 316 million.

Net income

After tax (the Group's effective tax rate was 19% in H1) and minority interests, Group net income amounted to EUR 31 million in H1. The Group recorded numerous non-recurring items during H1 (details of which are presented in the appendix), with an impact of EUR -3.6 billion on revenues. If these non-recurring items are stripped out, the Group's net income before tax would have been EUR 4.1 billion. When restated for these items, the Group's ROE after tax would be around 16%.

Earnings per ordinary share for H1 amount to EUR -0.23, after deducting interest to be paid to holders of deeply subordinated notes and undated subordinated notes, and the remuneration of preference shares.

3.3 SUMMARY OF RESULTS AND PROFITABILITY BY CORE BUSINESS

In millions of euros	French Networks		International Retail Banking		Financial Services		Global Investment Management & Services		Corporate & Investment Banking		Corporate Centre		Group	
	H1 09	H1 08	H1 09	H1 08	H1 09	H1 08	H1 09	H1 08	H1 09	H1 08	H1 09	H1 08	H1 09	H1 08
Net banking income	3,554	3,499	2,344	2,338	1,538	1,591	1,399	1,473	2,129	2,211	(335)	151	10,629	11,263
Operating expenses	(2,342)	(2,333)	(1,343)	(1,343)	(871)	(883)	(1,233)	(1,317)	(2,045)	(1,929)	(50)	(57)	(7,884)	(7,862)
Gross operating income	**1,212**	**1,166**	**1,001**	**995**	**667**	**708**	**166**	**156**	**84**	**282**	**(385)**	**94**	**2,745**	**3,401**
Net allocation to provisions	(443)	(185)	(609)	(166)	(527)	(247)	(25)	(2)	(825)	(384)	0	(1)	(2,429)	(985)
Operating income	**769**	**981**	**392**	**829**	**140**	**461**	**141**	**154**	**(741)**	**(102)**	**(385)**	**93**	**316**	**2,416**
Net income from companies accounted for by the equity method	4	7	2	5	(31)	5	0	0	21	0	(2)	(5)	(6)	12
Net income from other assets	1	0	11	10	1	(1)	0	1	(1)	6	2	625	14	641
Impairment losses on goodwill	0	0	0	0	(18)	0	0	0	0	0	0	0	(18)	0
Income tax	(262)	(335)	(81)	(176)	(39)	(141)	(33)	(37)	305	59	48	(321)	(62)	(951)
Net income before minority interests	512	653	324	668	53	324	108	118	(416)	(37)	(337)	392	244	2,118
O.w. minority interests	16	27	84	232	5	8	10	7	10	2	88	102	213	378
Net income	**496**	**626**	**240**	**436**	**48**	**316**	**98**	**111**	**(426)**	**(39)**	**(425)**	**290**	**31**	**1,740**
Cost/income ratio	65.9%	66.7%	57.3%	57.4%	56.6%	55.5%	88.1%	89.4%	96.1%	87.2%	NM	NM	74.2%	69.8%
Average allocated capital	5,321	5,112	3,095	2,722	4,095	3,761	1,299	1,680	7,852	7,340	8,087 *	6,615*	29,749	27,230
ROE after tax	**18.6%**	**24.5%**	**15.5%**	**32.0%**	**2.3%**	**16.8%**	**15.1%**	**13.2%**	**NM**	**NM**	**NM**	**NM**	**NM**	**12.3%**

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

FRENCH NETWORKS

In millions of euros	H1 09	H1 08	Change	
Net banking income	3,554	3,499	+1.6%	+0.1%(a)
Operating expenses	(2,342)	(2,333)	+0.4%	
Gross operating income	**1,212**	**1,166**	**+3.9%**	**-0.3%(a)**
Net allocation to provisions	(443)	(185)	x2.4	
Operating income	**769**	**981**	**-21.6%**	**-26.5%(a)**
Net income from companies accounted for by the equity method	4	7	-42.9%	
Net income from other assets	1	0	NM	
Income tax	(262)	(335)	-21.8%	
Net income before minority interests	512	653	-21.6%	-26.4%(a)
O.w. minority interests	16	27	-40.7%	
Net income	**496**	**626**	**-20.8%**	**-25.7%(a)**
Cost/income ratio	65.9%	66.7%		
Average allocated capital	5,321	5,112	+4.1%	
ROE after tax	**18.6%**	**24.5%**		

(a) Excluding a EUR 44m PEL/CEL reversal in H1 09 vs. a EUR 6m provision in H1 08

The economic environment remained challenging for the French Networks, characterised by a now global recession, a marked acceleration in the rate of corporate bankruptcies and rapidly rising unemployment.

The Societe Generale and Crédit du Nord networks have implemented a proactive policy to encourage the inflow of deposits and support their business customers. This commercial drive has resulted in strong activity levels as well as an increase in revenues and market share, thus demonstrating the networks' solidity during a crisis period.

The number of personal current accounts for **individual customers** totalled 6.3 million at end-June 2009, representing an increase of +21,100 units in H1.

Balance sheet deposits increased by +1.2% vs. H1 08, driven by the dynamic growth of the Special Savings Scheme. The Livret A passbook account, in particular, has been a commercial success, with the net opening of 1.4 million accounts in H1 for average outstandings of EUR 4.0 billion in Q2 09. Outstandings on home ownership savings plans are at their end-December 2008 level, in a market that is nevertheless lower.

Meanwhile, life insurance outstandings remained stable vs. H1 08 at EUR 66.6 billion, despite the significant decline in gross inflow (-10.4% vs. H1 08), against a backdrop of individuals' increased risk aversion.

On the loan front, the persistent sluggishness of the property market and households' aversion to getting into debt in an environment of strong economic uncertainty and rapidly rising unemployment are adversely affecting activity levels. However, the French Networks' continuing commitment to their customers has helped maintain growth in outstanding loans to individuals of +4.4% vs. H1 08, including +5.2% for housing loans. New consumer credit business was generally lower in the first 6 months of the year (-3.4% vs. H1 08), a trend that conceals the growth in Q2 09 (+7.3% vs. Q2 08).

Despite a deteriorated environment, the **business customer** market remained strong. Balance sheet deposits rose +25.3%[1] in H1 09 vs. H1 08 and totalled EUR 27.7 billion, boosted by the launch of new offerings adapted to current market conditions.

In the case of loans, the French Networks have increased the number of initiatives and measures to support their business customers. This is testified by the rise in outstanding investment loans (+11.8%) and loans to local authorities (+17.3%) vs. H1 08. This commercial drive has helped the French Networks to post overall growth in outstanding loans of +6.7% vs. H1 08, despite the very sharp slowdown in economic activity.

Generally, the **financial results** of the Societe Generale and Crédit du Nord networks reflect the robustness of the commercial business. At EUR 3,554 million, H1 09 revenues remained stable vs. H1 08 (+0.1% excluding the EUR 44 million PEL/CEL provision write-back in H1 09 vs. a EUR 6 million allocation in H1 08).

The interest margin rose by +2.3% (excluding the PEL/CEL effect) vs. H1 08 due to the combination of growth in outstanding loans and the recovery in margins, helped in particular by lower remuneration rates on long-term savings.

Commissions were 2.4% lower than in H1 08, adversely affected by the ongoing decline in financial commissions (-15.2%), due to the situation in the financial markets. However, service commissions were up +1.8% over the same period.

The limited increase in operating expenses (+0.4% vs. H1 08) helped stabilise the H1 cost to income ratio at 66.7% (excluding the PEL/CEL effect).

At 67 basis points, the net cost of risk was significantly higher than in H1 08, reflecting the deterioration in the business climate and the resultant rise in the number of corporate bankruptcies.

The H1 contribution to Group net income totalled EUR 496 million, down -20.8% vs. H1 08.

The French Networks' ROE, excluding the PEL/CEL effect, amounted to 17.6% in H1 09 vs. 24.7% in H1 08.

---

[1] Excluding negotiable medium-term notes (BMTN) issued to French Network customers

INTERNATIONAL RETAIL BANKING

In millions of euros	H1 09	H1 08	Variation	
Net banking income	2,344	2,338	+0.3%	+7.4%*
Operating expenses	(1,343)	(1,343)	0.0%	+7.4%*
Gross operating income	**1,001**	**995**	**+0.6%**	**+7.3%***
Net allocation to provisions	(609)	(166)	x3.7	x 4,1*
Operating income	**392**	**829**	**-52.7%**	**-49.9%***
Net income from companies accounted for by the equity method	2	5	-60.0%	
Net income from other assets	11	10	+10.0%	
Impairment losses on goodwill	0	0	NM	
Income tax	(81)	(176)	-54.0%	
Net income before minority interests	324	668	-51.5%	
O.w. minority interests	84	232	-63.8%	
Net income	**240**	**436**	**-45.0%**	**-44.1%***
Cost/income ratio	57.3%	57.4%		
Average allocated capital	3,095	2,722	+13.7%	
ROE after tax	**15.5%**	**32.0%**		

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

In an environment marked by the economic slowdown, **International Retail Banking** generally proved resilient.

Changes in activity indicators during H1 2009 reflect the realignment of the expansion policy to the economic environment. The policy was largely based on initiatives to encourage customer loyalty aimed at consolidating the customer franchises. These initiatives focused on an extended and innovative product offering promoted through marketing campaigns and sponsorship. At the same time and in order to maintain risk quality, International Retail Banking adapted its credit policy accordingly.

As a result, at end-June 2009, the individual customer portfolio had been bolstered by 83,000 net new customers in six months, at constant structure. Outstanding deposits increased by +1.1%* vs. end-December 2008, whereas outstanding loans fell -2.3%*.

The deteriorated environment also prompted the Group to adjust the rate of expansion of its operating infrastructure. As a result, International Retail Banking opened 88 branches during H1. At end-June 2009, there were 3,800 branches and 62,800 employees (representing a reduction of more than 1% in H1).

With the exception of Russia, where the crisis has had a heavy impact on SG revenues, the Group has posted satisfactory performances, thereby succeeding in consolidating its commercial presence and maintaining a satisfactory level of profitability for its activities.

In the Mediterranean Basin, which is relatively unscathed by the crisis, the strong commercial momentum has continued as testified by the diversification and enhancement of customer portfolios and the growth in outstandings. Driven by Egypt and Morocco, the region has also produced healthy, steadily increasing, financial performances.

In the Czech Republic, Komercni Banka boasts solid market positions, ranking it No. 3 among local players. These positions are reinforced by targeted and innovative initiatives (launch of Guaranteed Structured Deposit, savings account and platinum credit card products). Its surplus liquidity (loan/deposit ratio of 69.0% at end-June 2009) means that it does not have to adopt a policy of over-remunerating deposits, thus retaining satisfactory levels of profitability. The entity has also stepped up the sharing of costs and synergies essentially through the rationalisation of back offices.

Meanwhile, Romania has provided further evidence of its resilience capacity: it continues to enhance its customer franchises and strengthen its market positions, owing to the withdrawal of a number of competitors in recent months.

In Russia, the crisis environment has been adversely affecting the performances of subsidiaries since end-2008. The deterioration in the business climate has resulted in shrinking loan demand combined with a rapid increase in non-performing loans. As a result, outstanding loans were down -12.6%* vs. end-2008 while the cost of risk continued to deteriorate to 515 basis points in H1 vs. 223 basis points in Q4 08. In light of this situation, a more selective loan approval policy has been adopted. The Group has also continued with the acceleration of productivity gains and the implementation of its operating infrastructure realignment policy by freezing plans to expand its network.

H1 net banking income totalled EUR 2,344 million, up +7.4%* (+0.3% in absolute terms) vs. H1 08. Operating expenses were 7.4%* higher (stable in absolute terms) than in H1 08. They were 4.4% higher excluding network development costs.

The cost of risk has increased since the beginning of 2009, a reflection of the deterioration in the economic situation. It stood at 183 basis points in H1 09 vs. 122 basis points in Q4 08. The increase is due largely to the ongoing deterioration in Russian risks. If Russia is stripped out, the increase in the H1 cost of risk is more limited compared with end-2008: 104 bp in H1 09 vs. 95 bp in Q4 08.

International Retail Banking’s contribution to Group net income totalled EUR 240 million in H1. ROE after tax stood at 15.5% vs. 32.0% in H1 08. If Russia is stripped out, the contribution to Group net income amounts to EUR 325 million.

FINANCIAL SERVICES

In millions of euros	H1 09	H1 08	Variation	
Net banking income	1,538	1,591	-3.3%	-0.9%*
Operating expenses	(871)	(883)	-1.4%	-0.6%*
Gross operating income	**667**	**708**	**-5.8%**	**-1.3%***
Net allocation to provisions	(527)	(247)	x2.1	x2.1*
Operating income	**140**	**461**	**-69.6%**	**-60.9%***
Net income from companies accounted for by the equity method	(31)	5	NM	
Net income from other assets	1	(1)	NM	
Income tax	(39)	(141)	-72.3%	
Net income before minority interests	53	324	-83.6%	
O.w. minority interests	5	8	-37.5%	
Net income	**48**	**316**	**-84.8%**	**-68.2%***
Cost/income ratio	56.6%	55.5%		
Average allocated capital	4,095	3,761	+8.9%	
ROE after tax	**2.3%**	**16.8%**		

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

The **Financial Services** 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**

Financial Services' overall performance reflects the slowdown in economic activity in a deteriorated environment. The decline in new business which affected all business lines can be attributed to the drop in demand caused by consumers' reluctance to get into debt but also the realignment of commercial policy to the new market conditions. In the light of rising risks, credit conditions have been tightened in order to maintain profitability.

Consumer credit was affected by the repercussions of the unfavourable economic environment, with new business in H1 of EUR 5.7 billion, down -8.5%* vs. H1 08. H1 09 illustrated the resilience of Germany, where new business grew +16.2%*, whereas Italy was 21.7%* lower than in H1 08. France, which was down -7.6%* in H1 vs. the first 6 months of 2008, produced a commendable performance compared with its market (-15.6% according to the ASF[(1)]). The economic environment continues to adversely affect the performance of Russia where new business plummeted compared with H1 08 (-50.1%*), despite rebounding +15.6% in Q2 2009 vs. Q1. The commercial momentum continues to bolster activity in Brazil (+30.0%*) and the Czech Republic (+33.5%*). Consumer credit outstandings totalled EUR 21.9 billion at end-June 2009, up +11.4%* vs. end-June 2008.

Price raising measures and the optimisation of refinancing costs, which have been implemented according to the local context, are starting to pay off, with the significant strengthening of new business margins.

[(1)] French Association of Financial Companies

In Equipment Finance, SG Equipment Finance has observed the same trend: new financing amounted to EUR 4.0 billion (excluding factoring) in H1, down -12.8%* vs. H1 08. Business grew in France, (+9.5%* vs. H1 08) driven by the success of high-tech equipment, and in the United Kingdom (+36.8%*). Having been hard hit by the crisis, Germany, SGEF's main market, and Scandinavia, where business is heavily focused on "transport", have seen their new financing shrink by respectively -16.0%* and -18.6%*. Outstanding loans (excluding factoring) totalled EUR 19.1 billion at end-June 2009, representing an increase of +7.9%* vs. end-June 2008.
The price policy implemented by the business line, in accordance with the new market conditions, has helped raise new financing margins.

In operational vehicle leasing and fleet management, ALD has adapted to the difficult environment by reducing its leasing rate. During H1, it leased 111,200 vehicles vs. more than 138,100 in H1 08. This slowdown affected all countries. At end-June 2009, ALD had a fleet under management of 778,100 vehicles, representing an increase of +2.6% at constant structure year-on-year, largely driven by its two key markets, France (+5.5% at constant structure) and Germany (+5.8% at constant structure). The deterioration in the second-hand vehicle market, which has been felt since end-2008, has prompted the business line to adopt a number of measures. In addition to developing alternative resale channels and extending the duration of contracts in order to postpone disposals, the residual values of new contracts have been lowered.

Overall, Specialised Financing revenues totalled EUR 1,316 million in H1, up +1.6%* vs. H1 08 (-1.4% in absolute terms), with the rise in sales margins offsetting the losses and provisions on the residual values of second-hand vehicles. The optimisation of the operating infrastructure in light of the crisis (reduced headcount, strict control of expenditure) has resulted in a -0.7%* reduction in operating expenses vs. H1 08 (-1.6% in absolute terms). As a result, gross operating income amounted to EUR 538 million, up +4.9%* (-1.1% in absolute terms) vs. H1 08.

Life insurance continued to suffer from the unfavourable environment with gross inflow of EUR 4.4 billion (down -6.7%* vs. H1 08). The increased proportion of with-profits policies: 90% vs. 85% in H1 08, illustrates savers' persistent shunning of other types of products.

The Insurance activity's net banking income totalled EUR 222 million, down -13.7%* vs. H1 08 (-13.3% in absolute terms).

The continuing increase in the cost of risk reflects the scale of the crisis and its repercussions on the business climate. In H1, the cost of risk stood at 218 basis points vs. 110 basis points in H1 08 and 197 basis points in Q1 09. This deterioration was observed in both consumer credit (370 bp) and equipment finance (114 bp), with the latter affected in particular by the difficult environment in Germany.

Financial Services' operating income totalled EUR 140 million in H1 vs. EUR 461 million in H1 08. The contribution to Group net income was EUR 48 million in H1. The figure was EUR 316 million in H1 08.

GLOBAL INVESTMENT MANAGEMENT AND SERVICES

In millions of euros	H1 09	H1 08	Change	
Net banking income	1,399	1,473	-5.0%	-5.8%*
Operating expenses	(1,233)	(1,317)	-6.4%	-6.8%*
Gross operating income	**166**	**156**	**+6.4%**	**+2.5%***
Net allocation to provisions	(25)	(2)	x12.5	x 12,5*
Operating income	**141**	**154**	**-8.4%**	**-11.9%***
Net income from other assets	0	1	-100.0%	
Income tax	(33)	(37)	-10.8%	
Net income before minority interests	108	118	-8.5%	
O.w. minority interests	10	7	+42.9%	
Net income	**98**	**111**	**-11.7%**	**-14.9%***
Cost/income ratio	88.1%	89.4%		
Average allocated capital	1,299	1,680	**-22.7%**	
ROE after tax	**15.1%**	**13.2%**		

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

Global Investment Management and Services consists of three major activities:

(i) asset management (Societe Generale Asset Management)
(ii) private banking (SG Private Banking)
(iii) Societe Generale Securities Services (SG SS), Brokers (Newedge), and Online Savings (Boursorama).

Despite a few signs of improvement, the environment generally remains unfavourable for Global Investment Management and Services.

The outflow continued in Asset Management, mainly on alternative investment products, whereas traditional investment products recorded a net inflow in H1. The business line's financial performances provided further evidence of the improvement observed since the beginning of the year but remain lower than in 2008. The merger agreement with CAAM was finalised at the beginning of July and will give rise, at end-2009, to the 4th largest European player and 8th largest global player in this activity. The new entity will be 75%-owned by Crédit Agricole S.A. and 25%-owned by Societe Generale.

Private Banking provided further evidence of its commercial momentum, with an inflow of EUR 1.9 billion.

Societe Generale Securities Services and the Brokers business experienced a lower performance, having been affected by the decline in stock markets and interest rates, whereas Online Savings posted a satisfactory performance.

The division's revenues amounted to EUR 1,399 million in H1 (-5.8%* and -5.0% in absolute terms vs. H1 08). Its assets totalled EUR 333.1 billion. Operating expenses were 6.8%* lower (-6.4% in absolute terms). As a result, gross operating income amounted to EUR 166 million and the contribution to Group net income was EUR 98 million.

Asset Management

In millions of euros	H1 09	H1 08	Change	
Net banking income	339	256	+32.4%	+26.0%*
Operating expenses	(359)	(405)	-11.4%	-13.3%*
Gross operating income	**(20)**	**(149)**	**+86.6%**	**+87.2%***
Net allocation to provisions	2	0	NM	NM*
Operating income	**(18)**	**(149)**	**+87.9%**	**+88.7%***
Net income from other assets	0	0	NM	
Income tax	6	50	+88.0%	
Net income before minority interests	(12)	(99)	+87.9%	
O.w. minority interests	2	(7)	NM	
Net income	**(14)**	**(92)**	**+84.8%**	**+85.1%***
Cost/income ratio	NM	NM		
Average allocated capital	440	767	-42.6%	

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

Asset Management experienced a EUR -5.3 billion net outflow in H1, mainly in alternative investment activities (EUR -7.9 billion). Traditional investment activities were generally higher in H1, driven by bond funds (EUR +4.7 billion).

At end-June 2009, assets under management totalled EUR 262.1 billion vs. EUR 269.2 billion at end-December 2008, given a favourable market effect of EUR +4.2 billion, a negative currency effect of EUR -1.3 billion and a structure effect of EUR -4.7 billion, related to the disposal of SGAM UK. They are managed mainly by:

(i) SGAM with EUR 160.2 billion of assets under management, comprising 68% of fixed income products and 30% of equities and diversified assets. These correspond to the assets contributed under the merger with CAAM;

(ii) TCW with EUR 73.1 billion of assets under management;

(iii) SGAM AI with EUR 17.5 billion of assets under management.

SGAM's revenues amounted to EUR 339 million in H1, up +26.0%* (+32.4% in absolute terms) vs. H1 08, which incurred EUR -274 million of disposal losses. Assets under management were also down -15.2% vs. end-June 2008.

Operating expenses were down -13.3%* vs. H1 08 (-11.4% in absolute terms) due to the decline in performance-linked pay.

Operating income totalled EUR -18 million in H1 09 vs. EUR -149 million in H1 08. The contribution to Group net income was EUR -14 million.

Private Banking

In millions of euros	H1 09	H1 08	Change	
Net banking income	418	414	+1.0%	+0.2%*
Operating expenses	(263)	(266)	-1.1%	-1.9%*
Gross operating income	**155**	**148**	**+4.7%**	**+4.1%***
Net allocation to provisions	(26)	(2)	x13.0	x 13,0*
Operating income	**129**	**146**	**-11.6%**	**-12.4%***
Net income from other assets	0	0	NM	
Income tax	(29)	(34)	-14.7%	
Net income before minority interests	100	112	-10.7%	
O.w. minority interests	0	5	-100.0%	
Net income	**100**	**107**	**-6.5%**	**-7.5%***
Cost/income ratio	62.9%	64.3%		
Average allocated capital	382	358	+6.7%	

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

In a slightly more favourable environment, Private Banking experienced healthy business volumes and posted satisfactory financial performances.

It generated a net inflow of EUR +1.9 billion in H1 2009 which, combined with positive market (EUR +2.0 billion) and currency (EUR +0.2 billion) effects, takes the assets managed by Private Banking to EUR 71.0 billion at end-June 2009, up +6.1% vs. end-December 2008.

The business line continued to expand and optimise its operating infrastructure with the setting up of an international centre of expertise dedicated to offering property products and services, and supported by specialists based primarily in European and Asian markets. SG Private Banking has also enhanced its platform in France with the opening of a regional centre in Lille.

Private Banking revenues totalled EUR 418 million in H1, a slight increase of +0.2%* (+1.0% in absolute terms) vs. H1 08. They were driven mainly by treasury products, helped by a significant “cash” base.

Operating expenses were down -1.9%* (-1.1% in absolute terms) reflecting the ongoing implementation of the cost-cutting plan and the adjustment of performance-linked pay to the business line’s performance.

As a result of these developments, gross operating income amounted to EUR 155 million, up +4.1%* vs. H1 08 (+4.7% in absolute terms).

After taking into account a net allocation to provisions of EUR 26 million in H1, the contribution to Group net income was EUR 100 million.

Societe Generale Securities Services, Brokers and Online Savings

In millions of euros	H1 09	H1 08	Change	
Net banking income	642	803	-20.0%	-19.4%*
Operating expenses	(611)	(646)	-5.4%	-4.7%*
Gross operating income	**31**	**157**	**-80.3%**	**-80.1%***
Net allocation to provisions	(1)	0	NM	NM*
Operating income	**30**	**157**	**-80.9%**	**-80.8%***
Net income from other assets	0	1	-100.0%	
Income tax	(10)	(53)	-81.1%	
Net income before minority interests	20	105	-81.0%	
O.w . minority interests	8	9	-11.1%	
Net income	**12**	**96**	**-87.5%**	**-87.4%***
Cost/income ratio	95.2%	80.4%		
Average allocated capital	477	555	-14.1%	

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

Securities Services continues to be adversely affected by declining interest rates. Assets under custody were up +6.3% vs. end-June 2008 at EUR 2,906 billion, whereas assets under administration were down -14.5% over the same period at EUR 423 billion.

Newedge's business reflected the slowdown in the market, while demonstrating some resilience. The subsidiary's H1 09 trading volumes amounted to 1,493 million lots, down -13.3% vs. H1 08. It therefore succeeded in maintaining a high market share in H1. Newedge is ranked No. 2 based on deposits in the United States[1].

Boursorama posted satisfactory performances. The brokerage business continued to benefit from strong market volatility as illustrated by the increase in the number of orders executed: +11% vs. H1 08, whereas the savings business suffered from the decline in UCITS assets. With the opening of nearly 13,000 accounts in France in H1, representing 89,000 accounts at end-June 2009, banking activity provided further evidence of its vitality.

The H1 revenues of SGSS, Brokers and Online Savings were affected by declining interest rates. They amounted to EUR 642 million, down -19.4%* (-20.0% in absolute terms) while gross operating income was EUR 31 million, down -80.1%* (-80.3% in absolute terms) vs. H1 08. The business line's contribution to Group net income was EUR 12 million vs. EUR 96 million in H1 2008.

---
(1) Classification at end-May 2009

CORPORATE AND INVESTMENT BANKING

In millions of euros	H1 09	H1 08	Change	
Net banking income	2,129	2,211	-3.7%	-5.6%*
o.w. Financing & Advisory	*(247)*	*835*	*NM*	*NM**
o.w.Fixed Income, Currencies & Commodities	*799*	*(87)*	*NM*	*NM**
o.w. Equities	*1,577*	*1,463*	*+7.8%*	*+5.8%**
Operating expenses	(2,045)	(1,929)	+6.0%	+4.9%*
Gross operating income	**84**	**282**	**-70.2%**	**-73.7%***
Net allocation to provisions	(825)	(384)	x2.1	x 2,2*
Operating income	**(741)**	**(102)**	**NM**	**NM***
Net income from companies accounted for by the equity method	21	0	NM	
Net income from other assets	(1)	6	NM	
Impairment losses on goodw ill	0	0	NM	
Income tax	305	59	NM	
Net income before minority interests	(416)	(37)	NM	
O.w . minority interests	10	2	x5.0	
Net income	**(426)**	**(39)**	**NM**	**NM***
Cost/income ratio	96.1%	87.2%		
Average allocated capital	7,852	7,340	+7.0%	
ROE after tax	**NM**	**NM**		

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

After a chaotic year-end in 2008, H1 2009 marked a gradual return to normal market conditions. As a result, Q2 2009 saw confirmation of the improvement observed at the beginning of the year. The decline in interest rates, the tightening of credit spreads, as well as the normalisation and uptrend in equity markets helped Corporate and Investment Banking enjoy another excellent quarter, excluding non-recurring items.

Underlying activities[1] posted revenues of EUR 5.7 billion in H1, up +65.9% vs. H1 08, testifying to the robustness of the customer franchise and its ability to gain market share in a changing competitive environment.

However, the division recorded EUR -3.5 billion of various non-recurring items in H1:

- EUR -1.9 billion of losses and write-downs on exposures at risk, related primarily to the deterioration, at the beginning of the year, in both the US residential and commercial real estate market but also monoline insurers. The Group also continued with its policy of reducing its positions in assets at risk, with further disposals (EUR 3.8 billion) in H1;
- EUR -1.6 billion of accounting effects resulting from the tightening of credit spreads. As a result, the Marked-to-Market valuation of CDS used to hedge the corporate credit portfolio fell by EUR -1.3 billion in H1, whereas the tightening of the Societe Generale credit spread, which reflects the improvement in the market's

[1] Comments on revenue performance are based on data excluding non-recurring items. However, comments on operating income and Group net income data take into account these items.

perception of the Group's risk, had an impact of EUR -0.3 billion over the same period.

The **Equities** business line enjoyed an excellent H1 and posted revenues (excluding non-recurring items) up +21.9% vs. H1 08 at EUR 1,622 million. Trading activities produced excellent performances with revenues of EUR 795 million, in a particularly favourable market for volatility trading and arbitrage activities. Client-driven earnings proved highly resilient, experiencing only a limited decline of -6.4% vs. H1 08 with EUR 827 million. While new client-driven structured products business continued to decline, flow products started to experience a sharp rebound in Q2, particularly in listed products. The valuation of market positions associated with client transactions, which benefited from the normalisation of market conditions in Q2, also had a positive impact. Lyxor's assets under management were up EUR +1.6 billion vs. end-2008, at EUR 62.1 billion at end-June. Recognised for the quality of its "Managed Accounts" platform, characterised by the transparency, liquidity and risk control offered to investors, Lyxor was recently awarded the prize for "Best Manager of the Year" by Alternative Investment News. These excellent performances make SGCIB the entity that has received the most awards since 2000, enabling it to retain its leadership position in the equity derivatives market, with a global market share of 14.4% in warrants (No. 1) and a market share of 22.1% in ETFs in Europe (No. 2). It has also retained the title of "Best Equity Derivatives House" (*Euromoney June 2009*), for the 4th year running.

Fixed Income, Currencies & Commodities enjoyed an excellent H1 with revenues of EUR 2,996 million, or more than double the figure in H1 08. Client-driven revenues were robust at EUR 1,003 million, up +30.9% vs. H1 08, driven primarily by the excellent performance of flow products and the good activity levels for commodities and fixed income and currency structured products. In market conditions very conducive to this type of activity, trading produced excellent performances, particularly for fixed income activities, which benefited from the slope of the yield curve. At EUR 1,993 million, trading revenues almost tripled vs. H1 08. Generally, the solidity and commercial dynamism of the customer franchises are illustrated in the significant market share gains observed since the beginning of 2007, particularly on electronic Currency (+2.8 points at 3.8%) and Euro Government Bonds (+5.7 points, at 12.4%) platforms. In the commodities market, the bank has confirmed its status as a leading player, gaining 2 places since 2007 and ranking global No. 3 in the Energy Risk classification (May 2009).

With revenues of EUR 1,054 million, up +67.4% vs. H1 08, **Financing & Advisory** enjoyed an exceptionally good H1. Financing activities posted excellent performances overall. These were led by strong growth in infrastructure financing (+31% vs. H1 08), driven by ongoing government investment plans, particularly in Europe. Export financing (x2.3 vs. H1 08) has benefited from the significant increase in the number of domestic programmes aimed at financing exports via credit guaranteed by export credit agencies. Natural resources have also benefited from the increase in the number of energy and mining projects, posting revenues up +29% vs. H1 08. SGCIB's expertise was once again recognised and rewarded with the titles of "Best Commodity Finance Bank" and "Best Export Finance Arranger" (*Trade Finance June 2009*). The buoyant acquisition financing business has also helped SG CIB gain seven places since H1 08 in the "EMEA syndicated loans bookrunner" classification, where it is now ranked No. 3. However, other activities, such as property financing posted lower performances (-10% vs. H1 08) in a sluggish market. Capital markets activities also enjoyed an excellent quarter, benefiting in particular from strong business volumes in the bond issues market. By maintaining a high market share (10.2% at end-June 2009), SG CIB has consolidated its global No. 3 ranking in euro bond issues and has climbed two places to No. 2 for corporate issues.

Operating expenses were up +4.9%* in H1 09 vs. H1 08 at EUR 2,045 million.

The division recorded a net allocation to provisions of EUR -825 million vs. EUR -384 million in H1 08 due to some counterparties defaulting, the anticipation of a deterioration in the portfolio and various litigation issues.

Corporate and Investment Banking published total operating income of EUR -741 million in H1 and made a negative contribution to Group net income of EUR -426 million.

CORPORATE CENTRE

In millions of euros	H1 09	H1 08
Net banking income	(335)	151
Operating expenses	(50)	(57)
Gross operating income	**(385)**	**94**
Net allocation to provisions	0	(1)
Operating income	**(385)**	**93**
Net income from companies accounted for by the equity method	(2)	(5)
Net income from other assets	2	625
Impairment losses on goodwill	0	0
Income tax	48	(321)
Net income before minority interests	(337)	392
O.w. minority interests	88	102
Net income	**(425)**	**290**

The Corporate Centre recorded gross operating income of EUR -385 million in H1 2009 vs. EUR 94 million last year. This significant decline can be attributed to:

(i) EUR +306 million of non-recurring items in H1 08 (including the disposal of Bank Muscat and the revaluation of Crédit du Nord liabilities),

(ii) the negative effect in 2009 of the Marked-to-Market valuation of hedge swaps on issues of USD and GBP instruments eligible for inclusion in Tier One.

At June 30th 2009, the IFRS net book value of the industrial equity portfolio, excluding unrealised capital gains, amounted to EUR 0.69 billion, representing market value of EUR 0.74 billion.

METHODOLOGY

1- The interim consolidated results at June 30th 2009 and the comparative information prepared accordingly are the subject of a limited examination by the Statutory Auditors. They were approved by the Board of Directors on August 4th 2009

The financial information presented for the six-month period ended June 30th 2009 has been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union at June 30th 2009. In particular, the Group's summary interim consolidated financial statements have been prepared and are presented in accordance with IAS 34 "Interim Financial Reporting".

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 conversion 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 of the restated, undated subordinated notes. The net income used to calculate ROE excludes interest, net of tax impact, to be paid to holders of deeply subordinated notes for the period and, as of 2006, to the holders of restated, undated subordinated notes (i.e. EUR 164 million in H1 2009).

3- For the calculation of **earnings per ordinary share**, "Group net income for the period" is corrected (reduced in the case of a profit and increased in the case of a loss) for the following items:

(i) as of 2005, for the interest, net of tax, to be paid to holders of deeply subordinated notes (EUR 151 million in H1 2009),

(ii) as of 2006, for the interest, net of tax, to be paid to holders of undated subordinated notes which were reclassified from debt to shareholders' equity (EUR 13 million in H1 2009),

(iii) as of 2009,

- if "Group net income for the period" after deduction of the items mentioned in (i) and (ii) (hereinafter Reference Income) is positive, for the contractual amount of the preference dividends that are likely to be distributed to the holders of preference shares if the entire Reference Income was distributed to shareholders (ordinary and preference shareholders).
- if the Reference Income is negative, for the share of the Reference Income allocated to holders of preference shares according to their share of the capital.

Earnings per ordinary share is therefore calculated as the ratio of corrected Group net income for the period to the average number of ordinary shares outstanding, excluding treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

4- Net assets are comprised of Group shareholders' equity, excluding (i) deeply subordinated notes (EUR 6.4 billion), undated subordinated notes previously recognised as debt (EUR 0.8 billion) and (ii) interest to be paid to holders of deeply subordinated notes and undated subordinated notes, but reinstating the book value of trading shares held by the Group and shares held under the liquidity contract. The number of shares used to calculate book value per share is the number outstanding at June 30th 2009 (including preference shares), excluding treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

IMPACT OF NON-RECURRING ITEMS ON PRE-TAX PROFITS

	EUR m	H1 08	H1 09
Non-recurring items in NBI	**French Networks**	-	-
	Euronext and Visa capital gain	-	-
	International Retail Banking	-	-
	Asiban capital gain	-	-
	Impairment of AFS securities	-	-
	Global Investment Management & Services	- 274	- 5
	Asset Management	- 274	- 5
	Liquidity support provided to certain funds	- 274	- 2
	Impact of Lehman	-	-
	Impact of Madoff	-	-
	Impairment of AFS securities	-	- 3
	Private Banking	-	-
	Euronext capital gain	-	-
	SGSS, Brokers and Online Savings	-	-
	Euronext SGSS capital gain	-	-
	Euronext Fimat capital gain	-	-
	Corporate & Investment Banking	-1,209	-3,543
	Equities	132	- 45
	Euronext capital gain	-	-
	Revaluation of financial liabiltiies + Own shares	132	- 45
	Impact of Lehman	-	-
	Impact of Icelandic banks	-	-
	Fixed Income, Currencies and Commodities	- 1,546	- 2,197
	Revaluation of financial liabilities	244	- 282
	Losses and writedowns linked to exotic credit derivatives	- 789	- 1,082
	Writedown of unhedged CDOs	- 370	- 100
	Writedown of monolines	- 301	- 464
	Writedown of RMBSs	- 58	10
	Writedown of ABS portfolio sold by SGAM	- 250	- 131
	CDPC reserves	- 17	- 141
	Writedown / Reversal of SIV PACE	- 5	- 7
	Ice capital gain	-	-
	Impact of Lehman	-	-
	Impact of Icelandic banks	-	-
	Financing and Advisory	205	- 1,301
	CDS MtM	242	- 1,312
	Writedown / Reversal of NIG transactions under syndication	- 37	11
	Impact of Lehman	-	-
	Impact of Icelandic banks	-	-
	Corporate Centre	306	- 82
	Revaluation of Crédit du Nord's financial liabilities	44	- 11
	Muscat capital gain	262	-
	Impairment of equity portfolio	-	- 71
	Total impact on GROUP NBI	**-1,177**	**-3,630**
Net allocation to provisions	**Private Banking**	-	-
	Allocation to Washington Mutual	-	-
	Corporate & Investment Banking	- 295	- 150
	Allocations to a few accounts	- 282	- 12
	Impairment of US RMBS	- 13	- 80
	Impact on assets transferred to L&R	-	- 58
Goodwill impairment	**International Retail Banking**	0	0
	Goodwill impairment	-	-
		-	-
Net losses	**Corporate & Investment Banking**	0	0
	Net loss on unauthorised and concealed market activities	-	-
Net gain on other assets	**Corporate Centre**	602	-
	Capital gain on Fimat	602	-
Total impact on GROUP		**-870**	**-3,780**

3.4 THE GROUP'S FINANCIAL STRUCTURE

At June 30th 2009, Group shareholders' equity totalled EUR 37.9 billion[1]. Net asset value per share was EUR 49.66 (including EUR -1.43 of unrealised capital losses).

As part of Societe Generale's involvement in the French plan to ensure the financing of the economy, the Group made a commitment to limit the implementation of its share buyback policy only to interventions intended to cover the employee shareownership plans and the Group's day-to-day management transactions. Nevertheless, for 2009, the Board of Directors has decided not to proceed with share buybacks aimed at cancelling out the dilution resulting from employee shareownership plans in order to preserve the Group's shareholders' equity.
As a result, Societe Generale purchased 2.1 million shares in the market during H1 2009. At end-June 2009, Societe Generale possessed 12.1 million own shares and 9.0 million treasury shares representing 3.3% of the capital (excluding shares held for trading purposes). At that date, the Group also held 7.2 million purchase options on its own shares to cover the plans allocated to its employees.

Basel II risk-weighted assets amounted to EUR 335.7 billion at June 30th 2009 vs. EUR 340.4 billion at the end of H1 08 (for the record, these assets totalled EUR 345.5 billion at December 31st 2008).

Tier One and Core Tier One ratios were respectively 9.5% and 7.3% at June 30th 2009, an increase of 30 basis points vs. the proforma ratios for the preference share issue at end-March 2009.

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

---

[1] This figure includes notably (i) EUR 6.4 billion of deeply subordinated notes, EUR 0.8 billion of undated subordinated notes and (ii) EUR -0.9 billion of net unrealised capital losses.

3.5 SIGNIFICANT NEW PRODUCTS OR SERVICES

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

Business division	New product or service	
2009		
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 years) investments at a guaranteed graduated-interest rate.
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 +
	New investment fund - KB (Czech Republic)	Launch by Komercni Bank of the guarantee fund KB Akcent, which provides a return of at least 102% of the investment on maturity (in 5 years). In the case of the growth or stagnation of, or even a slight decrease in, the selected basket of stocks, clients have an opportunity to potentially release a return of 25% as early as after the second year into their investment.
	"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 €30 to €150 and the payment schedule can range from 10 to 18 years. The product was developed in conjunction with Sogecap.
Financial Services	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 €15,300. Whatever the sum in the Livret A, the designated beneficiaries receive a sum of €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; utilizing 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 corporate bond market.

Business division	New product or service	
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	With major equity indices at their lowest level in years, the conditions in today's equity markets offer great potential for medium to long-term investment opportunities. Given the very high levels of volatility, short-term perspectives still remain very uncertain. Compass 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.

NB: the comprehensive list of new products and services is available on the website www.socgen.com

3.6 MAJOR INVESTMENTS

Business division	Description of the investment
At June 30, 2009	
International Retail Banking	7% increase in our stake in Rosbank. As a result of this operation, Societe Generale owns 64.7% of Rosbank.
Financial Services	Buyout of the 13% minority stakeholding in our Moroccan insurance subsidiary ("La Marocaine – Vie") through a Public Buyout Offer

Business division	Description of the divestment
At June 30, 2009	
Asset Management	Sale of the London asset management subsidiary (SGAM UK) to GLG Partners, Inc

3.7 EVENTS AFTER THE CLOSE ON JUNE 30, 2009

No significant events occurred after closing on June 30, 2009.

3.8.1 BASEL II AT JUNE 30, 2009

■ **Extract from the presentation dated August 5, 2009: Second quarter results 2009 (and supplements)**

Basel II risk-weighted assets at end-June 2009 (in EUR bn)

	Credit	Market	Operational	Total
French Networks	76.6	0.0	2.8	79.4
International Retail Banking	67.0	0.5	2.9	70.4
Financial Services	36.9	0.0	1.9	38.9
Global Investment Management & Services	14.7	1.2	4.6	20.5
Corporate & Investment Banking	72.2	15.7	30.1	118.0
Corporate Centre	3.3	0.8	4.5	8.6
Group total	270.7	18.2	46.9	335.7

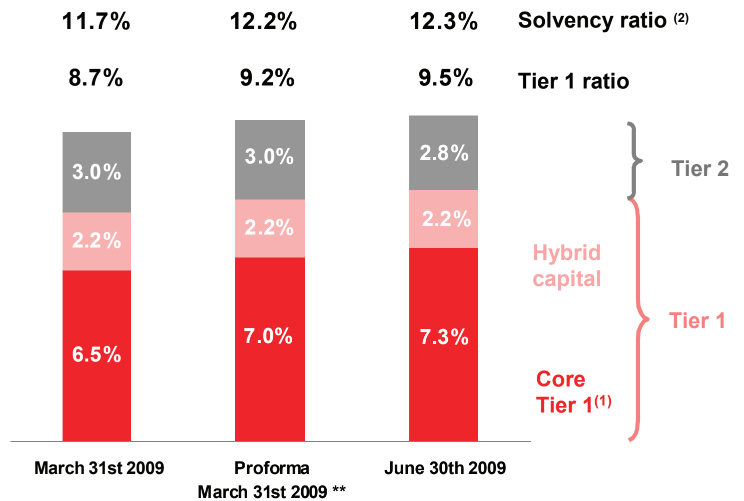
Calculation of ROE Capital and the Tier 1 ratio

(*) Data at the end of the period; ROE is calculated based on the average capital at the end of the period

Reinforced financial strength: Tier 1 ratio (Basel II) of 9.5%

- **Tier 1 ratio of 9.5% and Core Tier 1 ratio of 7.3% at end-June 2009**

- **Fall in risk-weighted assets: -2.2% vs. end-March 2009 to EUR 335.7bn**
  - Annual growth in loan outstandings in France: +3.7 vs. end-June 2008
  - Fall in Corporate and Investment Banking's risk-weighted assets (-5.0%* vs. end-March 2009)



* When adjusted for changes in Group structure and at constant exchange rates
** Proforma of 2nd State tranche, with issue of preference shares
(1) Core Tier 1: Tier 1 - Hybrid capital
(2) Solvency ratio: Tier 1 + Tier 2 - prudential deductions

3.9 ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

Assets (in billions of euros)	**06.30.2009**	12.31.2008	% change
Cash, due from central banks	**13.4**	13.8	-2.9%
Financial assets at fair value through profit or loss	**419.8**	488.4	-14.1%
Hedging derivatives	**5.6**	6.2	-10.2%
Available-for-sale financial assets	**87.4**	81.7	7.0%
Due from banks	**76.4**	71.2	7.4%
Customer loans	**346.5**	354.6	-2.3%
Lease financing and similar agreements	**28.6**	28.5	0.4%
Revaluation differences on portfolios hedged against interest rate risk	**2.7**	2.3	17.0%
Held-to-maturity financial assets	**2.1**	2.2	-5.2%
Tax assets and other assets	**50.3**	56.2	-10.5%
Non-current assets held for sale	**0.5**	0.0	n/s
Deferred profit-sharing	**2.9**	3.0	n/s
Tangible, intangible assets and other	**22.7**	21.9	3.6%
Total	**1,058.9**	1,130.0	-6.3%

Liabilities (in billions of euros)	**06.30.2009**	12.31.2008	% change
Due to central banks	**2.8**	6.5	-57.0%
Financial liabilities at fair value through profit or loss	**337.7**	412.4	-18.1%
Hedging derivatives	**8.0**	9.3	-13.2%
Due to banks	**102.2**	115.3	-11.4%
Customer deposits	**291.5**	282.5	3.2%
Securitized debt payables	**133.4**	120.4	10.8%
Revaluation differences on portfolios hedged against interest rate risk	**0.5**	0.6	-8.9%
Tax liabilities and other liabilities	**54.2**	58.8	-7.8%
Liabilities directly associated w ith non-current assets classified as held for sale	**0.1**	0.0	n/s
Underw riting reserves of insurance companies	**70.1**	67.1	4.3%
Provisions	**2.2**	2.3	-4.1%
Subordinated debt	**13.5**	13.9	-3.1%
Shareholders' equity	**37.9**	36.1	5.0%
Minority interests	**4.8**	4.8	-0.1%
Total	**1,058.9**	1,130.0	-6.3%

3.9.1 MAIN CHANGES IN THE CONSOLIDATED BALANCE SHEET

At June 30, 2009, the Group's consolidated balance sheet totalled EUR 1,058.9 billion, down EUR 71.1 billion (-6.3%) vs. the figure at December 31, 2008 (EUR 1,130 billion). Changes in the dollar, sterling, yen and Romanian leu exchange rate impacted the balance sheet by EUR -4.3 billion, EUR +4.1 billion, EUR -2.2 billion and EUR -0.3 billion respectively.

The main changes in scope impacting the consolidated balance sheet and occurring during the first half of 2009 are as follows:

- Societe Generale Group sold 100% of its stake in SG Asset Management Group Ltd to GLG Partners, Inc.
- Mobiasbanca was included in the Group's consolidation scope and is now fully consolidated.
- The Group consolidated its consumer finance partnership with La Banque Postale through the equity-accounting method. This joint-venture is 35%-owned by the Group.
- Societe Generale Group acquired New Esporta Holding Ltd. This company is fully consolidated.
- Gaselys, which was previously consolidated through the proportional integration method, is now equity-accounted.
- The Global Commodities Finance Fund, Ltd, which is 100%-owned by Societe Generale, is now fully consolidated.
- In accordance with IFRS 5, "Non-current assets held for sale and discontinued operations", and in view of the agreement between Societe Generale Group and Crédit Agricole S.A., asset management operation assets and liabilities have been reclassified as non-current assets and liabilities held for sale.

3.9.2. CHANGES IN MAJOR CONSOLIDATED BALANCE SHEET ITEMS

Financial assets at fair value through profit and loss (EUR 419.8 billion at June 30, 2009) fell by EUR 68.6 billion (-14.1%) compared with December 31, 2008, including a EUR -2.4 billion dollar effect and a EUR +0.5 billion structure effect. This fall is primarily due to the following changes: the fall in the replacement value of trading derivatives by EUR -92.9 billion, including EUR -37.2 billion for credit derivatives, EUR -26.4 billion for interest rate instruments, EUR -10.9 billion for currency instruments, EUR -10 billion for index and equity instruments and EUR -8.5 billion for commodity instruments. The trading portfolio increased by EUR +23.3 billion, including EUR +17.8 billion for the portfolio of public bills, EUR -9.3 billion for the bond portfolio, EUR +8 billion for other financial assets and EUR +6.8 billion for the equity portfolio. The portfolio of assets measured using the fair value option increased by EUR 1 billion.

Financial liabilities at fair value through profit and loss (EUR 337.7 billion at June 30, 2009) fell by EUR 74.7 billion (-18.1%) compared with December 31, 2008, including a EUR -1.9 billion dollar effect. This fall is due to the decrease in the replacement value of trading derivatives, which fell by EUR 88.6 billion, including EUR -32.9 billion for credit derivatives, EUR –28.9 billion for interest rate instruments, EUR -9.3 billion for currency instruments, EUR -9.2 billion for index and equity instruments and EUR -7 billion for commodity instruments. Trading liabilities increased by EUR 13.3 billion, including EUR +8.4 billion for debts on borrowed securities, EUR +5.8 billion for other financial liabilities and EUR –2.1 billion for securities sold short. Financial liabilities measured using the fair value option rose by EUR 0.6 billion.

Customer loans, including securities received under reverse repurchase agreements accounted for at cost, amounted to EUR 346.5 billion at June 30, 2009, down by EUR 8.1 billion (-2.3%) compared with December 31, 2008, including a EUR -1 billion dollar effect and a EUR +0.2 billion structure effect.
This decrease mainly reflects the following:

- a fall in other loans of EUR -6.5 billion, of which EUR –12 billion for loans to financial clients,
- a fall in cash loans of EUR 2.5 billion,
- a EUR 1.2 billion rise in housing, equipment and export loans,
- a fall in trade receivables of EUR 1.2 billion.

Amounts due to customers, including securities delivered under repurchase agreements accounted for at cost, totalled EUR 291.5 billion at June 30, 2009, up by EUR 9 billion (+3.2%) compared with December 31, 2008, including a EUR -0.9 billion dollar effect and a EUR +0.4 billion structure effect. This change is notably due to the increase in special sight savings accounts of EUR 4.1 billion, the rise of EUR +2.2 billion in other sight deposits and EUR +2.1 billion in other term deposits. Securities delivered to customers under repurchase agreements grew by EUR 1 billion.

Amounts due from banks, including securities received under reverse repurchase agreements accounted for at cost, amounted to EUR 76.4 billion, up by EUR 5.2 billion (+7.2%) compared with December 31, 2008, including a EUR –0.4 billion dollar effect and a EUR +0.2 billion structure effect. This change is notably due to the increase in ordinary sight accounts of EUR 4.2 billion, a EUR 2.6 billion decrease in term loans and accounts, a EUR 2.3 billion rise in securities received under reverse repurchase agreements and an increase in overnight loans and accounts of EUR 1.3 billion.

Amounts due to banks, including securities delivered under repurchase agreements accounted for at cost, totalled EUR 102.2 billion at June 30, 2009, down by EUR 13.1 billion (-11.4%) compared with December 31, 2008, including a EUR -0.9 billion dollar effect and a EUR +0.2 billion structure effect. This change is mainly attributable to the large decrease in term deposits of EUR 19.3 billion and the increase in sight deposits of EUR 4.8 billion, as well as the EUR 1.8 billion increase in securities delivered under repurchase agreements.

Available-for-sale financial assets totalled EUR 87.4 billion at June 30, 2009, up by EUR 5.7 billion (+7%) compared with December 31, 2008, including a EUR -0.2 billion dollar effect. There is no structure effect to report. This change is the result of the EUR 4.9 billion increase in bonds and other debt instruments and the EUR 2.3 billion rise in public bills. The equity portfolio fell by EUR 1.3 billion however.

Securitized debt payables equalled EUR 133.4 billion at June 30, 2009. They increased by EUR 13 billion (+10.8%) compared with December 31, 2008, including a EUR -0.6 billion dollar effect. There was no structure effect to report at June 30, 2009. Most of the change (EUR +11.1 billion) relates to interbank market securities and negotiable debt securities, which totalled EUR 123.5 billion.

Group shareholders' equity stood at EUR 37.9 billion at June 30, 2009, compared with EUR 36.1 billion at December 31, 2008. This change mainly reflects the following:

- net income for the financial year at June 30, 2009: EUR +0.03 billion
- capital increases and decreases over the year: EUR +2.1 billion
- change in treasury stock: EUR +0.07 billion
- equity instrument issues: EUR +0.3 billion
- change in value of financial instruments affecting the shareholders' equity, net of the tax impact: EUR +0.2 billion
- dividend payment in respect of the 2008 financial year: EUR –0.9 billion.

After taking into account minority interests (EUR 4.8 billion), total shareholders' equity amounted to EUR 42.7 billion at June 30, 2009.

2009 is a year of continued transition from Cooke (or Basel I) standards to the new Basel II regulations, transposed by the decree of February 20, 2007 on capital requirements applicable to credit establishments and investment firms.

- At June 30, 2009, the Group's total shareholders' equity, according to Basel I, contributed to an international solvency ratio of 11.27%. The Tier 1 capital ratio represented 8.44%, with total weighted commitments of EUR 404,828 million.

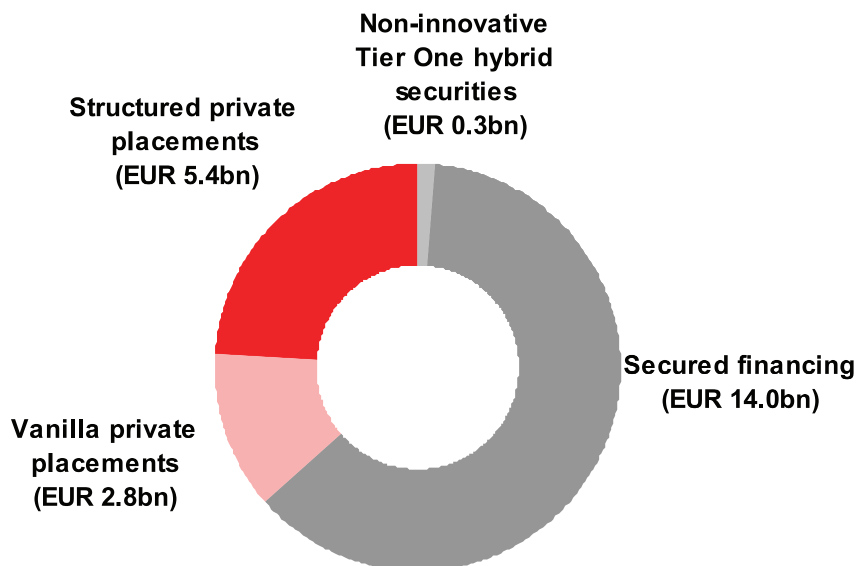
- At June 30, 2009, the Group's total shareholders' equity contributed to a Basel II solvency ratio of 12.27%. The Tier 1 capital ratio represented 9.54%, with total weighted commitments of EUR 335,702 million.

3.9.3. GROUP DEBT POLICY

Societe Generale Group's debt policy reflects its refinancing and debt renewal requirements and is based on two major objectives. Firstly, the Group actively seeks to diversify its sources of refinancing in order to guarantee its stability: at June 30, 2009, customer deposits accounted for 27% of the Group's liabilities, while debt instruments, interbank deposits and funds generated through the refinancing of security portfolios and contributed by the SFEF amounted to EUR 383.1 billion (i.e. 36.2% of the Group's liabilities). The balance of the liabilities consisted of a combination of shareholders' equity, other financial accounts and provisions and derivatives. Secondly, the Group manages the maturity composition of its debt with a view to minimizing its mismatch risk.

The financing program in the 1st half of 2009 was completed for a total of EUR 22.5 billion, of which EUR 22.2 billion in senior debt (including EUR 5.4 billion of structured private placements, EUR 2.8 billion of vanilla private placements and EUR 14.0 billion of secured financing (CRH EUR 0.5 billion, SFEF EUR 9.2 billion and SGSCF EUR 4.2 billion)) and EUR 0.3 billion of subordinated debt in the form of a private placement of non-innovative Tier One hybrid securities.

Financing program in the 1st half of 2009
EUR 22.5bn



3.10 PROPERTY AND EQUIPMENT

The gross book value of Societe Generale Group's tangible fixed assets amounted to EUR 21.3 billion at June 30, 2009. This figure essentially comprises land and buildings (EUR 4.2 billion), assets rented out by specialized financing companies (EUR 11.5 billion) and other tangible assets (EUR 5.6 billion).

The gross book value of the Group's investment property amounted to EUR 591 million at June 30, 2009.

The net book value of tangible fixed assets and investment property amounted to EUR 13.8 billion, representing just 1.30% of the consolidated balance sheet at June 30, 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, are currently moving into the building. This process will be completed by mid-March.

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

3.11 MAIN RISKS AND UNCERTAINTIES OVER THE NEXT 6 MONTHS

Societe Generale Group continues to be subject to the usual risks and the risks inherent to its business as mentioned in chapter 9 of the Registration Document filed on March 4, 2009 and its amendment filed on April 8, 2009.

Moreover, the main uncertainties for the next 6 months are linked to the development of the global economic crisis and its impact on emerging countries. More specifically, the Group remains sensitive to a continued deterioration in:

- the situation of households in the United States, which is likely to affect exposures linked to residential real estate and consumer finance;
- commercial real estate, which may affect the CMBS market;
- the financial situation of counterparties under LBOs;
- the financial situation of monolines and CDPCs;
- the financial situation of our Russian customers (businesses and households).

3.12 TRANSACTIONS BETWEEN RELATED PARTIES

- The Board of Directors' meeting of April 23, 2009 authorised the signing of a non-compete clause with Philippe Citerne, who claimed his pension entitlements. In exchange for undertaking not to resume activity in a bank or insurance company listed in France or outside France or a bank not listed in France, he is therefore entitled to receive, for an 18 month period, gross compensation equal to his fixed salary as Deputy Chief Executive Officer, paid monthly.

- At its meeting of May 24, 2009, the Board of Directors renewed the regulated agreement concerning severance pay for Frédéric Oudéa, as approved by the General Meeting of Shareholders of May 19, 2009 on the basis of the report of the Statutory Auditors and detailed in the 2009 Registration Document (pages 88, 405 and 406). This agreement is subject to the fulfilment of performance requirements.

  The agreements covering the non-compete clause applicable to Frédéric Oudéa and the supplementary pension plans for Didier Alix and Séverin Cabannes, previously approved by the General Meeting of Shareholders, continue to apply.

IV. Chapter 5: Corporate governance

4.1 Board of directors

■ Board of Directors since May 24, 2009

Chairman Frédéric OUDEA
Vice-President Anthony WYAND

Directors

- Jean AZEMA
- Robert CASTAIGNE
- Michel CICUREL
- Robert DAY
- Jean-Martin FOLZ
- Jean Bernard LEVY
- Elisabeth LULIN
- Gianemilio OSCULATI
- Nathalie RACHOU
- Luc VANDEVELDE

Directors elected by employees

- France HOUSSAYE
- Patrick DELICOURT

Non-voting director Kenji MATSUO

■ Board Committees

Audit Committee
Anthony WYAND, Chairman, Elisabeth LULIN, Nathalie RACHOU, Gianemilio OSCULATI, Robert CASTAIGNE.

Compensation Committee
Jean-Martin FOLZ, Chairman, Michel CICUREL, Anthony WYAND and Luc VANDEVELDE.

Nomination Committee
Jean-Martin FOLZ, Chairman, Michel CICUREL, Anthony WYAND, Luc VANDEVELDE and Frédéric OUDÉA.

4.2 GENERAL MANAGEMENT

- **Press release dated May 28, 2009**

As agreed at its meeting on May 6, 2009, the Board of Directors decided on May 24, 2009 to reunite the functions of Chairman of the Board of Directors and Chief Executive Officer, and appointed Frédéric Oudéa Chairman and Chief Executive Officer. The Board also confirmed Didier Alix and Séverin Cabannes as Deputy Chief Executive Officers and Anthony Wyand as Vice-President of the Board of Directors.

The Board maintained the existing conditions of employment for Frédéric Oudéa, Didier Alix and Séverin Cabannes, subject to the following.

The basic salary and the criteria for the determination of the variable components of the remuneration of Frédéric Oudéa, Didier Alix and Séverin Cabannes, as published in the 2009 Registration Document (pages 85 and 86), are unchanged.

Frédéric Oudéa will receive no attendance fees in his capacity as Chairman and Director of Societe Generale.

The Board also renewed the regulated agreement concerning severance pay for Frédéric Oudéa, as approved by the General Meeting of Shareholders on May 19, 2009 on the basis of the report of the Statutory Auditors and detailed in the 2009 Registration Document (pages 88, 405 and 406). This agreement is subject to the fulfilment of performance requirements.

The agreements covering the non-compete clause applicable to Frédéric Oudéa and the supplementary pension plans for Didier Alix and Séverin Cabannes, previously approved by the General Meeting of Shareholders, continue to apply.

For the duration of the agreement signed with the French State’s program to strengthen banks' equity, the variable component of senior managers' pay and the severance pay and the non-compete clause applicable to Frédéric Oudéa will not be payable if the company's situation forces it to make large-scale redundancies.

4.3 GENERAL MEETING OF SHAREHOLDERS HELD ON MAY 19, 2009

■ Extract from press release dated May 19, 2009

- Over 1,756 shareholders attended the meeting held by Societe Generale on 19 May 2009 at La Défense (near Paris). 1,941 shareholders were represented and 8,977 voted by post. 17,772 gave their proxy to the Chairman.
- Quorum was established at 53.53 % (44.88 % in 2008).
- All the resolutions submitted by the Board of Directors were approved.
- The 2008 financial statements and dividend payment of 1.20 euros were approved. A scrip issue was authorized for the payment of the dividend.
- Two directors' mandates were renewed: Jean AZEMA and Elisabeth LULIN.
- The cooptation of Robert CASTAIGNE as a Director was ratified.
- One new Director was appointed: Jean-Bernard LEVY.
- The creation of preference shares for the benefit of the French State was approved.

Resolutions submitted to the vote:

- 1- Approval of the parent company financial statements for the 2008 financial year.
- 2- Allocation of 2008 income. Amount and payment date of dividend.
- 3- Option for payment of dividend in new shares.
- 4- Approval of consolidated financial statements for the 2008 financial year.
- 5- Continuation of earlier related party agreements, in accordance with Article L.225-38 of French Commercial Code.
- 6- Continuation of related party agreements relating to retirement benefit schemes, in accordance with Article L.225-42-1 of French Commercial Code.
- 7- Approval of related party agreements relating to retirement benefit schemes, in accordance with Article L.225-42-1 of French Commercial Code.
- 8- Approval of related party agreements in case of departure of Mr. Frédéric Oudea, in accordance with Article L.225-42-1 of French Commercial Code.
- 9- Renewal of the Director's mandate of Mr. Jean Azéma.
- 10- Renewal of the Director's mandate of Mrs. Elisabeth Lulin.
- 11- Ratification of the cooptation of Mr. Robert Castaigne as a Director.
- 12- Appointment of Mr. Jean-Bernard Levy as a Director.
- 13- Authorization to buy and sell Societe Generale shares, up to a maximum of 10% of the company's capital stock.
- 14- Addition of an Article regarding "Forum selection clause" to the by-laws.
- 15- Delegation of Authority granted to the Board of Directors to undertake an increase in the capital stock without pre-emptive subscription rights through the issue of preference shares.

- 16- Modifications to the by-laws to include the characteristics of the preference shares.
- 17- Delegation of Authority granted to the Board of Directors to undertake capital increases or the sales of shares reserved for subscribers to a company or Group Employee Savings Plan.
- 18- Increase of ceiling of the delegation of authority granted to the Board of Directors by the 10th resolution of the General Meeting on May 27, 2008, to undertake an increase in the capital stock, with pre-emptive subscription rights.
- 19- Delegation of Authority.

4.4 GENERAL MEETING OF SHAREHOLDERS HELD ON JULY 6, 2009

■ **Extract from press release dated JULY 6, 2009**

- Chaired by Frédéric Oudéa, Chairman and Chief Executive Officer of Societe Generale, a General Meeting of Shareholders was held on 6 July 2009 at La Défense (near Paris). 232 shareholders attended the meeting, 765 shareholders were represented and 7,636 voted by post. 13,094 gave their proxy to the Chairman.
- Quorum was established at 56.987%.
- All the resolutions submitted by the Board of Directors were approved.
- The General Meeting of Shareholders has ratified the cooptation of Frédéric Oudéa as Director.
- The annual amount of attendance fees has been increased from 780,000 to 1,030,000 euros.

Resolutions submitted to the vote:

1- Ratification of the cooptation of Mr. OUDEA as Director.

2- Increase of the annual amount of attendance fees.

3- Amendment to the terms of preference shares- Amendment to the By-laws.

4- Delegation of Authority.

4.5 EXECUTIVE COMMITTEE AT JUNE 30, 2009

Frédéric OUDEA, Chairman and Chief Executive Officer
Didier ALIX, Deputy Chief Executive Officer
Séverin CABANNES, Deputy Chief Executive Officer

Didier HAUGUEL, Head, Specialized Financial Services
Hugues LE BRET, Head, Group Communication
Anne MARION-BOUCHACOURT, Head, Group Human Resources
Jean-Louis MATTEI, Head, International Retail Banking
Françoise MERCADAL-DELASALLES, Head, Group Resources
Jean Pierre MUSTIER, Chief Executive Officer, SG Global Investment Management and Services and Chairman, Chief Executive Officer, Societe Generale Asset Management
Benoit OTTENWAELTER, Group Chief Risk Officer
Michel PERETIE, Chief Executive Officer, Societe Generale Corporate and Investment Banking
Alain PY, Chairman and Chief Executive Officer Crédit du Nord
Jean-François SAMMARCELLI, Head, Retail Banking Societe Generale France
Christian SCHRICKE, Corporate Secretary and Chief Legal and Compliance Officer
Didier VALET, Group Chief Financial Officer

Christian POIRIER, Senior Advisor to the Chairman and Chief Executive Officer, participates in Executive Committee meetings discussing issues falling under his responsibility

4.6 GROUP MANAGEMENT COMMITTEE AT JUNE 30, 2009

Frédéric OUDEA, Chairman and Chief Executive Officer
Didier ALIX, Deputy Chief Executive Officer
Séverin CABANNES, Deputy Chief Executive Officer

Didier HAUGUEL, Head, Specialized Financial Services
Hugues LE BRET, Head, Group Communication
Anne MARION-BOUCHACOURT, Head, Group Human Resources
Jean-Louis MATTEI, Head, International Retail Banking
Françoise MERCADAL-DELASALLES, Head, Group Resources
Jean Pierre MUSTIER, Chief Executive Officer, SG Global Investment Management and Services and Chairman, Chief Executive Officer, Societe Generale Asset Management
Benoit OTTENWAELTER, Group Chief Risk Officer
Michel PERETIE, Chief Executive Officer, Societe Generale Corporate and Investment Banking
Alain PY, Chairman and Chief Executive Officer Crédit du Nord
Jean-François SAMMARCELLI, Head, Retail Banking Societe Generale France
Christian SCHRICKE, Corporate Secretary and Chief Legal and Compliance Officer
Didier VALET, Group Chief Financial Officer

Thierry AULAGNON, Head, Corporates, Institutions and Advisory, Societe Generale Corporate and Investment Banking
Philippe AYMERICH, Deputy Group Chief Risk Officer
Henri BONNET, Deputy Head, Specialized Financial Services
François BOUCHER, Chief Administrative Officer, Societe Generale Corporate and Investment Banking
Yannick CHAGNON, Head, Societe Generale Payment Services
Alain CLOSIER, Global Head, SG Securities Services
Bernard DAVID, Deputy Head, International Retail Banking
Michel DOUZOU, Deputy Head, French Retail Banking and Head of Societe Generale French Distribution Network
Ian FISHER, Group Country Head for the United Kingdom
Patrick GELIN, Chairman and Chief Executive Officer BRD
Laurent GOUTARD, Chairman and Chief Executive Officer Komercni Banka
Arnaud JACQUEMIN, Deputy Group Chief Financial Officer
Maurice KOUBY, Head, Group information systems
Diony LEBOT, Chief Executive Officer, SG Americas
Inès Claire MERCEREAU, Deputy Head, Specialized Financial Services
Christophe MIANNE, Deputy Chief Executive Officer, Societe Generale Corporate and Investment Banking and Head, Global Equities & Derivatives Solutions
Philippe MIECRET, Head, Group Internal Audit
Jean Luc PARER, Head, Capital Raising & Financing, Societe Generale Corporate and Investment Banking
Patrick RENOUVIN, Deputy Head International Retail Banking, in charge of resources
Jacques RIPOLL, Head of Group strategy
Jean-Robert SAUTTER, Head of Sales and Marketing, Retail Banking Societe Generale France
Marc STERN, Chairman SG Global Investment Management and Services America
Patrick SUET, Deputy Group Corporate Secretary
Vincent TAUPIN, Chairman and Chief Executive Officer Boursorama
Catherine THERY, Director of Internal Control Coordination
Daniel TRUCHI, Global Head, Private Banking

V. CHAPTER 9: RISK FACTORS

5.1 PILLAR III REPORT (DISCLOSURES AS OF DECEMBER 31, 2008)

INTRODUCTION

- The Basel II framework
- Societe Generale's Pillar III report
- Scope of prudential reporting
- Status of consolidated subsidiaries

1 CAPITAL MANAGEMENT POLICY

- Capital management objectives and strategy
- Capital management process

2 RISK MANAGEMENT POLICY

- Risk management policy
- Risk management governance and control principles
- Risk categories
- Risk management and control process

3 COMPOSITION OF REGULATORY CAPITAL AND CALCULATION OF REGULATORY RATIOS

- Composition of regulatory capital base
- Instruments qualifying as Tier 1 capital for regulatory purposes
- Calculation of regulatory ratios

4 CREDIT AND COUNTERPARTY RISK – RISK MITIGATION

- Credit risk management: organization and structure
- Risk approval and limits
- Risk monitoring and auditing
- Counterparty risk management
- Risk mitigation overview
- Approach for assessing capital requirements for credit risk
- Risk measurement and internal ratings
- Risk-modeling governance
- Societe Generale's internal rating scale
- Capital requirements and quantitative disclosures

5 SECURITIZATION EXPOSURES

Societe Generale’s securitization strategy and activities

Capital requirements

6 EQUITY RISK

Investment strategies and purposes

Valuation

Capital requirements

7 RISQUES DE MARCHÉ

Organization and infrastructure

Methods for measuring market risk and defining exposure limits

The 99% Value at Risk (VaR) method

Limitations of the VaR assessment

Stress Test assessment

Capital requirements

8 OPERATIONAL RISK

Operational risk management : Organization and structure

Operational risk measurement

Operational risk monitoring process

Risk modelling and capital requirements

Quantitative data

9 INTEREST RATE RISK MANAGEMENT

Strategy and processes

Interest rate risk management methodology and objectives

Key interest rate risk indicators

Interest rate risk indicators at end-December 2008

APPENDIX:

Information pertaining to the contribution of key subsidiaries to the group’s total risk weighted assets

Except where indicated otherwise, all figures provided in this report are as of December 31, 2008 and stated in millions of Euros. The drawing-up process of Societe Generale’s Pillar III report and the data contained in it are not subject to review by the Group’s statutory auditors.

INTRODUCTION

THE BASEL II FRAMEWORK

According to the regulatory framework enacted in 1988 by the Basel Committee on Banking Supervision (the Basel II framework), regulatory supervision of banks' capital is based on three, interrelated pillars:

- **Pillar I** sets minimum solvency requirements and defines the rules that banks must use to measure risks and calculate associated capital needs, according to standard or more advanced methods.
- **Pillar II** relates to the discretionary supervision implemented by national banking supervisors, which allows them – based on a constant dialogue with supervised credit institutions – to assess the adequacy of capital requirements as calculated under Pillar I, and to calibrate additional capital needs with regard to risks.
- **Pillar III** encourages market discipline by developing a set of qualitative or quantitative disclosure requirements which will allow market participants to make a better assessment of capital, risk exposure, risk assessment processes and hence capital adequacy of the institution.

The Basel II framework was enshrined into European legislation with the enactment of the Capital Requirement Directive (CRD), which was eventually transposed into French regulations through the February 20th, 2007 Decree.

SOCIETE GENERALE'S PILLAR III REPORT

Published under the joint responsibility of the Group's Finance Department and Risk Department, Societe Generale's Pillar III report intends to provide valuable insight into the Group's capital and risk management, as well as to provide detailed quantitative information in relation to the calculation of Group's consolidated solvency ratios, as they result from the implementation of Pillar I.

Published yearly, on the basis of the year-end figures, Societe Generale's Pillar III report is available on the Group's investor relation website www.investor.socgen.com.

SCOPE OF PRUDENTIAL REPORTING

Societe Generale is subject to consolidated regulatory reporting to its home supervisor, the French Banking Commission. Accordingly, the Pillar III report is based on the Group's consolidated regulatory solvency reporting. In addition, the contribution to the Group's total risk-weighted assets of selected key Group subsidiaries are appended to the Group report.

The Group's prudential reporting scope includes all fully consolidated subsidiaries and proportionally consolidated subsidiaries, the list of which is available in the Group's 2009 registration document available on www.investor.socgen.com, with the exception of insurance subsidiaries, which are subject to separate insurance capital reporting requirements. For regulatory purposes, Societe Generale's investments in insurances companies, as well as affiliates consolidated according to the equity method, are deducted from the Group's total regulatory capital.

The main Group companies outside the prudential reporting scope are as follows:

INSURANCE ACTIVITIES

Génécar	France
Oradéa Vie	France
Sogécap	France
Sogéssur	France
Antarius	France
Généras	Luxembourg
Sogelife	Luxembourg
Inora Life	Ireland
Komercni Pojstovna	Czech Republic
La Marocaine Vie	Morocco
Sogecap Life Insurance	Russia

BANKING ACTIVITIES

Groupama Banque	France
SG Banque au Liban	Lebanon

STATUS OF CONSOLIDATED SUBSIDIARIES

Regulated financial subsidiaries and affiliates outside Societe Generale’s prudential consolidation scope are all in compliance with their respective solvency requirements and have not posted any capital shortfalls vis-à-vis regulatory minimums.

More generally, all regulated Group undertakings are subject to solvency requirements set by their respective regulators.

1 CAPITAL MANAGEMENT POLICY

CAPITAL MANAGEMENT OBJECTIVES AND STRATEGY

Societe Generale's capital management ensures that its solvency level is always consistent with its objectives of:

i) maintaining a high level of financial strength, closely correlated to the Group's overall risk profile and risk appetite,

ii) preserving financial flexibility for funding internal and external growth,

iii) ensuring the optimal deployment of capital across its various businesses to maximize return on capital, and,

iv) satisfying the expectations of various stakeholders: counterparties, debt obligors, ratings agencies and shareholders.

The Group's internal solvency target is expressed in reference to its regulatory Tier 1 ratio, as it results from the implementation of Pillar 1 of Basel II, reflecting the high comparability, consistency and transparency of this ratio across the industry. Under the Pillar I framework, capital requirements arising from credit risk, market risk and operational risk are determined according to quantitative rules, which are further described in this Pillar III report. In addition, as prescribed under the Pillar II capital framework, Societe Generale ensures – based notably on certain global stress scenarios – that its capital targets adequately cover its internal capital needs, which encompass the full scope of risks.

CAPITAL MANAGEMENT PROCESS

The Group's capital management process is administered by the Finance Division and is subject to the overall guidance and control of the Board. Fully integrated within the Group's financial and strategic steering, the capital management process takes account of the group's regulatory capital constraints as well as its internal assessment of the amount of capital required to face up to the entirety of its risks, as it results from its Internal Capital Adequacy Assessment Process (ICAAP).

The bank's ICAAP in which senior management is closely involved is based on a multi-pronged approach, which considers primarily:

- Business and risks cyclicality, to explicitly factor in the effect of the credit cycles, while also taking into account risks outside the scope of Pillar I (e.g. business risk, interest rate risk etc.).
- Global stress tests, performed at least annually and on an ad-hoc basis, where Societe Generale's resilience to macro-economic scenarios is evaluated in a top-down approach.

Using a Group-wide simulation tool, capital planning is updated at regular intervals (e.g. quarterly results, budget and financial planning, external growth funding plans), and helps ensure at all times that sources and application of capital fit well with the Group's overall objectives and business needs.

Finally, in order to vet the outcome of its capital management process, the bank supplements its results by performing benchmarking with relevant peers, as well as by maintaining a constant dialogue with investors, equity analysts and rating agencies.

2 RISK MANAGEMENT POLICY

RISK MANAGEMENT POLICY

The bank operates in business lines, markets or regions which generate a range of risks that may vary in frequency, severity and volatility. A greater ability to calibrate its risk appetite and risk parameters, the development of risk management core competences, as well as the implementation of a high performance and efficient risk management structure are therefore critical undertakings for Societe Generale.

The primary objectives of the bank's risk management framework are therefore:

- 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 risk management infrastructure.

In defining the Group's overall risk appetite, the management takes various considerations and variables into account, including:

- Relative risk/reward of the bank's various activities,
- Earnings sensitivity to business, credit and economic cycles,
- Sovereign and macro-economic risk, notably for businesses based in emerging markets,
- The desire to achieve a well-balanced portfolio of earnings streams.

RISK MANAGEMENT GOVERNANCE AND CONTROL PRINCIPLES

Societe Generale's risk management governance is based on:

i) high managerial involvement, throughout the entire organisation, from the Board of Directors down to operational field management teams,

ii) a tight framework of internal procedures and guidelines,

iii) continuous, independent supervision to monitor risks and to enforce rules and procedures.

Firstly, the Board defines the Company's strategy for assuming and controlling risks and ensures its implementation. In particular, the Board ensures the adequacy of the Group's risk infrastructure, reviews the businesses' overall risk exposures and approves the overall yearly market and credit risk limits. 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 executive management, once a year or more frequently, as circumstances require.

Within the Board, the Audit Committee is more particularly entrusted with examining the consistency of the internal framework for monitoring risks and compliance. With the benefit of specific presentations made by the management, the Committee reviews the procedures for controlling market risks as well as the structural 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. Finally, it also examines the risk assessment and control procedure report submitted annually to the French Banking Commission.

RISK CATEGORIES

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 securitization activities. In addition, credit risk may be further compounded by a **concentration risk,** which arises either from large individual exposures or from groups of counterparties with a high probability of default.
- **Market risk**: risk of losses resulting from changes in market prices (e.g. equity, commodity, currency etc.) and interest rates, from the correlations between these elements and from their volatility.
- **Operational risks** (including legal, accounting, environmental and reputational risks): risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of a **compliance risk**, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.
- **Equity risk**: risk of a negative fluctuation in the value of the equity holdings in the bank's investment portfolios.
- **Structural risk**: risk of losses or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from variations in interest or exchange rates. Structural interest rate and exchange rate risk arises from commercial activities and on Corporate Center's transactions (transactions affecting the shareholders' equity, 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.
- **Reputation risk**: risk of losses due to damage to the bank's reputation in the eyes of its customers, shareholders and regulators.

Through its insurance subsidiaries (mainly Sogecap), the Group is also exposed to a variety of risks linked to the insurance business (e.g. premium, reserving, catastrophe, mortality, longevity, morbidity and structural for non-life or life activities). These risks are primarily addressed through a specific risk management framework implemented within Societe Generale's insurance subsidiaries and by ensuring their adequate capitalisation.

RISK MANAGEMENT AND CONTROL PROCESS

Societe Generale dedicates significant resources to constantly adapting its risk management to its increasingly varied activities and ensures that its risk management framework operates in full compliance with the following overriding principles set by banking regulations:

- full independence of risk assessment departments from the operating divisions,
- consistent approach to risk assessment and monitoring applied throughout the Group.

Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with the Risk Division and in certain areas the Finance Division.

The bank's Risk Committee (CORISQ) is in charge of reviewing all the bank's key risk management issues. CORISQ's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, evaluation methods, material and human resources, analyses of portfolios and of the cost of risk, market and credit concentration limits (by product, country, sector, region, etc.) and crisis management. On the other hand, the Finance Committee (COFI) is competent for matters relating to funding and liquidity policymaking and planning.

Societe Generale's risk measurement and assessment processes are integrated in the bank's 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.

The Risk Division is independent from the Group's operating entities and reports directly to Executive Management. Its role is to contribute to the development and profitability of the Group by ensuring that the risk management framework in place is both sound and effective. It employs various teams specializing in the operational management of credit and market risk as well as risk modelling teams, IT project managers, industry experts and economic research teams.

More specifically, the Risk Division:

- defines and validates the methods used to analyse, assess, approve and monitor credit risks, country risks, market risks and operational risks;
- conducts a critical review of sales strategies for high-risk areas and continually seeks to improve the forecasting and management of such risks;
- contributes to independent assessment by validating transactions posing a credit risk and by offering an opinion on obligors proposed by sales managers;
- identifies all Group risks and monitors the adequacy and consistency of risk management information systems.

The Finance Division, for its part, is entrusted with evaluating and managing other major types of risks, namely strategic, business, liquidity and structural risks. The Group's structural interest rate and exchange risk as well as the long-term financing program are managed by the Asset and Liability Management department. In addition, the Internal Legal Counsel deals with compliance and legal risks.

All new products and activities or products under development must be submitted to the New Product Committee of the relevant business line. This 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 subject to adequate procedures and controls, using the appropriate information and processing systems.

Finally, risk management principles, procedures and infrastructures are subject to reviews by internal as well as external auditors.

3 COMPOSITION OF REGULATORY CAPITAL AND CALCULATION OF REGULATORY RATIOS

COMPOSITION OF REGULATORY CAPITAL BASE

Reported according to International Financial Reporting Standards (IFRS), Societe Generale's regulatory capital base includes the following components:

Tier 1 capital

Tier 1 capital comprises own funds elements less prudential deductions.

Definition of Tier 1 capital:

- Common stock (net of treasury stock).
- Retained earnings, including translation reserves and changes in the fair value of assets available for sale and hedging derivatives, net of tax.
- Minority interests.
- Certain deeply subordinated instruments – further described below – may also be included in Tier 1 capital subject to prior approval of the French Banking commission and within specific regulatory limits.

Less prudential deductions:

- Estimated dividend payment.
- Acquisition goodwill.
- Intangible assets.
- Unrealised capital gains and losses on cash flow hedges and Available For Sale (AFS) assets, except for losses on equity securities. Nevertheless 45% of unrealised gains on AFS securities and tangible assets are included in Tier 2 capital.

Moreover, under the Basel II capital framework, other deductions are made, 50% from Tier 1 and 50% from Tier 2:

1. Investments and subordinated claims towards non consolidated banks or financial institutions if the shares held represent an interest of more than 10% of the outstanding capital of this entity.
2. Securitization exposures weighted at 1250% where such exposures are not included in the calculation of total risk-weighted exposures.
3. Expected loss on equity exposures.
4. Negative difference, if any, between portfolio-based provisions and expected losses on performing loans risk-weighted under the Internal Ratings Based approach (IRB).

Tier 2 capital

Tier 2 capital (or supplementary capital) comprises:

- Undated subordinated debt (upper Tier 2 capital).
- The positive difference, if any, between portfolio-based provisions and expected losses on performing loans risk-weighted under the Internal Ratings Based approach (IRB) is also included in upper Tier 2 up to 0,6% of the total Risk-Weighted Assets.
- Dated subordinated debt (lower Tier 2 capital)

less 50% of the specific Basel II prudential deductions described above.

In addition, equity interests of more than 20% held in entities belonging to the insurance sector and any investment qualifying as regulatory capital for insurance solvency requirements are deducted from total own funds until December 31st, 2012 if acquired prior to January 1st, 2007.

INSTRUMENTS QUALIFYING AS TIER 1 CAPITAL FOR REGULATORY PURPOSES

Societe Generale's deeply subordinated notes and U.S. trust preferred shares issued through guaranteed indirect subsidiaries share the following features:

- These instruments are perpetual and constitute unsecured, deeply subordinated obligations, ranking junior to all other obligations including undated and dated subordinated debt, and senior only to common stock shareholders.
- In addition, Societe Generale may elect, and in certain circumstances may be required, not to pay the interest accrued on the instruments. Waived interest is not cumulative.
- Under certain circumstances, notably with regard to the bank's compliance with solvency requirements, the issuer has the right to use principal and interest to offset losses.
- Subject to the prior approval of the French Banking commission, Societe Generale has the option to redeem these instruments at certain time intervals, but not earlier than five years after their issuance date.
- The combined outstanding amount of these instruments cannot exceed 35% of the bank's total Tier 1 capital base. In addition, the combined outstanding amount of instruments with a step-up clause (i.e. "innovative instruments"), cannot exceed 15% of the bank's total Tier 1 capital base.

U.S. Trust Preferred shares

- In the first half of 2000, Societe Generale issued EUR 500 million in preferred shares through a wholly-owned US subsidiary. These securities entitle the holder to a fixed non-cumulative dividend equal to 7.875% of nominal value payable annually, with a step-up clause that comes into effect after 10 years.
- In the fourth quarter of 2001, Societe Generale issued USD 425 million in preferred shares through a wholly-owned US subsidiary, with a step-up clause that comes into effect after 10 years. These shares entitle holders to a non-cumulative dividend, payable quarterly, at a fixed rate of 6.302% of nominal value on USD 335 million of the issue, and at a variable rate of Libor +0.92% on the other USD 90 million.
- In the fourth quarter of 2003, Societe Generale issued EUR 650 million of preferred shares through a wholly-owned US subsidiary (paying a non-cumulative dividend of 5.419% annually) with a step-up clause that comes into effect after 10 years.

From an accounting perspective, due to the discretionary nature of the decision to pay dividends to shareholders, preferred shares issued by the Group are classified as equity and recognized under *Minority interests.* Remuneration paid to preferred shareholders is recorded under minority interests in the income statement.

Deeply subordinated notes – Titres Super Subordonnés (TSS)

- In January 2005, the Group issued EUR 1 billion of deeply subordinated notes (Titres Super Subordonnés – TSS), paying 4.196% annually for 10 years and, after 2015, 3-month Euribor +1.53% per annum payable quarterly.
- In April 2007, the Group issued USD 200 million of deeply subordinated notes, paying 3-month USD Libor + 0.75% annually and then, from April 5, 2017, 3-month USD Libor +1.75% annually.
- In April 2007, the Group issued USD 1,100 million of deeply subordinated notes, paying 5.922% per annum payable quarterly and then, from April 5, 2017, 3-month USD Libor +1.75% annually.
- In December 2007, the Group issued EUR 600 million of deeply subordinated notes paying 6.999% annually and then, from 2018, 3-month Euribor +3.35% per annum payable quarterly.
- In May 2008, the Group issued EUR 1,000 million of deeply subordinated notes, paying 7.756% annually and then, from May 22, 2013, 3-month Euribor +1.35% per annum payable quarterly.
- In June 2008, the Group issued GBP 700 million of deeply subordinated notes, paying 8.875% annually and then, from September 16, 2019, 3-month Libor +3.40% per annum payable quarterly.
- In July 2008, the Group issued EUR 100 million of deeply subordinated notes, paying 7.715% annually and then, from May 22, 2013, 3-month Euribor +3.70% per annum payable quarterly.
- In addition, in December 2008, the Group issued EUR 1,700 of deeply subordinated notes, fully subscribed by the Société de Prises de Participation de l'Etat, an agency of the French government. Interest is 8.18% annually and then, from 2013, Euribor +4.98%. The bank has the option to redeem the notes after five years.

From an accounting perspective, given the discretionary nature of the decision to pay dividends to shareholders, deeply subordinated notes are classified as equity and recognized under *Equity instruments and associated reserves*.

Total amounts issued and outstanding at year-end 2008

Date issued	Currency	Amount issued (million)	Amount in EUR million Year-end 2008
Preference shares			
March 2000*	EUR	500	500
October 2001*	USD	425	305
October 2003*	EUR	650	650
			1,455
Deeply subordinated notes			
January 2005	EUR	1,000	1,000
April 2007*	USD	1,100	790
April 2007*	USD	200	144
December 2007*	EUR	600	600
May 2008*	EUR	1,000	1,000
June 2008	GBP	700	735
July 2008*	EUR	100	100
December 2008	EUR	1,700	1,700
			6,069
Amount at period-end			**7,524**

* *innovative instruments*

CALCULATION OF REGULATORY RATIOS

During the transitional period until year-end 2009, the benefit of lower capital requirements associated with the implementation of the Basel II capital framework (as enshrined in the 2006 Capital Requirement Directive – CRD) is capped by regulations. Accordingly, the Group's total minimum capital requirement must be at least 90% of the one calculated under the Basel I capital framework (as passed into law by the 1993 European Capital Adequacy Directive – CAD) on a parallel basis for 2008, and at least 80% of the Basel I number until year end 2009.

For the purpose of the calculation of this Basel II solvency floor in 2008 and 2009, own funds are fully adjusted to reflect differences in the calculation of own funds between the Basel I (CAD) and Basel II (CRD) frameworks.

The application of these transitional measures at year-end 2008 had the effect of reducing the Group's reported Tier 1 and total capital ratios of 0.35% and 0.51% respectively.

Basel II solvency ratios	**Dec 31, 2008**
Shareholders' equity (IFRS)	**36,085**
Proposed dividends	(843)
Deeply subordinated notes	5,969
Perpetual subordinated notes	(812)
Shareholders' equity, net of proposed dividend, deeply subordinated and perpetual subordinated notes	**28,361**
Minority interests	3,018
Deeply subordinated notes	6,069
U.S. preferred shares	1,455
Intangible assets	(1,437)
Goodwill on acquisitions	(6,530)
Other regulatory adjustments	668
Total tier 1 capital	**31,721**
Basel II deductions*	(1,398)
Total tier 1 capital, net of deductions	**30,323**
Upper tier 2 capital**	1,188
Lower tier 2 capital	13,092
Total tier 2 capital	**14,280**
Basel II deductions*	(1,398)
Insurance affiliates	(2,971)
Total regulatory capital	**40,234**
Total risk weighted assets with-out add-on for transitional measures	**345,518**
Credit risk	277,195
Market risk	23,068
Operational risk	45,256
Effect of transitional measures on RWA for total capital ration calculation	15,911
Effect of transitional measures on RWA for Tier 1 capital ratio calculation	14,087
Solvency ratios	
Tier 1 ratio	8.78%
Total capital ratio	11.64%
Tier 1 ratio with the effect of transitional measures	8.43%
Total capital ratio with the effect of transitional measures***	11.13%

* *Basel II deductions are deducted 50% from Tier 1 capital and 50% from Total capital.*

** *Including Euro 145 million on account of the positive difference between portfolio-based provisions and expected losses on IRB-weighted performing loans.*

*** *In March 2009, the Banking Commission clarified the calculation for the additional capital requirements required under the transitional period defined by the Basel II framework, with regard to treatment of the difference between provisions and expected losses.*

4 CREDIT AND COUNTERPARTY RISK – RISK MITIGATION

CREDIT RISK MANAGEMENT: ORGANIZATION AND STRUCTURE

Maintaining comprehensive and efficient management and monitoring of credit risk – which is its primary source of risk – is essential to Societe Generale's financial strength and profitability. The bank therefore implements a tight credit risk control framework, whose cornerstone is the credit risk policy defined jointly by the Risk Division and the Group's operating divisions, and is subject to periodic review and approval by the Board's Audit Committee.

Credit risk supervision is organized along the Group's business lines, with specific departments in charge of country risk, financial institutions, corporate and investment banking exposure, domestic and non-domestic retail banking exposure (including specialized financial services), private banking, asset management, and, finally, counterparty exposure (i.e. in connection with 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,
- 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 addition, a specific department performs comprehensive portfolio analysis and continuously monitors cross-sectoral credit risk in order to provide guidance to executive management on the Group's overall credit risk exposure. This role includes coordinating various sector or cross-sector surveys, collecting relevant data, and internal and external reporting, including to banking regulators. The Risk Division also helps define measuring risk criteria and appropriate provisioning practices.

There is regular reporting to the Group's Risk Committee (CORISQ), on proposed improvements to the credit policy and to the credit risk management framework, on portfolio analysis, and on the results of global stress tests incorporating the impact of macro-economic scenarios on the bank's risk exposure. Furthermore, an analysis of the effect of macro-economic cycles on volatility and in turn on the bank's non performing loans and regulatory Risk-Weighted Assets are also presented to the CORISQ.

In addition, the Group has devised specific procedures and contingency plans to deal with the credit crises that might arise with respect to a specific counterparty, industry, country or region.

RISK APPROVAL AND LIMITS

Strongly embedded in Societe Generale's credit policy is the concept 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, while bearing in mind the Group's risk strategy and risk appetite. Credit decisions must also ensure that the return on the transaction will sufficiently reflect the risk of loss in case of default.

The risk approval process is based on four core principles:

- All transactions involving counterparty risk (debtor risk, non-settlement or non-delivery risk and issuer risk) must be pre-authorized.
- Staff assessing credit risk are fully independent from the decision-making process.
- Subject to relevant approval limits, responsibility for analyzing and approving risk lies with the most appropriate business line or credit risk unit, which reviews all authorization 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, at any given moment, for particular countries, geographic regions, sectors, products or customer types, in order to reduce cross-business risks with strong correlations. The country risk limits are defined such that the correct exposure limit is assigned to each emerging market, based on the risk incurred and the expected return on transactions in each country. The allocation of limits is subject to final approval by the Group's executive 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 Committee for large risk exposures. This is an ad-hoc committee more specifically responsible for periodically reporting to the executive committee on the Group's main exposures and associated risks, as well as for vetting the risk-taking and marketing policy vis-à-vis the corporate part of the bank's key client group, including proposing exposure limits.

RISK MONITORING AND AUDITING

All Group operating units, including 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.

In addition to this day-to-day management of risks, a second level of control is performed by the operating divisions' head office, using the Group-wide risk information system. This system aims at centralizing in a single database, all the operating entities' commitments, and at reconciling total counterparty exposure with the corresponding authorizations. It also provides basic data for the portfolio analyses used in the bank's active risk management strategy.

Changes in the quality of outstanding commitments are reviewed at regular intervals, and at least once a quarter, as part of the "watch list" and provisioning procedures. These reviews are based on two-party analyses performed by the business divisions and the risk department. The Risk Division also carries out file reviews or risk audits in the Group's business divisions. Finally, the Group's Internal Audit Department performs regular risk audits and reports its findings to the Group's executive management.

COUNTERPARTY RISK MANAGEMENT

Given the Group's significant involvement in the global capital markets, Societe Generale has dedicated substantial resources to the development and implementation of effective tools for measuring and monitoring counterparty risk on market transactions. This risk, known as the replacement risk, corresponds to the marked-to-market value of transactions with counterparties, and represents the current cost of replacing transactions with a positive value to the Group should the counterparty default. The 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.

Counterparty risk monitoring

Societe Generale attaches great importance to carefully monitoring its counterparty risk exposure in order to i) minimise its losses should its counterparties default and ii) facilitate its trading activities by calibrating limits against the most solvent market participants. Counterparty limits are therefore assigned to all trading counterparties, irrespective of their status (banks, other financial institutions, corporates and public institutions).

In order to quantify replacement risk, the future marked-to-market value of all trading transactions with counterparties, is modelled, taking into account any netting and correlation effects. This is achieved using Monte Carlo simulations that calculate the future behaviour of several thousand risk factors affecting the marked-to-market valuations of the different market products involved. These valuations take into account any guarantees, sureties or collateral available.

The simulations are obtained from statistical models developed by the Risk Division on the basis of an historical analysis of market risk factors. The price of each transaction is then recalculated for each scenario obtained using the simulation method.

Societe Generale uses two indicators to characterize the subsequent given Monte Carlo distribution:

- one indicator that reflects the average risk incurred (the current average risk). This indicator is particularly suited to an analysis of the risk exposure for a portfolio of clients or a particular sector;
- an extreme risk indicator, corresponding to the largest loss that would be incurred in 99% of cases. This indicator, referred to as the Credit VaR (or CVaR), is used to define the replacement risk limits for individual counterparties.

Societe Generale has also developed a series of stress tests 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.

More specifically, when modelling counterparty risk, the bank takes into account negative correlations between the counterparty risk profile and other risk types, notably sovereign risk, or events affecting a group of counterparties.

Setting counterparty limits

The analysis of credit risk for trading counterparties, including financial institutions, is subject to the same set of procedures applicable to all Societe Generale's credit exposures. More specifically, the credit profile of financial institutions is reviewed on a regular basis, and appropriate trading limits are set, defined based on both the type and maturity of the trading instruments. When setting counterparty limits, the bank considers the intrinsic credit quality of the counterparties, the robustness of any legal documentation, the Group's global exposure to financial institutions and its customer intimacy. Fundamental credit analyses are also supplemented by relevant peer comparisons and market surveillance.

The trading systems in place allow both traders and the risk department to ensure that counterparty limits are not exceeded, on an on-going and intraday basis, or that incremental authorizations are obtained, whenever necessary.

Significant weakening of the bank's counterparties also prompts emergency internal rating reviews. As a result of the current credit crisis, Societe Generale has become significantly more alert to signs of deterioration in its counterparties' credit profiles, which has resulted in the internal ratings of a number of counterparties being downgraded and a reduction in limits as well as restrictions on limits for more complex trading instruments. In addition, a specific surveillance process and approval process has been implemented for more sensitive counterparties.

RISK MITIGATION OVERVIEW

Mitigating credit risk and minimizing the severity of potential losses are core to the bank's process when assuming risk, either in its trading or commercial banking activities. Guarantees and collateral are used by the bank to partially or fully protect against the risk of debtor insolvency. Accordingly, whenever possible or deemed appropriate, Societe Generale tries to obtain collateral or guarantees as means of securing its credit exposures. Collateral includes physical securities such as property, commodities or bullion, as well as financial assets such as cash or high quality investments and securities, and also insurance policies. Appropriate haircuts are applied to the value of collateral, reflecting its quality and liquidity. Guarantees encompass commitments or protection provided by banks and similar credit institutions, specialized institutions such as mortgage guarantors (Crédit Logement in France), monoline or multiline insurers, public export agencies, etc. This category also includes Credit Default Swaps (CDS).

Guarantees and collateral

Under the credit approval process, the bank assesses the value of the collateral, the legal enforceability of the guarantee and the capacity of the guarantor to meet its obligations. In particular, procedures ensure that the collateral or guarantee successfully meet the criteria required by the CRD. This allows the determination of risk-weighted assets to be taken into account, including precise record-keeping of collateral and guarantees and periodic appraisal of their value relative to the bank's exposure.

The collateral's market value and the guarantor's financial strength are reviewed periodically and at least annually. In addition, the bank monitors the diversification of collateral types, as well as the concentration risk assumed by the providers of these same guarantees.

For guarantees, both under the Standard Approach and the IRB approach, the bank calculates the reduction of its risk-weighted assets using the substitution method, whereby the effect of the guarantee is taken into account in the PD and/or LGD of the related exposure. For collateral, the risk mitigation is taken into account at the level of the related exposure's LGD.

Credit derivatives

The Group uses credit derivatives in the management of its corporate loan portfolio. They serve primarily to reduce individual, sector and geographic exposure and also allow dynamic risk and capital management. Group policy on limits on large credit exposures may lead to large individual hedging positions. For instance, the top ten single name exposures account for EUR 7.3 billion or 26% of the total amount of individual protection purchased.

The vast majority of Societe Generale's protection is obtained from banking counterparties that boast ratings of A or above, the average being between AA- and A+.

At year-end 2008, the total gross notional amount of Basel II-compliant credit derivatives (mostly in the form of CDS) amounted to EUR 28.3 billion.

Credit derivatives are also used in trading activities, and are held in the bank's trading books. The associated exposures and related capital needs are measured in VaR and are included in the market risk capital requirements.

Mitigation of counterparty risk

Societe Generale uses a variety of techniques to mitigate single exposure risk. For trading counterparties, the bank seeks to implement global closeout netting agreements, as much as possible, with the majority of its counterparties, whenever these indentures are deemed legally enforceable. Netting agreements allow the netting off of all the amounts owed and due to a given counterparty as a result of market trades, in case of default.

The contracts usually require posting of appropriate collateral at regular time intervals (often on a daily basis) and the reflecting of net exposure variations. Collateral is largely composed of cash and high quality and 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.

Occasionally, the agreement allows for repricing of the transaction ("recouponing") to minimize the net balance owed or due. In addition, the agreement may also call for over-collateralization to enhance the bank's protection, depending on the nature of the counterparty or transaction.

In order to reduce its credit risk exposure, Societe Generale 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 the netting of any 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 the amounts due are settled on the basis of their net value in the event of a default.

Finally, wider use of clearing houses, for exchange-traded products, and increasingly for over-the-counter transactions (e.g. foreign exchange), is another general measure allowing the reduction of counterparty risk.

APPROACH FOR ASSESSING CAPITAL REQUIREMENTS FOR CREDIT RISK

Based on groundwork conducted since 2003 to devise the required credit risk models and databases, in December 2007, Societe Generale obtained approval from its relevant supervisors' group (led by the French Banking Commission), to use the Internal Rating Based Advanced (IRBA) methodology (the most advanced method for calculating capital requirements for credit risk under Basel II) for the calculation of its credit risk capital requirements under Pillar I.

At year-end 2008, around 75% of Societe Generale's total credit exposures were assessed according to IRB approach, and the remainder according to a Standard Approach. Societe Generale intends to gradually further migrate to IRB activities and exposures that currently use the Standard Approach.

The main motivations for seeking the adoption of the IRB approach within each entity or business segment are improvement of risk measure and their significance relative to the Group.

The following table highlights how Group entities and/or business segments calculate their capital requirements for credit risk, and the provisional plan for extending IRB across the Group's most significant entities.

IRB implementation date	2008	2009	2010	2011	2012 and beyond
Societe Generale	X[1]				
Crédit du Nord	X[1]				
Komercni Banka	X				
GEFA	X				
Fiditalia	X				
Franfinance	X				
Other International Retail Banking entities	ground work for IRB: credit risk modelling, database compilation, process and IT systems upgrades			Romania, Slovenia, New Caledonia, Réunion, Polynesia	Other international financial services and retail banking entities

(1) Except portfolios of small SMEs evaluated based on the Standard Approach.

RISK MEASUREMENT AND INTERNAL RATINGS

Societe Generale's internal models for quantitative credit risk measurement and risk-adjusted return on capital, developed since the mid-1990's, provide staff (credit analysts as well as relationship managers) with an advanced toolkit for approving, structuring and pricing transactions.

These models have gradually been broadened in order to encompass the vast majority of the Group's credit portfolios (retail and corporate banking), and are part and parcel of the bank's day-to-day operational processes. Their scope has been further expanded to model the capital requirements for the bank's credit exposure in a Basel II environment.

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);
- a set of procedures defining guidelines for devising and using ratings (scope, frequency of rating revision, procedure for approving ratings, etc.);
- reliance on human judgment to adjust model outcomes to factor in elements outside the scope of rating modeling.

In order to obtain regulatory IRB approval, the bank's rating models for its main credit portfolios have been thoroughly audited, proofed and back-tested, to guarantee their operational adequacy and reliability and their compliance with the "use test criteria" set by the Basel II regulations.

The main outputs from Societe Generale's credit risk models, which are used as key variables for the calculation of RWA under IRB and are selectively detailed further in this report, are:

- Probability of Default (PD), which measures the financial strength of a counterparty and the likelihood of its failing to make timely payments through its estimated one-year default probability.
- Maturity (M) of the exposure, which helps factor in the likelihood of the counterparty's rating migrating over time.
- Exposure at Default (EAD), which combines the drawn portion of loans as well as the conversion of off-balance sheet commitments into on-balance sheet exposure through the Credit Conversion Factor (CCF).
- Loss Given Default (LGD), which is an estimation of the loss incurred through exposure to a defaulting counterparty.
- Expected Loss (EL), which is the potential loss incurred, taking into account the quality of the transaction's structuring and any risk mitigation measures such as obtaining collateral. More simply put, EL equals EAD x PD x LGD (except for defaulted exposures).
- Exposure is defined as all assets (e.g. loans, receivables, accruals, etc.) associated with market or customer transactions, recorded on- and off-balance sheet.

Credit risk modeling is supported by a set of procedures ensuring the production of reliable, consistent and timely default and recovery data for modeling and back-testing. The procedures formulate detailed guidelines for assigning ratings to counterparties and transactions and have been deployed across the Group's various business lines over a number of years. The systems for estimating PDs and LGDs are now fully operational for all the credit portfolios under the IRB scope.

RISK-MODELING GOVERNANCE

Modeling responsibility and process

Procedures also see to the governance of both portfolio analysis and the bank's whole credit rating system. A dedicated department within the Risk Division is more specifically in charge of defining the bank's process for evaluating the key credit metrics used under IRBA (e.g. PDs, LGDs, etc.), and validating and managing the performance of the internal rating system. Two validation Committees combining both the Business Divisions and the Risk Division are responsible for the permanent supervision of the models and the rating system:

- The Model Validation Committee brings together the staff responsible for building up the models and staff from the Risk Division, who review the conclusions drawn from the audits of the models.
- The Expert Committee is made up of operational experts within the various business lines, and makes, on an ad-hoc basis, any adjustments to the models' outputs that appear desirable for consistency and prudence purposes.

Overall, the databases and credit models used to model the bank's IRBA capital requirements are reviewed in their entirety once a year by the Validation Committees, in compliance with the related Basel II regulations, and may then be adjusted, as needed. This is achieved, inter alia, through exhaustive back-testing of the models' outputs. Review reports compiled by the Risk Division on every aspect of the risk modeling's implementation for the main Basel II portfolios within the Group, such as their regular validation and back-testing, are submitted to and approved by the CORISQ.

Building blocks of Societe Generale's credit risk modeling

Societe Generale's credit modeling activities have been focused on evaluating the Probability of Defaults (PDs) and Loss Given Defaults (LGD) for the Group's various portfolios.

With regard to corporate exposures, the bank has calibrated its PD modeling on the basis of through-the-cycle assumptions, whereby the PD is expected to be representative of the average default risk of companies throughout an entire business cycle, as it fluctuates between its peak and trough. The corporate PD modeling has been mapped using long-term default data obtained from an external credit rating agency.

For retail portfolios, through-the-cycle PD modeling is based on internal historical default data over a medium-term time horizon. These data include appropriate prudent buffers.

Similarly, the bank's LGDs modeled for corporate portfolios are based on an historical database that includes a low point in the credit cycle. The model also takes safety buffers into account, given the bank's good track record in terms of actual credit losses incurred. The various LGD parameters are subject to regular back-testing to compare modeled and actual credit losses. Finally, final recovery rates are simulated including a prudent discount factor, which takes the time factor into account in assessing future cash flows and the cost to the bank of the defaulted assets carried.

Regulatory capital requirements for counterparty risk

The bank's EAD related to counterparty risk is determined by adding the positive marked-to-market value of all market transactions (replacement cost) and an "add-on". This add-on, established by the CRD regulations, is a fixed percentage that varies according to the transaction's type and residual maturity and is applied to the notional amount of the transaction. The effect of collateral and other risk mitigation measures is factored in by replacing the total gross exposure with the sum of all positive individual counterparty exposures, net of any collateral. The regulatory capital requirement then depends on the counterparty's internal obligor rating.

SOCIETE GENERALE'S INTERNAL RATING SCALE

The following table presents Societe Generale's internal rating scale and the corresponding mean estimated probability of default.

SG internal obligor rating scale	Probability of default
1	0.01%
2	0.02%
3	0.04%
4	0.30%
5	2.16%
6	7.93%
7	20.67%
8, 9 and 10	100.00%

Societe Generale's definition of a default replicates the definition provided in the Basel II framework, whereby a borrower has defaulted if at least one of the three following conditions has been verified:

- A significant deterioration in the borrower's financial condition that would prevent them from fulfilling their unguaranteed or uncollateralized credit obligations, and that will therefore likely entail a high probability of loss, and/or,
- One or several arrears have been outstanding for more than 90 days (180 days for public obligors) and/or out-of-court settlement proceedings have been initiated, and/or,
- Legal insolvency proceedings are in progress (the obligor has been declared bankrupt or placed under similar conservatory or creditor protection measures).

Finally, Societe Generale applies a principle of contagion whereby any obligation declared in default will result in the classifying as in default of all the obligor's debts, possibly as well as those of all companies belonging to the same economic entity.

CAPITAL REQUIREMENTS AND QUANTITATIVE DISCLOSURES

The following tables set forth detailed information on the bank's global credit risk, notably with regard to total exposure, exposure at default and risk-weighted assets at year-end 2008. The information provided below is consistent with the bank's published financial statements at that date.

In most of the tables below, Societe Generale's credit risk exposures are laid out along the lines of the obligor categories defined in the Basel II framework (the "Basel exposure class"):

Sovereign:	Claims or contingent claims on central governments, regional governments, local authorities or public sector entities as well as on multilateral development banks and international organizations.
Institutions:	Claims or contingent claims on regulated credit institutions, as well as on governments, local authorities and other public sector entities that do not qualify as sovereign counterparties.
Corporates:	Claims or contingent claims on corporates, which include all exposures not covered in the portfolios defined above. In addition, Small- and Medium-sized Enterprises are included in this category as a sub-portfolio, and defined as entities with total annual sales below EUR 50 million.
Retail:	Claims or contingent claims on an individual or individuals, or on a small or medium-sized entity, provided in the latter case that the total amount owed to the credit institution does not exceed EUR 1 million. Retail exposure is further broken down into residential mortgages, revolving credit and other forms of credit to individuals, the remainder relating to exposures to very small entities and self-employed.
Securitization:	Claims relating to securitization transactions.
Equity:	Non-debt exposures entailing a subordinated, residual claim on the assets or income of the issuer.
Other:	This category includes all non-credit obligation assets such as fixed assets, goodwill, other assets, prepaids and other miscellaneous items.

The following tables provide a breakdown of Societe Generale's credit exposures and their related exposures at default (EAD) and risk weighted assets (RWA), relating to the Group's on- and off-balance sheet assets, after accounting netting but before the effect of credit risk mitigation techniques. Information is also provided for impaired exposures.

These quantitative disclosures are presented according to their valuation approaches (Standard or IRB), exposure class and geographies, as needed.

Summary of quantitative credit risk information

- Credit risk exposure, exposure at default (EAD) and risk weighted assets (RWA) by approach and exposure class
- Retail credit risk exposure, exposure at default (EAD) and risk weighted assets (RWA) by approach and exposure class
- Credit risk exposure by approach and exposure class
- Exposure at default (EAD) by approach and exposure class
- Exposure at default (EAD) by geographic area
- Retail exposure at default (EAD) by geographic area
- Corporate credit exposure at default (EAD) by industry sector
- Counterparty risk exposure at default (EAD) by exposure class
- Counterparty risk exposure at default (EAD) by geographic area
- Counterparty risk exposure at default (EAD) by rating under the IRB approach
- Credit risk exposure by residual maturity and exposure class
- Credit exposure, exposure at default (EAD) and risk weighted assets (RWA) by exposure class and external rating under the Standard approach
- Credit exposure (excluding defaulted exposure), exposure at default (EAD) and risk weighted assets (RWA) by exposure class and internal rating under the IRB approach
- Retail credit exposure (excluding defaulted exposure), exposure at default (EAD) and risk weighted assets (RWA) by exposure class and internal rating under the IRB approach
- Impaired credit risk exposure and related value adjustments
- Changes in value adjustments and general provisions
- Impaired credit risk exposure by geographic area
- Impaired credit risk exposure by industry sector
- Expected loss by exposure class (excluding defaulted exposure)

Credit risk exposures, exposure at default (EAD) and risk weighted assets (RWA) by approach and exposure class

Global portfolio *in millions of euros – 31/12/2008*	**IRB approach**			**Standard approach**			**Total**			**Average[(1)]**	
	Exposure	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**RWA**
Exposure Class											
Sovereign	52,655	50,549	4,060	6,506	6,442	1,691	59,161	56,992	5,751	58,647	5,343
Institutions	128,641	110,843	12,757	31,406	26,619	6,162	160,047	137,462	18,920	169,616	21,351
Corporates	287,961	249,003	92,820	125,012	56,750	63,127	412,973	305,753	155,947	423,883	158,061
Retail	112,448	109,595	19,194	55,601	50,457	34,388	168,048	160,051	53,582	164,672	52,347
Securitization	53,949	38,470	10,352	734	666	500	54,683	39,136	10,852	39,891	8,157
Equity	2,757	2,579	8,679	1,532	1,328	757	4,289	3,907	9,435	5,268	12,117
Other non credit-obligation assets	26,583	26,583	22,708	0	0	0	26,583	26,583	22,708	22,932	21,182
TOTAL	**664,993**	**587,622**	**170,570**	**220,791**	**142,263**	**106,625**	**885,785**	**729,884**	**277,195**	**884,884**	**278,559**

(1) The average exposure and RWA are determined by aggregating the total gross exposure and RWA at the end of the last four quarters and dividing the result by four.

Retail credit risk exposure, exposure at default (EAD) and risk weighted assets (RWA) by approach and exposure class

Retail portfolio *in millions of euros – 31/12/2008*	IRB approach			Standard approach			Total			Average[1]	
	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	RWA
Exposure class											
Residential mortgages	60,216	60,216	4,517	13,018	12,024	4,918	73,234	72,240	9,435	78,450	9,799
Revolving credits	10,610	6,696	2,411	3,263	2,587	2,060	13,873	9,283	4,471	13,887	4,307
Other credits to individuals	29,465	29,478	7,322	24,101	22,277	17,216	53,566	51,754	24,539	45,456	23,003
Other – small entities or self employed	12,157	13,206	4,944	15,218	13,569	10,193	27,375	26,774	15,138	26,855	15,229
TOTAL	**112,448**	**109,595**	**19,194**	**55,601**	**50,457**	**34,388**	**168,048**	**160,051**	**53,582**	**164,648**	**52,338**

(1) The average exposure and RWA are determined by aggregating the total gross exposure and RWA at the end of the last four quarters and dividing the result by four.

Credit risk exposure by approach and exposure class

Exposure class *in millions of euros – 31/12/2008*	IRB			Standard			Total		
	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total
Sovereign	45,488	7,167	52,655	6,410	96	6,506	51,898	7,263	59,161
Institutions	73,129	55,512	128,641	29,759	1,647	31,406	102,888	57,159	160,047
Corporates	245,600	42,361	287,961	122,405	2,607	125,012	368,005	44,968	412,973
Retail	112,448	0	112,448	55,601	0	55,601	168,048	0	168,048
Securitization	52,518	1,431	53,949	734	0	734	53,252	1,431	54,683
Sub-total 1	*529,182*	*106,471*	*635,653*	*214,909*	*4,350*	*219,259*	*744,091*	*110,822*	*854,913*
Equity	2,757	0	2,757	1,532	0	1,532	4,289	0	4,289
Other non credit-obligation assets	26,583	0	26,583	0	0	0	26,583	0	26,583
Sub-total 2	*29,340*	*0*	*29,340*	*1,532*	*0*	*1,532*	*30,872*	*0*	*30,872*
TOTAL	**558,522**	**106,471**	**664,993**	**216,441**	**4,350**	**220,791**	**774,963**	**110,822**	**885,785**

Exposure at default (EAD) by approach and exposure class

Exposure Class	IRB			Standard			Total		
in millions of euros – 31/12/2008	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total
Sovereign	43,382	7,167	50,549	6,346	96	6,442	49,728	7,263	56,992
Institutions	55,454	55,388	110,843	24,972	1,647	26,619	80,427	57,035	137,462
Corporates	206,643	42,361	249,003	54,143	2,607	56,750	260,785	44,968	305,753
Retail	109,595	0	109,595	50,457	0	50,457	160,051	0	160,051
Securitization	37,039	1,431	38,470	666	0	666	37,705	1,431	39,136
Sub-total 1	*452,112*	*106,348*	*558,460*	*136,584*	*4,350*	*140,934*	*588,697*	*110,698*	*699,394*
Equity	2,579	0	2,579	1,328	0	1,328	3,907	0	3,907
Other non credit-obligation assets	26,583	0	26,583	0	0	0	26,583	0	26,583
Sub-total 2	*29,162*	*0*	*29,162*	*1,328*	*0*	*1,328*	*30,490*	*0*	*30,490*
TOTAL	**481,274**	**106,348**	**587,622**	**137,912**	**4,350**	**142,262**	**619,186**	**110,698**	**729,884**

Exposure at default (EAD) by geographic area

EAD *in millions of euros – 31/12/2008*	Sovereign	Institutions	Corporates	SME	Retail	Securitization	Total[1]	Breakdown in %	Equity	Other non credit-obligation assets	Total[2]	Breakdown in %
France	10,118	51,823	80,709	25,004	112,093	4,496	**284,242**	40.6%	3,012	14,103	**301,356**	41.3%
EU Countries (except France)	22,199	51,128	84,594	21,943	35,926	7,687	**223,477**	32.0%	489	9,945	**233,911**	32.0%
– of which Eastern Europe countries	*10,436*	*2,559*	*11,641*	*9,464*	*15,200*	*3*	***49,302***	*7.0%*	*61*	*1,285*	***50,648***	*6.9%*
Central and Eastern Europe (excluding EU)	4,380	3,170	14,107	2,010	6,121	0	**29,788**	4.3%	59	592	**30,440**	4.2%
Africa / Middle East	4,319	2,691	9,054	4,354	3,993	0	**24,411**	3.5%	91	1,011	**25,513**	3.5%
America	7,612	22,796	47,740	4,217	1,099	25,534	**108,999**	15.6%	242	644	**109,885**	15.1%
Asia	8,363	5,853	11,215	805	820	1,420	**28,477**	4.1%	14	288	**28,779**	3.9%
Total	**56,992**	**137,462**	**247,421**	**58,333**	**160,051**	**39,136**	**699,394**	**100%**	**3,907**	**26,583**	**729,884**	**100%**

(1) total without equity and other non credit obligation assets
(2) total including equity and other non credit obligation assets

Retail exposure at default (EAD) by geographic area

EAD *in millions of euros – 31/12/2008*	**Residential mortgages**	**Revolving credits**	**Others credits to individuals**	**Others – small entities or self employed**	**Total**	**Breakdown in %**
France	61,068	7,410	27,729	15,886	**112,093**	70%
EU Countries (except France)	8,152	1,856	16,719	9,199	**35,926**	22%
– of which Eastern Europe countries	*5,449*	*1,059*	*6,470*	*2,221*	***15,200***	*9%*
Central and Eastern Europe (excluding EU)	1,541	16	4,280	284	**6,121**	4%
Africa / Middle East	878	0	2,169	946	**3,993**	2%
America	450	0	649	0	**1,099**	0.69%
Asia	151	0	210	459	**820**	0.51%
Total	**72,240**	**9,283**	**51,754**	**26,774**	**160,051**	**100%**

Corporate credit exposure at default (EAD) by industry sector

EAD *in millions of euros – 31/12/2008*	**Corporate**	
	EAD	**Breakdown in %**
Finance & insurance	62,080	20.3%
Real estate	21,470	7.0%
Public administration	178	0.1%
Food & agriculture	14,449	4.7%
Consumer goods	8,467	2.8%
Chemicals, rubber, plastics	6,372	2.1%
Retail trade	14,342	4.7%
Wholesale trade	19,106	6.3%
Construction	13,026	4.3%
Transport equip. Manuf.	3,206	1.0%
Education and Associations	887	0.3%
Hotels and catering	4,758	1.6%
Automobiles	6,738	2.2%
Machinery and equipment	12,726	4.2%
Forestry, paper	2,431	0.8%
Metals, minerals	17,003	5.6%
Media	6,308	2.1%
Oil and Gas	14,200	4.6%
Health, social services	1,765	0.6%
Business services	24,001	7.9%
Collective services	21,228	6.9%
Personal & domestic services	279	0.1%
Telecoms	8,267	2.7%
Transport & logistics	22,464	7.3%
TOTAL	**305,753**	**100%**

Counterparty risk exposure at default (EAD) by exposure class

Exposure Class *in millions of euros – 31/12/2008*	**Counterparty Risk**	
	EAD	**RWA**
Sovereign	7,264	162
Institutions	57,035	5,293
Corporates	44,968	16,763
Retail	0	0
Securitization	1,431	683
TOTAL	**110,698**	**22,900**

Counterparty risk exposure at default (EAD) by geographic area

Counterparty risk *in millions of euros – 31/12/2008*	**EAD**
France	16,782
Western Europe (except France)	43,165
Eastern Europe	4,741
– of which EU member	*4,452*
Africa	1,080
America	37,289
Asia	7,642
Total	**110,698**

Counterparty risk exposure at default (EAD) by rating under the IRB approach

Counterparty risk – IRB *in millions of euros – 31/12/2008*	**EAD**
Internal obligor rating	
1	8,580
2	38,522
3	38,222
4	15,067
5	3,518
6	1,362
7	216
8 to 10	859
Total	**106,348**

Credit risk exposure by residual maturity and exposure class

Exposure[1] *in millions of euros*	**Maturity analysis**			
	< 1 year	**1 to 5 years**	**5 to 10 years**	**> 10 years**
Sovereign	36,859	14,022	735	1,039
Institutions	23,385	90,046	4,882	10,328
Corporates	108,728	143,562	21,737	13,934
Securitization	23,645	16,823	12,365	1,117
Total	**192,616**	**264,452**	**39,719**	**26,418**

(1) Scope: Non Retail IRB exposure, excluding equity and other non credit-obligation assets

Credit exposure, exposure at default (EAD) and risk weighted assets (RWA) by exposure class and external rating under the Standard approach

in millions of euros – 31/12/2008	External Rating	Gross exposure	Exposure at default (EAD)	Risk Weighted Assets (RWA)
Sovereigns	AAA to AA-	3,487	3,483	8
	A+ to A-	9	9	2
	BBB+ to BBB-	0	0	0
	BB+ to B-	1,733	1,725	733
	<B-	573	523	791
	Without external rating	703	701	157
Sub-total		**6,506**	**6,442**	**1,691**
Institutions	AAA to AA-	24,667	20,092	1,511
	A+ to A-	195	195	118
	BBB+ to B-	3,543	3,523	3,451
	<B-	2	2	0
	Without external rating	2,999	2,808	1,082
Sub-total		**31,406**	**26,619**	**6,162**
Corporate	AAA to AA-	32,701	1,088	621
	A+ to A-	231	231	80
	BBB+ to B-	15,862	2,019	5,559
	<B-	0	0	0
	Without external rating	76,219	53,412	56,867
Sub-total		**125,012**	**56,750**	**63,127**
Retail	Without external rating	55,601	50,457	34,388
Total		**218,525**	**140,268**	**105,368**

Credit exposure (excluding defaulted exposure), exposure at default (EAD) and risk weighted assets (RWA) by exposure class and internal rating under the IRB approach

in millions of euros – 31/12/2008	SG internal obligor rating	Gross exposure	Balance-sheet exposure	Off-balance sheet exposure	Average CCF (Off-balance sheet)	Exposure at default (EAD)	Risk Weighted Assets	Average LGD	Average RW*	Expected Loss
Sovereigns	1	32,563	28,400	4,164	61%	30,954	1	0%	0%	0
	2	6,331	5,908	423	100%	6,331	303	18%	5%	0
	3	2,956	2,593	363	63%	2,822	228	18%	8%	0
	4	7,406	6,925	482	77%	7,294	2,029	24%	28%	8
	5	2,015	1,119	897	73%	1,771	701	16%	40%	5
	6	1,197	1,044	153	80%	1,166	650	16%	56%	15
	7	140	140	0	-	140	107	16%	76%	3
Sub-total		**52,607**	**46,127**	**6,481**	**67%**	**50,477**	**4,018**	**4%**	**8%**	**31**
Institutions	1	19,315	12,515	6,800	76%	17,717	768	9%	4%	4
	2	41,953	19,012	22,941	59%	32,536	1,508	13%	5%	1
	3	49,666	19,305	30,361	87%	45,594	2,832	17%	6%	2
	4	12,053	6,264	5,789	66%	10,068	3,099	44%	31%	7
	5	3,619	1,783	1,836	61%	2,899	2,714	42%	94%	19
	6	1,374	858	517	63%	1,184	1,041	28%	88%	20
	7	187	117	71	79%	172	12	11%	7%	2
Sub-total		**128,169**	**59,853**	**68,315**	**74%**	**110,170**	**11,974**	**18%**	**12%**	**56**
Corporate	1	12,310	8,826	3,483	83%	11,714	2,641	NA	23%	6
	2	43,284	19,788	23,496	71%	36,576	4,423	31%	12%	8
	3	54,928	24,374	30,553	74%	47,037	4,531	28%	10%	11
	4	91,945	43,799	48,146	71%	78,027	26,148	30%	34%	79
	5	61,813	44,168	17,645	53%	53,441	35,583	28%	68%	321
	6	16,559	11,736	4,823	73%	15,657	15,779	28%	103%	288
	7	1,839	1,839	-	-	1,839	2,830	21%	154%	50
Sub-total		**282,678**	**154,531**	**128,147**	**70%**	**244,291**	**91,934**	**29%**	**37%**	**764**
Retail	1	1,375	1,204	171	91%	1,373	144	NA	10%	0
	2	1,401	1,299	101	99%	1,391	137	NA	10%	0
	3	36,226	35,284	942	106%	36,223	634	15%	2%	2
	4	30,128	25,573	4,556	91%	27,766	2,260	17%	8%	14
	5	23,512	20,003	3,509	94%	22,112	5,934	21%	27%	91
	6	12,050	11,153	897	105%	12,656	6,032	26%	46%	214
	7	3,341	3,197	144	106%	3,656	2,669	28%	73%	290
Sub-total		**108,034**	**97,713**	**10,321**	**96%**	**105,178**	**17,810**	**19%**	**18%**	**612**
Total		**571,488**	**358,224**	**213,264**	**71%**	**510,116**	**125,737**	**21%**	**23%**	**1,463**

** with consideration of the floor of PD*

Retail credit exposure (excluding defaulted exposure), exposure at default (EAD) and risk weighted assets (RWA) by exposure class and internal rating under the IRB approach

in millions of euros – 31/12/2008	SG internal obligor rating	Gross exposure	Balance-sheet exposure	Off-balance sheet exposure	Average CCF (Off-balance sheet)	Exposure at default (EAD)	Risk Weighted Assets	Average LGD	Average RW*	Expected Loss
Residential mortgage	1	86	86	1	100%	86	8	NA	10%	0
	2	1,212	1,136	76	100%	1,212	118	NA	10%	0
	3	29,489	28,766	724	100%	29,498	368	12%	1%	1
	4	20,000	19,334	666	100%	19,994	1,095	13%	5%	6
	5	5,871	5,480	391	100%	5,862	1,166	13%	20%	11
	6	2,603	2,475	129	100%	2,604	1,046	14%	41%	16
	7	269	256	14	101%	271	163	11%	60%	9
Sub-total		**59,532**	**57,532**	**1,999**	**100%**	**59,527**	**3,966**	**12%**	**8%**	**44**
Revolving credit	1	0	0	0	-	0	0			0
	2	0	0	0	-	0	0			0
	3	83	5	79	92%	77	1	29%	1%	0
	4	3,849	248	3,601	37%	1,423	83	33%	6%	2
	5	3,494	778	2,715	55%	1,914	442	32%	23%	14
	6	1,743	1,250	493	98%	1,715	873	32%	51%	39
	7	714	614	100	119%	850	771	32%	91%	70
Sub-total		**9,883**	**2,894**	**6,989**	**63%**	**5,977**	**2,170**	**34%**	**36%**	**125**
Other retail credit	1	1,289	1,118	171	91%	1,286	135	NA	11%	0
	2	189	163	26	91%	179	19	NA	10%	0
	3	6,637	6,498	138	99%	6,632	265	30%	4%	1
	4	5,513	5,307	206	96%	5,540	936	26%	17%	6
	5	7,974	7,720	255	100%	7,977	2,348	23%	30%	33
	6	4,672	4,544	129	100%	4,663	2,183	29%	47%	89
	7	1,342	1,327	15	93%	1,347	844	27%	63%	100
Sub-total		**27,616**	**26,676**	**939**	**94%**	**27,625**	**6,730**	**27%**	**25%**	**229**
Small entities or self-employed	1	0	0	0	-	0	0			0
	2	0	0	0	-	0	0			0
	3	16	15	1	100%	16	0	16%	2%	0
	4	766	684	82	100%	809	146	24%	18%	1
	5	6,362	6,146	217	103%	6,543	2,011	23%	31%	34
	6	2,843	2,765	78	123%	3,491	1,897	28%	54%	70
	7	1,016	1,000	16	117%	1,189	890	29%	75%	110
Sub-total		**11,003**	**10,610**	**393**	**109%**	**12,048**	**4,944**	**25%**	**41%**	**215**
Total		**108,034**	**97,713**	**10,321**	**96%**	**105,178**	**17,810**	**21%**	**18%**	**612**

** with consideration of the floor of PD*

Impaired credit risk exposure and related value adjustments

in millions of euros – 31/12/2008	Total gross exposure	Impaired exposure			Individual value adjustments	Collective value adjustments	Loan Loss provisions
		Standard approach	IRB approach	Total			
Sovereign	59,161	0	28	29	26		
Institutions	160,047	6	468	474	445		
Corporates	412,973	1,996	4,872	6,868	3,565		
Retail	168,048	3,577	3,953	7,530	4,513		
Securitization	54,683	0	8	8	177		
Total	**854,913**	**5,580**	**9,330**	**14,910**	**8,727**	**1,070**	**2,655**

Changes in value adjustments and general provisions

in millions of euros – 31/12/2008	Provisions as at 31/12/2007	Value adjustments allocations	Write-backs	Other value adjustments (currency and scope effects)	Provisions as at 31/12/2008	recoveries associated with writen-off assets
Collective value adjustments (general provisions)	-902	-352	281	-97	-1,070	
Individual value adjustments	-6,768	-3,853	2,316	-423	-8,727	148
TOTAL	**-7,669**	**-4,205**	**2,596**	**-520**	**-9,797**	**148**

(*) excluding own funds instruments

Impaired credit risk exposure by geographic area

in millions of euros – 31/12/2008	Impaired exposure	Individual value adjustments
France	6,570	3,463
Western Europe (except France)	3,140	1,500
Eastern Europe	2,638	2,089
Africa / Middle East	1,463	1,164
America	872	414
Asia	226	98
TOTAL	**14,910**	**8,727**

Impaired credit risk exposure by industry sector

in millions of euros – 31/12/2008	**Impaired exposure**	**%**
Finance & insurance	2,219	15%
Real Estate	495	3%
Public administration	89	1%
Food & agriculture	382	3%
Consumer goods	453	3%
Chemicals, rubber and plastics	187	1%
Retail trade	255	2%
Wholesale trade	633	4%
Construction	355	2%
Transport equip. Manuf.	58	0%
Education and Associations	5	0%
Hotels & Catering	304	2%
Automobiles	191	1%
Machinery and equipment	195	1%
Forestry, paper	113	1%
Metals, minerals	243	2%
Media	103	1%
Oil and Gas	14	0%
Health, social services	36	0%
Business services	220	1%
Collective services	260	2%
Personal and domestic services	7	0%
Telecom	13	0%
Transport & logistics	159	1%
Retail	7,055	47%
Others	865	6%
TOTAL	**14,910**	**100%**

Expected loss by exposure class (excluding defaulted exposures)

Global in millions of EUR – 31/12/2008	**Expected losses (excluding defaulted exposures)**
Sovereign	31
Institutions	56
Corporates	765
Retail	612
Securitization	45
Equity	0
TOTAL	**1,508**

5 SECURITIZATION EXPOSURES

SOCIETE GENERALE'S SECURITIZATION STRATEGY AND ACTIVITIES

Definitions

For the purpose of this report, Societe Generale's securitization positions relate to credit exposures arising from securitization transactions included in the bank's assets and giving rise to Risk-Weighted Assets (RWA) and capital requirements in the bank's regulatory banking book.

As defined in the CRD, "securitization" means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched, having the following characteristics:

- the transaction achieves significant risk transfer,
- payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures,
- the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

Purpose and strategy

Societe Generale is involved in the following securitization activities:

- **Agency business**: the bank intervenes in the structuring of securitization transactions on behalf of third parties, and in the placing of the ensuing notes or bonds. Generally speaking, Societe Generale does not assume direct credit risk in relation to its agency securitization business, which means that there are no consequent risk-weighted assets and capital requirements.
- **Commercial conduits (sponsor activity)**: Societe Generale has set up a number of bankruptcy-remote special purpose entities ("conduits"), with the intention of financing various asset classes (e.g. client receivables and consumer loans) through the issuance of short-term notes and commercial paper. This activity, which is closely integrated in its global commercial and investment banking franchise, helps finance the operating capital needs of some of the bank's major clients. The purpose of this business is to generate fees for structuring and managing these conduits (e.g. structuring, commitment, usage and administration fees). The credit risk related to the associated assets is transferred to third party investors, including the riskier tranches. This being said, Societe Generale may incur ancillary credit risk from this activity in its providing of committed back-up liquidity facilities and letters of credit, or when it purchases commercial paper issued by the conduits. Ultimately, the underlying credit risk emerging from the pool of assets is guaranteed by strict underwriting standards, high granularity and diversification as well as by over-collateralization and other credit enhancement techniques.
- **On balance-sheet financing**: when conducting its origination, sponsoring or underwriting activities, associated with the securitization of various asset classes, the bank may retain some of the underlying asset risks. Additionally, as part of its global credit portfolio management strategy, Societe Generale may tranche specific pools of assets and sell some of the riskier tranches to third party investors, in order to reduce its overall risk exposure.

  Furthermore, while the Group primarily relies on its large and stable funding base to fund its operations, Societe Generale, as part of its broader liquidity management strategy, has set up three transactions backed by prime domestic residential mortgages, thereby boosting its inventory of assets eligible for central bank refinancing. Given that these transactions do not result in any risk transfer for the bank, their capital requirements are unaffected by the securitization.

- **Societe Generale as an investor**: in addition to assets arising from its main securitization activities described above, which may be held on its balance sheet, Societe Generale may occasionally hold securitized assets as an investor, seeking to lock-in a positive net interest margin and an adequate return on the capital employed. While the Group's insurance subsidiaries may also hold securitized assets in their investment portfolios, they are outside the scope of the Group's Basel II regulatory banking solvency.

  In addition, as a result of the on-going financial crisis, a number of securitized assets have been transferred from the bank's trading books, or from money market funds managed by the bank's asset management arm, to its regulatory banking book, and now give rise to capital requirements on account of their related credit risk. A more detailed review of those exposures is provided below.

Approach for calculating risk-weighted exposures

Whenever traditional or synthetic securitizations, in whose sponsoring, origination, structuring or management Societe Generale is involved, achieve a substantial and documented risk transfer complying with the CRD's framework, the underlying assets are excluded from the bank's calculation of risk-weighted exposures for traditional credit risk.

For the securitization positions that Societe Generale may retain, either on- or off-balance sheet, capital requirements are determined based on the bank's exposure, irrespective of its underlying strategy or role. Accordingly, risk-weighted exposure amounts on securitization positions are calculated by applying the relevant risk weights to the exposures' value. These are determined as follows.

The Group's securitization positions are predominantly valued using the Internal Ratings Based (IRB) approach, whereby Societe Generale also employs specific valuation alternatives embedded in the CRD. Around 1% of the bank's exposures are calculated using the Standard Approach (SA), according to which risk-weighted assets are determined based on the exposures' external credit category (e.g. 20% for AAA to AA- ratings, 50% for A+ to A- ratings, etc).

The IRB approach is subdivided into three possible calculations:

- First and foremost, the Ratings-Based Approach (RBA) must be applied to all rated exposures or those for which a rating can be inferred. Under this approach, finer risk weights are applied, notably reflecting the positions' seniority and granularity.
- The Supervisory Formula is a methodology for non-rated exposures, where the risk weight is based on five inputs associated with the nature and structure of the transaction.
- Finally, the positions arising from the Asset Backed Commercial Paper (ABCP) programmes' off-balance sheet exposures (such as liquidity facilities) are determined using appropriate Credit Conversion Factors (CCF) and are evaluated by the Internal Assessment Approach (IAA), which in substance allows to refer to the risk weights of the RBA.

Around 77% of the bank's IRB exposures are risk-weighted using the RBA approach, 15% using the Internal assessment approach and 8% through the Supervisory Formula.

External Credit Assessment Institutions used for evaluating credit risk

Societe Generale uses credit ratings to gauge credit risk on its securitization positions. These are assigned by rating agencies that have been granted External Credit Assessment Institution (ECAI) status by the Committee of European Banking Supervisors (CEBS) and the respective members of the bank's college of supervisors. The following credit rating agencies have been granted ECAI status: Standard & Poors, Moody's Investors Service, Fitch Ratings and DBRS.

CAPITAL REQUIREMENTS

At end-December 2008, Societe Generale's exposures to securitization totaled EUR 54.7 billion, of which EUR 30 billion related to on-balance sheet assets and EUR 24.7 billion consisted of off-balance sheet commitments, predominantly associated with liquidity facilities extended to the bank's sponsored commercial conduits. On-balance sheet exposures are accounted for by a variety of instruments, in which CDOs, CMBS and RMBS predominate.

Under the standard approach, the bank's risk-weighted exposures relative to securitization positions and related capital requirements were evaluated based on a see-through method. At year-end 2008, Societe Generale's exposures under the standard approach were as follows:

Sponsor *in millions of euros – 31/12/2008*	**Gross exposure**	**EAD**	**Evaluation method** **See-through**	**RWA**	**Capital Requirement**
On-balance sheet	649	649	649	487	39
Off-balance sheet	85	17	17	13	1
TOTAL	**734**	**666**	**666**	**500**	**40**

The bank's risk-weighted exposures and related capital requirements, evaluated based on the internal rating based approach, were as follows:

	Gross exposure	**EAD**	**Capital Deduction**	**Evaluation method**			**RWA**	**Capital Requirement**
Originator *in millions of euros – 31/12/2008*				**Ratings based**	**Regulatory formula**	**See-through**		
On-balance sheet	1,065	1,065	33	-	1,032	-	72	6
Off-balance sheet	1,955	1,955	-	-	1,955	-	154	12
Total	3,020	3,020	33	-	2,987	-	226	18
Investor *in millions of euros – 31/12/2008*								
On-balance sheet	26,011	26,011	772	25,238	-	-	4,450	356
Off-balance sheet	2,011	2,011	308	1,703	-	-	728	58
Total	28,022	28,022	1,081	26,941	-	-	5,177	414
Sponsor *in millions of euros – 31/12/2008*								
On-balance sheet	2,359	2,360	-	1,863	-	497	571	46
Off-balance sheet	20,548	5,069	-	39	3	5,026	4,377	350
Total	22,907	7,429	-	1,903	3	5,523	4,948	396
TOTAL	**53,948**	**38,470**	**1,114**	**28,844**	**2,990**	**5,523**	**10,352**	**828**

Under the Ratings based approach, the bank's EAD broken down per relevant risk weight bands, and gross of value adjustments, were as follows:

in millions of euros – 31/12/2008

Risk weigth band	6% - 10%	12% - 18%	20% - 35%	50% - 75%	100%	250%	425%	650%	1250%	Total
Amount	23,419	1,072	591	341	376	67	74	364	2,540*	28,844

* *This amount is covered at 100% through value adjustments.*

Furthermore, the overall quality of originator or investor on-balance sheet positions can be assessed as follows:

in millions of euros – 31/12/2008	EAD at year-end 2008
Most senior tranches	26,200
Mezzanine tranches	792
First loss tranches	85
Total	**27,076**

6 EQUITY RISK

INVESTMENT STRATEGIES AND PURPOSES

Societe Generale's exposures to non-trading equity are associated with a number of the bank's strategies and activities. They include shares and similar instruments, shares in mutual funds invested in equities, as well as investments in non consolidated Group subsidiaries and affiliates that are not deducted from prudential own funds.

- Firstly, the Group has a portfolio of industrial holdings, which primarily reflect strong historical or strategic relationships with these companies.
- In addition, Societe Generale holds small minority stakes in selected banks, for strategic purposes, as a mean of fostering increased cooperation with these institutions.
- Furthermore, non-trading equity includes the Group's investments in small, unconsolidated subsidiaries, operating in France or abroad. It also encompasses a variety of holdings and investments, ancillary to the Group's main banking activities, notably in retail banking and security services.
- Finally, Societe Generale and some of its subsidiaries may hold equity investments arising from its involvement in asset management (notably seed money in mutual funds sponsored by Societe Generale).

VALUATION

Fair value of Available-for-sale equity holdings

From an accounting perspective, Societe Generale's exposures to non-trading equities are classified as Available-for-sale (AFS) financial assets, as they may be held for indeterminate periods of time and be sold at any time. Changes in fair value are recorded in the Group's shareholders' equity under Unrealized or deferred gains or losses. Changes in fair value are recorded in the income statement when assets are sold or impaired, in which case they are reported as Net gains or losses on AFS assets. Dividend income earned on these securities is booked in the income statement under Dividend income.

For listed shares, fair value is taken to be the quoted price on the balance sheet closing date. For unlisted shares, fair value is determined depending on the category of financial instrument and according to one of the following methods:

- share of adjusted net asset value held;
- valuation based on a recent transaction involving the company (third-party buying into the company's capital, appraisal by professional valuer, etc.);
- valuation based on a recent transaction in the same sector as the company (income multiple, asset multiples, etc.).

Impairment policy

Where there is objective evidence of prolonged impairment to a financial asset that is available for sale, an impairment loss is recognized through profit or loss. Impairments affecting AFS equity securities are irreversible.

For listed equity instruments, the prospect of booking a prolonged impairment is assessed whenever a material decline (over 20%) in the 12-month trailing average price compared to the security's acquisition cost occurs.

For unlisted equity instruments, a qualitative analysis of their potential impairment is carried out using the valuation methods described in Note 3 of Societe Generale's 2008 Registration document.

CAPITAL REQUIREMENTS

Societe Generale's exposures to non-trading equity correspond to their book value, net of provisions. The Group applies the simple Internal Ratings Based approach for the larger part of its non-trading equity portfolio. As such, unquoted equities in diversified portfolios are risk-weighted at 190%, quoted equities are risk-weighted at 290%, and other unquoted equities are risk-weighted at 370%.

Nevertheless, unquoted equity holdings in diversified portfolios acquired before January 2008 may be weighted at 150% (grandfathering) and equity exposures considered as ancillary services undertaking may be weighted at 100%.

At year-end 2008, the Group's exposure to equities not included in the trading book and the related risk-weighted assets were as follows:

in millions of euros - 31/12/2008	**Ownership intent**	**Exposure**	**EAD**	**RWA**
Total		***4,289***	***3,907***	***9,435***
of which 370% risk weighted	Unquoted entities	1,675	1,534	5,674
of which 290% risk weighted	Quoted entities	1,055	1,019	2,954
of which 100% risk weighted	Ancillary Services	420	314	314
of which 150% risk weighted	Private equity (grandfathering)	383	290	435

7 MARKET RISK

ORGANIZATION AND INFRASTRUCTURE

Market risk is the risk of losses arising from negative changes in market parameters. It concerns all trading book transactions, as well as some banking book portfolios evaluated with a mark-to-market approach.

The Group market risk management organization is constantly adjusted to ensure its structure remains resilient, reliable and efficient even in the most adverse market conditions.

Although the front office managers naturally assume primary responsibility when it comes to risk exposure, its global management lies with an independent structure, the Market Risk unit 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 to authorized limits. This unit 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 with the approved limits;
- definition of the risk-measurement methods and control procedures, approval of the valuation methods 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 authorization limits set by the General Management, and monitoring of their use;
- centralization, consolidation and reporting of the Group's market risks.
- Besides these specific market risk functions, the department also monitors the gross notional value of trading exposures. This process, based on alert thresholds applied to all traded instruments and desks, participates in the uncovering of potential rogue trading schemes.

At the proposal of this department, the Group's Risk Committee sets the levels of authorized risk by type of activity and makes the main decisions concerning Group risk management. Within each entity that incurs market risk, risk managers are designated 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 specialized market risk managers report directly to the Risk Division.

A daily report on the use of the VaR limits, stress tests and general sensitivity to interest rates compared to the limits set out at the Group level is submitted to the General and business line management. In addition, a monthly report which recaps any key events in the areas of market risk management and specifies the use of the limits set by the General management and the Board of Directors.

METHODS FOR MEASURING MARKET RISK AND DEFINING EXPOSURE LIMITS

Societe Generale Group's market risk assessment and sensitivity analysis 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 model, this composite indicator is used for the day-to-day monitoring of the market risks incurred by the bank, in particular as regards the regulatory 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.

THE 99% VALUE AT RISK (VaR) METHOD

Introduced in 1996, this method is constantly being improved through the addition of new risk factors and the extension of the scope covered by the VaR. In 2008, the models have been improved with new commodities risk factors (particularly carbon emission rights) and basis factors relating to interest rates (measuring the risk linked to various fixings). Today, the market risks on almost all investment banking activities are monitored using the VaR method, in particular those relating to more complex activities and products, as well as on certain retail and private banking activities outside France. The Internal VaR Model is approved by the French regulator within the scope of the Basel II Regulatory Capital calculation.

The method used is the "historical simulation" method, which implicitly takes into account the correlation between different markets. It is based on the following principles:

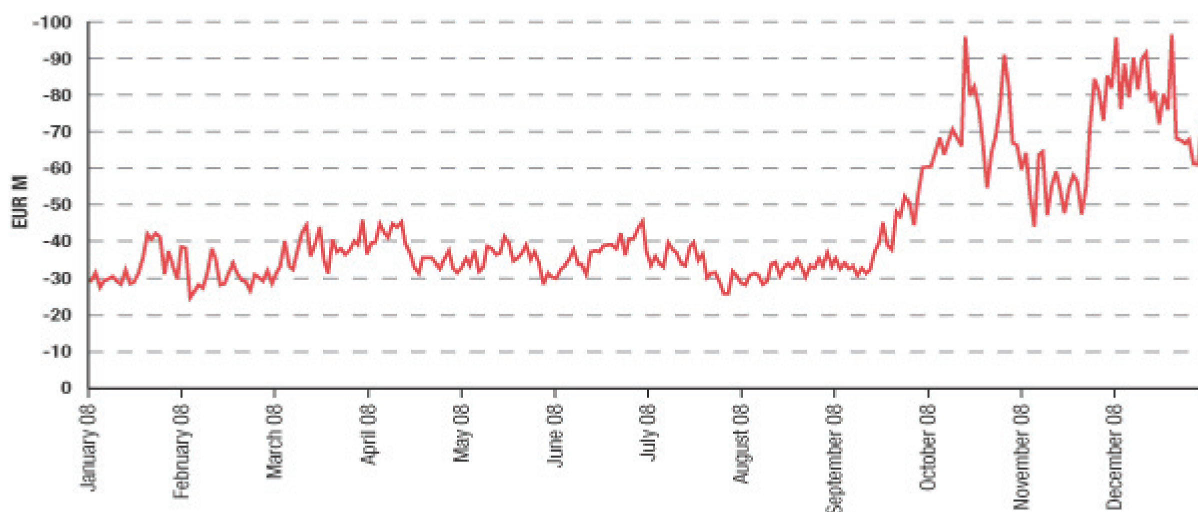
- the creation of a database tracing the risk factors that are representative of Societe Generale's positions (i.e. interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.). The database used for the VaR calculation contains several thousand risk factors;
- the definition of 250 scenarios, corresponding to one-day variations in these market parameters over a rolling one-year period;
- the application of these 250 scenarios to the market parameters of the day;
- the revaluation of daily positions, on the basis of the adjusted daily market parameters, and on the basis of a revaluation taking into account the non-linearity of these positions.

The 99% Value at Risk is the largest loss that would be incurred after eliminating the top 1% of most unfavourable occurrences. Over one year, or 250 scenarios, it corresponds to the average of the second and third largest losses observed.

VaR is first and foremost designed to monitor market activity in the bank's trading portfolios. In 2008, the VaR limit for all trading activities was increased to EUR 85 million (EUR 15 million more than in 2007) to reflect the markets' increased volatility.

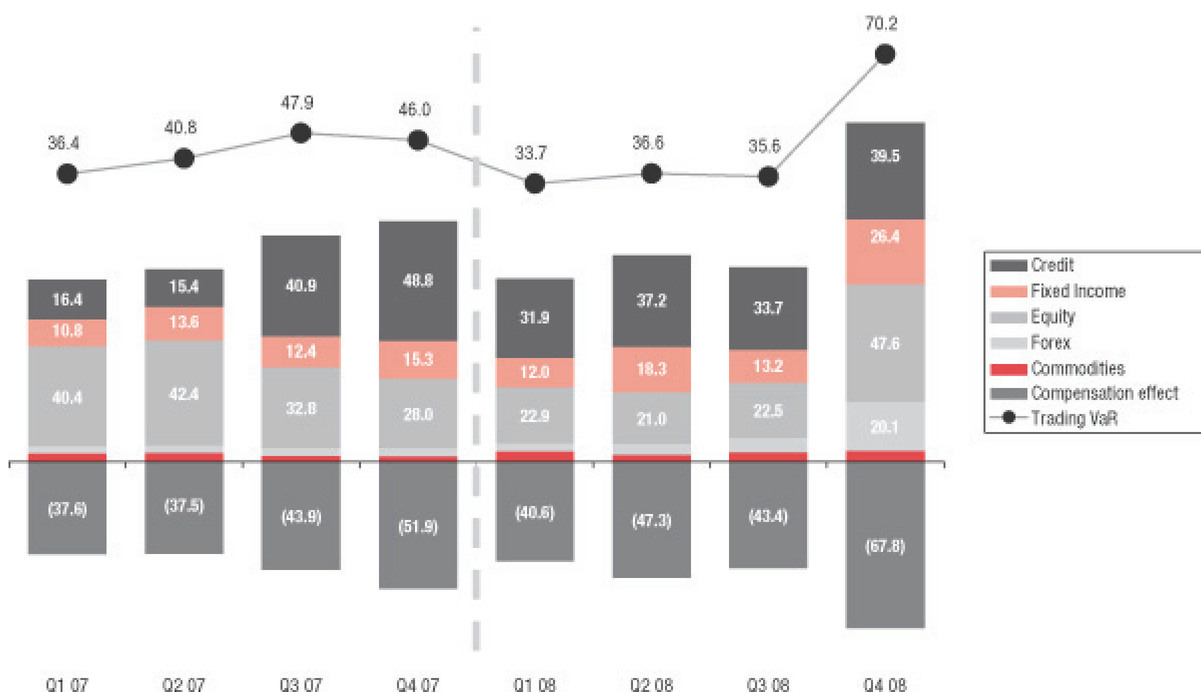
The Value at Risk in the Group's trading activities across the full scope of activities monitored evolved as follows in 2008.

TRADING VAR (TRADING PORTFOLIOS)
CHANGES IN THE TRADING VAR DURING 2008 (1 DAY, 99%) IN MILLIONS OF EUROS



The breaches of limits observed during the fourth quarter were mainly the result of the exceptional volatility seen on the markets where the Group operates, and do not denote any change in the Group's risk appetite. In addition, because of the transfer of certain assets from the trading portfolio to the banking portfolio carried out in December, the Group did not actively manage these positions until the transfer was completed, as a measure of caution and in order to have a precise view of its trading exposure before implementing any overall reduction strategy.

BREAKDOWN BY RISK FACTOR OF THE TRADING VAR – CHANGE OF QUARTER AVERAGE OVER 2007-2008 PERIOD

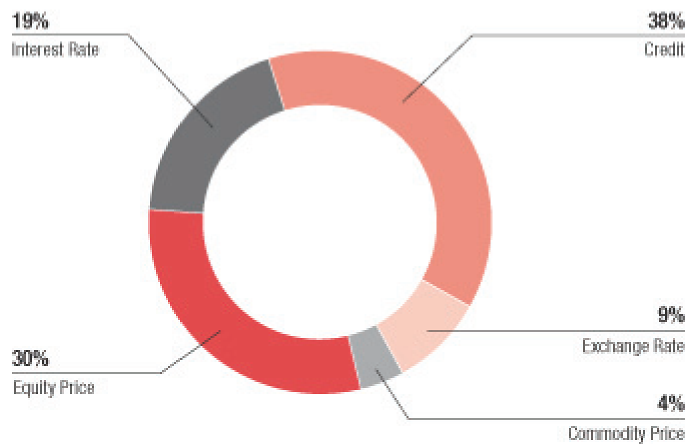


NB: The figures concerning 2007 do not take into account the unauthorized and concealed trading activities)
The figures for credit risk cover a reduced scope as from Q4 08 following the transfer of trading book positions to the banking book. Given their illiquidity, a VaR calculation could not be performed on these positions using the existing approach

The average VaR amounted to EUR 44 million for 2008 against a yearly average of EUR 43 million in 2007. This overall stability is the result of decreases over the first three quarters, followed by a sharp rise in the fourth quarter.

The drop observed until September is the result of exposure reduction, particularly in terms of equity risk (cash or derivatives). In the fourth quarter, the introduction of highly volatile scenarios led to the doubling of VaR on almost all underlying assets (it should be noted with regard to credit risk that certain positions were transferred to the banking book, in light of their illiquidity, which automatically reduced the increase in credit VaR).

BREAKDOWN OF TRADING VAR BY TYPE OF RISK-2008



LIMITATIONS OF THE VaR ASSESSMENT

VaR assessment is based on a model and a certain number of assumptions and approximations. Its 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 calculated 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 indexes are used instead of certain risk factors and, in the case of some activities, not all of the relevant risk factors are taken into account, which may be due to difficulties in obtaining daily data.

The Group off-sets these limitations by:

- systematically assessing the relevance of the model by back- testing to verify that the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval;
- supplementing the VaR system with stress-test measurements.

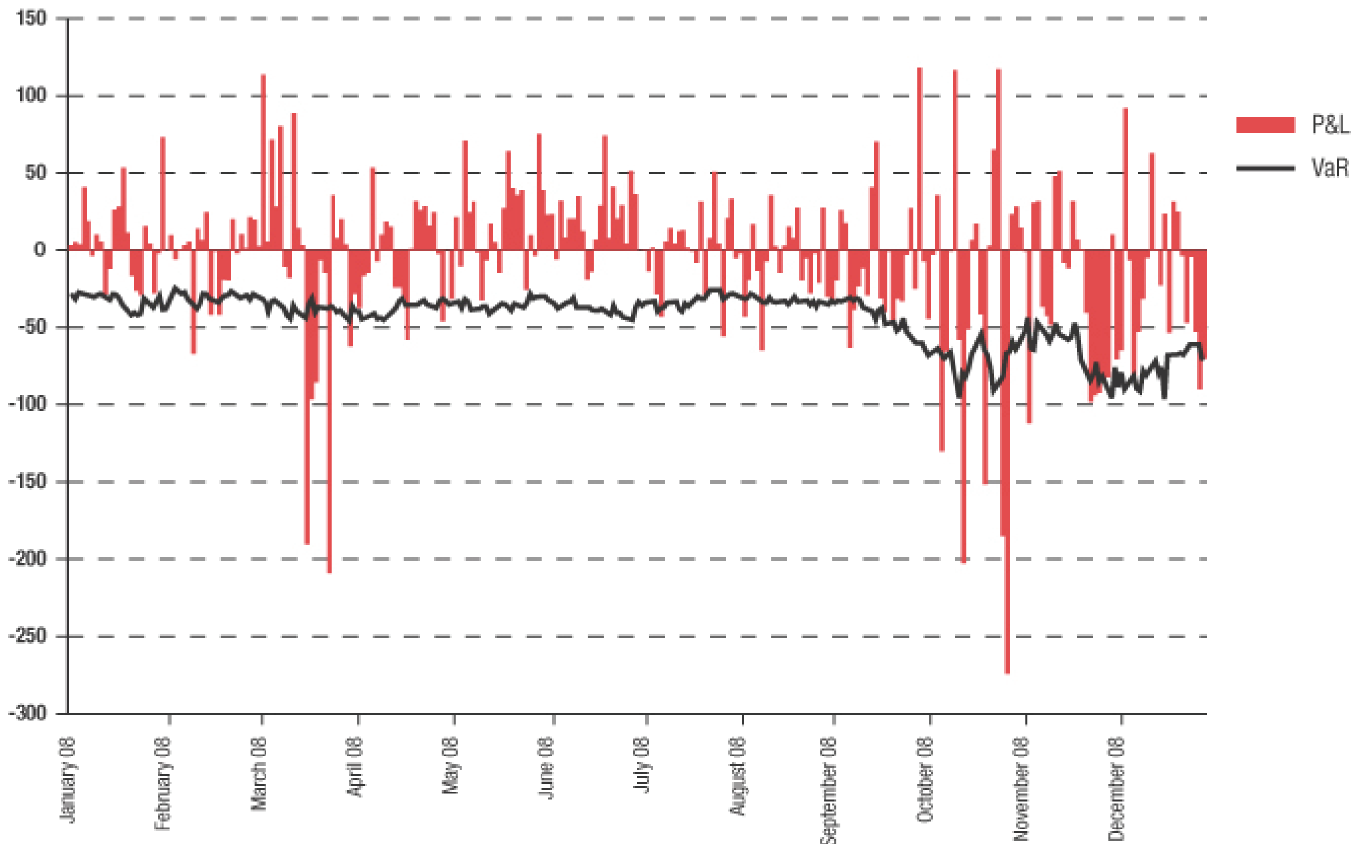
The chart below shows the back-testing of the VaR for the regulatory scope. In 2008, the total daily loss exceeded the VaR on 29 occasions, which is well above the 99% confidence interval used (2 to 3 occasions per year). This exceptional situation can be attributed to the following factors:

- Due to the market dislocation, the shocks which occurred on several risk factors were significantly greater than the historic shocks used to calculate the VaR.
- As certain assets had become illiquid, particularly structured credit assets, the calibration of daily shocks used became more unstable, creating a gap between this risk indicator and the actual results recorded.

- Furthermore, illiquid assets are subject to large liquidity reserves, which are included in the results used to carry out VaR back-testing, whereas they are not taken into account in the daily calculation of VaR.

In conclusion, the impact of VaR methodology limitations warrant the use of other risk indicators such as stress tests in addition to VaR.

VAR BACK-TESTING USING THE REGULATORY SCOPE DURING 2008 VaR (1 DAY, 99%) IN MILLIONS OF EUROS



STRESS TEST ASSESSMENT

Alongside the internal VaR model, Societe Generale monitors its exposure using the stress test method to take into account exceptional market occurrences.

A stress test estimates the loss resulting form an extreme change in market parameters over a period corresponding to the time required to unwind trading positions (5 to 20 days dor most positions).

The stress test risk assessment methodology is based on 18 historical scenarios and 8 hypothetical scenarios, including the "Societe Generale Hypothetical Scenario", which has been used since the start of the 1990s. Alongside the VaR model, the stress test is one of the main pillars of our risk management system and is based on the following principles:

- risks are calculated on a daily basis for each of the bank's market activities (all products combined), using the 18 historical scenarios and 8 hypothetical scenarios;
- stress-test limits are established for the Group's activity as a whole and then for the different business lines. They define, firstly, the maximum acceptable loss under the Societe Generale Hypothetical Scenario and the hypothetical scenario of a stock market crash such as that of October 1987, and, secondly, the maximum acceptable loss under the 24 remaining historical scenarios and hypothetical scenarios;
- the different stress test scenarios are reviewed and expanded by the Risk Division on a regular basis, in conjunction with the Group's teams of economists and specialists.

HISTORICAL STRESS TESTS

This method consists of an analysis of the major economic crises that have affected the financial markets since 1990. The changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads, etc.) during each of these crises are analyzed in order to define scenarios 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 18 historical scenarios.

HYPOTHETICAL STRESS TESTS

The hypothetical scenarios are defined by the bank's economists and designed to identify 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 international markets. Societe Generale has adopted seven hypothetical scenarios, in addition to the Societe Generale Hypothetical Scenario.

In 2008, Societe Generale relied on eight hypothetical stress tests:

Generalized: this is historically the earliest scenario used by the Group. It simulates an increase in interest rates concomitant to a strong decline of equity markets.

Middle East Crisis: refers to a Middle East destabilization leading to a significant chock on petroleum 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, credit spreads widening and sudden decline of the US dollar against other major currencies.

October 1987: this scenario, based on the October 1987 events, has been expanded to incorporate missing historical data.

Bond Crisis: crisis in the global bond markets inducing a delinking of bond and equity yields, strong rise for US interest rates (more modest for other international rates), moderate decline of equity markets, flight to quality for bonds with some moderate credit spreads widening, US dollar revaluation.

Dollar crisis: strong depreciation of the US dollar against major international currencies due to deterioration of twin trade and budget deficits, leading to higher US interest rates and US credits spread narrowing.

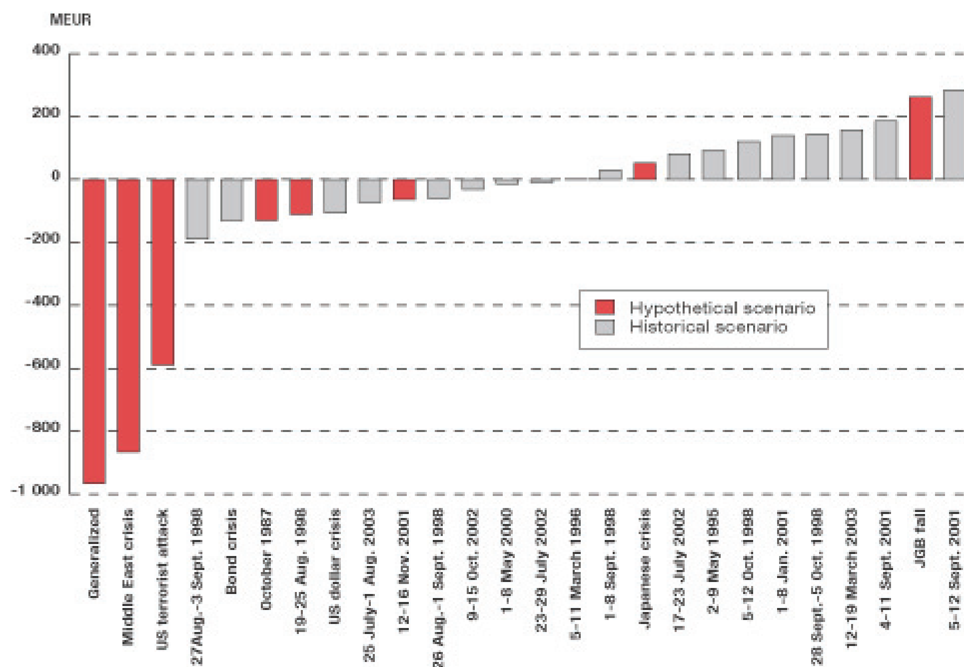
Japanese crisis: bank run scenario ensuing from a major bank default occurring in Japan; strong decline of Japanese equity markets and of the Yen, more modest decline of US equities, strong increase of US and Euro long-term interest rates.

JGB Fall: Japanese bond market crash following a sovereign rating downgrade, strong Yen and Japanese stock market decline, marked decline of US and Euro long-term interest rates.

AVERAGE STRESS TESTS IN 2008

The following graph provides the average stress tests amounts calculated through 2008.

STRESS TESTS AVERAGE 2008



CAPITAL REQUIREMENTS

Societe Generale's capital requirements on account of market risk are predominantly determined using the IRB approach (nearly 90% of the Group's risk-weighted assets). The risk typology breakdown provided below highlights that equity and interest rate risk account for the bulk of the capital requirements at year-end 2008.

Risk weighted assets in Euro millions	**Standard Approach**	**IRB**	**Total**
Interest rate risk	1,521	8,085	9,606
Equity risk	294	11,578	11,872
Foreign exchange risk	561	641	1,202
Commodity risk	160	228	388
Total	**2,536**	**20,532**	**23,068**

8 OPERATIONAL RISK

OPERATIONAL RISK MANAGEMENT: ORGANIZATION AND STRUCTURE

Societe Generale has over time implemented processes, management tools and a full control infrastructure for monitoring and managing operational risks, which are inherent to its various activities. These include inter alia, general and specific procedures, permanent supervision, business continuity plans, New Product committees and dedicated functions for overseeing and managing specific types of operational risks, such as fraud, risks related to the payment systems, major legal risks, information systems security risks and non-compliance risks.

The operational risk department

Incorporated in 2007 into the Group's risk division, the Operational Risk Department is working in close cooperation with operational risk staff in the Business Divisions and Functional Divisions.

The Operational Risks department is notably responsible for:

- Running the operational risk structure.
- Devising and implementing Societe Generale's operational risk control strategy, while promoting an operational risk culture throughout the Group.
- Defining methods for identifying, measuring, monitoring, reducing and/or transferring operational risk, in liaison with the Business Divisions and the Functional Divisions, and to ensure consistency across the Group.
- Evaluating and preparing for crisis management, including coordinating business continuity plans (BCP).

The Operational risk structure

In addition to the Operational Risk Department, the operational risk organization includes Operational Risk Managers (ORM) in the Business Divisions and Functional Divisions.

ORMs operate throughout the organization, and are responsible for implementing the Group's procedures and guidelines, monitoring and managing operational risks with the support of dedicated operational risk staff in the business lines, and in close collaboration with the respective entities' line management.

Operational risk committees have been set up at the Group level, at the Division and business line/support function level and in the subsidiaries. The organization and procedures implemented to manage operational risks are also subject to periodic auditing.

OPERATIONAL RISK MEASUREMENT

Societe Generale has opted since 2004 for the Advanced Measurement Approach (AMA), proposed by CRD for measuring operational risk and calculating the associated capital requirements. This approach notably makes it possible to:

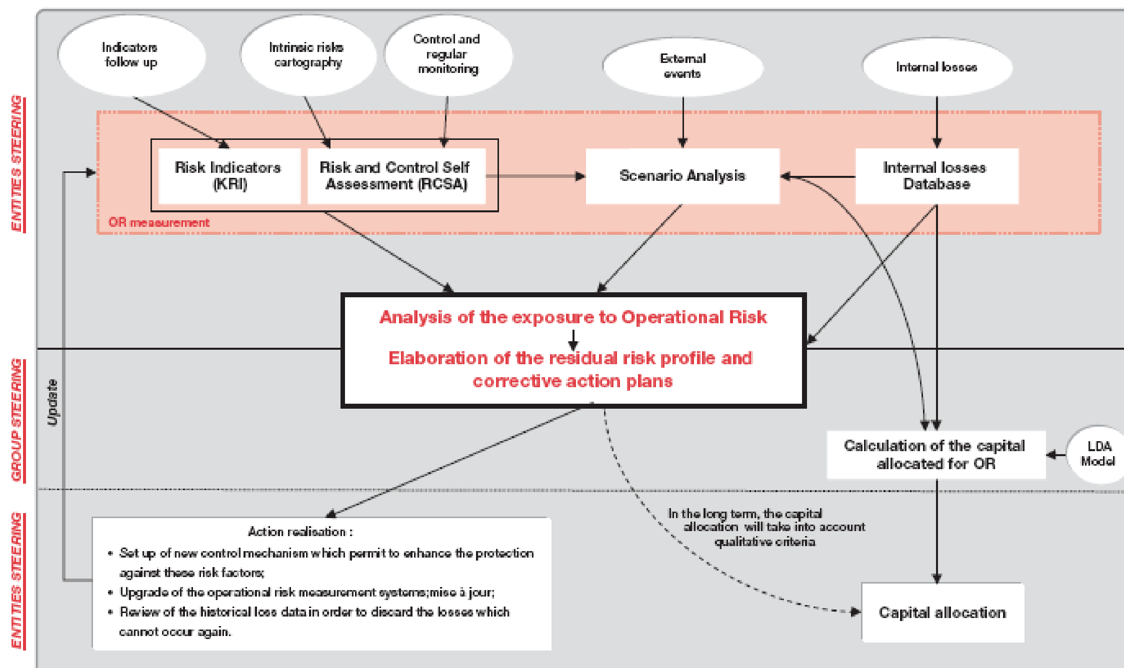
- Identify i) the business lines having the greatest risk exposure and, ii) the types of risk that have the greatest impact on the group's risk profile and overall capital requirement.
- Enhance the Group's operational risk culture and overall management, by introducing a virtuous circle of risk identification, improved risk management and risk mitigation and reduction.

Following its in-depth review, the French banking commission has approved the use of AMA, as defined under the Basel II agreement, for calculating Societe Generale's regulatory capital requirements on account of operational risks from January 1, 2008. Although some subsidiaries use the Standard Approach, the AMA's implementation scope across the Group's activities represents more than 90% of total net banking income.

OPERATIONAL RISK MONITORING PROCESS

The framework specifically established by Basel II regulations (including "Sound practices for the management and supervision of operational risk") have been implemented across the Group on the basis of existing procedures where possible, to promote a "virtuous circle" described above. They notably include:

- Collecting internal data on operational risk losses;
- Drafting Risk and Control Self-Assessment (RCSA) in all business units;
- Determining Key risk indicators (KRI);
- Formulating Scenario analyses;
- Cross-referencing its own data with external loss data analysis.



Societe Generale's classification of operational risk in eight event categories and forty-nine mutually exclusive sub-categories, is the cornerstone of its risk modelling, ensuring consistency in risk control infrastructure and measurement system across the Group.

The following 8 categories of risk event chosen by the Group have been mapped to the Basel II regulatory classification for relevant benchmarking:

Commercial disputes

Disputes with authorities

Pricing or risk evaluation errors

Execution errors

Fraud and other criminal activities

Rogue trading

Loss of operating resources

IT System failure

Internal loss data collection

Internal loss data has been compiled throughout the Group since 2003, also enabling staff to:

- Build expertise in operational risk concepts and tools,
- Achieve a deeper understanding of the latent risks embedded in the business,
- Help disseminate an operational risk culture throughout the Group.

The minimum threshold at which a loss is recorded is €10,000 throughout the Group, except for Corporate and Investment Banking, where this threshold is €25,000 due to the scope of its activity, the volumes involved and the relevance of capital modelling points. Any losses below these thresholds are therefore excluded from the collection process and the impact of the threshold is taken into account in the capital 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") but disregarding insurance coverage.
- Correcting any inadequacies in risk control 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)

KRI supplement the overall operational risk management system, by providing a dynamic view of changes in business line risk profiles as well as a warning signal. Regular KRI monitoring assists both line management and staff in their assessment of the Group's operational risk exposure obtained from RCSA, the analysis of internal losses and the scenario analyses, by providing them with a quantitative and verifiable risk measurement and a regular assessment of the improvements or deteriorations in the risk profile, as well as the control and prevention environment which may call for particular attention or an action plan. KRIs which may bear a significant impact on the entire Group are reported to Group general management.

Scenario analyses

Scenario analyses serve two purposes: informing the Group about potential significant risk areas and contributing to the calculation of the capital required to cover operational risk.

Regarding the calculation of capital, the Group uses scenario analyses in order to measure its exposure to losses arising from low frequency/high severity events and provide an estimate of loss distribution for event categories where internal loss data history is insufficient.

In practice, for each event category, various scenarios are reviewed by experts, who gauge the magnitude of the potential impact for the bank, by factoring loss data and the quality of the control environment. The related estimated frequency and severity are aggregated to obtain the loss distribution for individual risk categories.

Scenario analyses fall into two broad categories:

- Major Group stress scenarios, involving very severe events that cut across businesses and departments, have an external cause and for which a business continuity plan (BCP) is required. The seven scenarios analyzed so far have helped simulate and appraise the Impact Analysis and prepare the relevant risk prevention and mitigation measures.
- Business Line's scenarios that do not fall into the category of business continuity in its strictest sense, but are used to measure unexpected losses to which the business line may be exposed to. Around 100 scenarios have been prepared so far.

Analysis of external losses

Finally Societe Generale also makes use of externally available loss databases to supplement the identification and assessment of the Group's operational risk exposures, by benchmarking internal loss records with industry-wide data.

Crisis management and Business Continuity Planning

Moreover, the Group is reinforcing its crisis management and is working on the intrinsic resilience of its activities to complete its existing business continuity plans.

RISK MODELLING AND CAPITAL REQUIREMENTS

The method used by the Group for operational risk modelling is based on the Loss Distribution Approach (LDA). This statistical approach models the annual 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 distribution is modelled for each of the 32 elements of the matrix, and are aggregated to obtain the annual loss distributions of the Business Divisions and then of the Group. This loss distribution indicates the loss amount to which the Group may be exposed, and associates a probability of occurrence to each of these amounts. The Group's regulatory capital requirement for operational risk is then defined as the 99.9% quantile of the Group's annual loss distribution. The correlation between event frequencies is also factored in throughout the calculation process.

Based on the Group's models, Societe Generale's capital requirements on account of operational risk were EUR 3,621 million, representing EUR 45,256 million in Risk Weighted Assets.

Insurance cover in risk modelling

As permitted under the Basel II Capital Accord, 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 may cover, at least partly, operational losses.

Group-wide mapping is used to identify insurance policies that may cover the various operational risk categories and their corresponding characteristics: deductibles, Coverage and Coverage probability.

The modelling process therefore factors in the effect of Group insurance policies that cover major banking risks i.e. general liability, fraud, fire and theft, as well as policies covering data processing failures and operating losses due to operational breakdowns.

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 impacts the severity distributions by decreasing event amounts. The modelled frequency distribution remains unchanged however.

Furthermore, two calculations of the overall capital requirement are made, one which takes account of the insurance benefit and another one that does not, to ensure that insurance does not reduce the capital requirement by more than 20%, as specified in regulations.

The capital relief arising from SG Group's insurance cover represents 7.7% of its total capital requirement on account of operational risk.

Governance of the regulatory capital calculation process

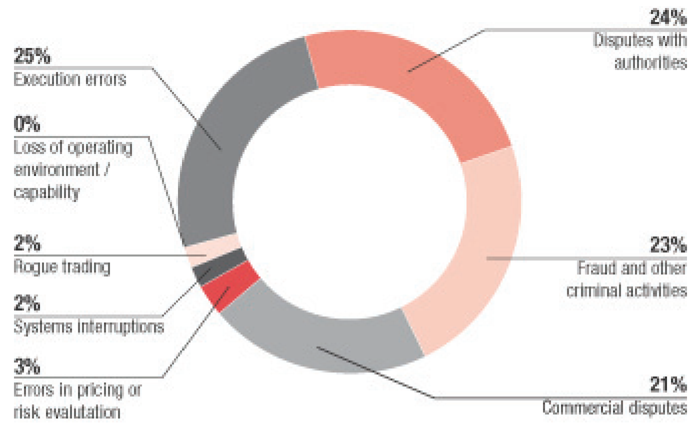
Development and modification of the operational risk capital calculation process is subject to specific governance; particularly with respect to roles, responsibilities and frequency.

This governance oversees all steps of the calculation process. This process is performed and back-tested annually. Its outputs are independently validated and an additional "safety" margin may be proposed if necessary. Furthermore, the model is assessed at least every two years, and methodologies are independently validated. Finally, the capital requirements and the potential "safety" margins are submitted annually to CORISQ for validation.

QUANTITATIVE DATA

The following provides a chart of actual losses for the period 2004-2008, presented alongside the risk categories used by Societe Generale.

OPERATIONAL RISK LOSSES (EXCLUDING EXCEPTIONAL ROGUE TRADING LOSS) : ALLOCATION BY SG RISK EVENT TYPE(AVERAGE FROM 2004 TO 2008)



9 INTEREST RATE RISK MANAGEMENT

STRATEGY AND PROCESSES

Societe Generale manages its structural exposure to interest rate risk within its global Asset and Liability Management (ALM) structure which, besides the interest rate risk, also manages the Group's exposure to liquidity and foreign exchange risks[(1)].

Structural exposure to interest rate risk encompasses all exposures due to:

- commercial activities,
- the proprietary transactions of the Group's consolidated entities.

Interest rate risks associated with trading activities are excluded from the scope of structural interest rate risk, and are dealt with under market risk. The structural and market exposures constitute the overall interest rate exposure of the Group.

Governance

When it comes to the management of structural interest rate risks, governance is based on the following core principles:

- A general policy and overall management standards validated by the Group's executive committee and translated into detailed management norms by the Group Finance Department.
- Decentralized risk management at entity level, controlled via limits.
- Tight supervision by the Group Finance Department on the implementation of norms and interest rate risk management by the entities.

Group norms and procedures set precise guidelines for:

- Policy implementation and management of structural interest rate risk,
- Investment norms of the entities' shareholders' equity,
- How structural and market interest rate risks are to be differentiated.

Organisation

The Group's Management is involved in managing the banking book interest rate risk via Group Financial Committees held quarterly, which endorse the management principles and the sensitivity limits for each entity, and review the management reports and analysis prepared by the Finance Department. In addition, the Financial Committee is regularly updated on the main changes to the ALM models used by the French retail network (notably rules for the amortization of demand deposits and regulated savings accounts, early housing loan repayments etc.).

The Group Finance Department is in charge of defining management norms (relating to organisation and methodologies) and validating the models developed and used by the entities. It also notifies Group entities of the respective sensitivity limits under which they must operate. In addition, the Finance Department is responsible for the centralisation and reporting of the interest rate risk and second level controls.

Conversely, Group entities are responsible for the management and control of the interest rate risk and of its hedging at their own level, within the guidelines defined for the Group.

Responsibility for adhering to Group policy and enforcing the limits defined lies with each entity's Managing Director, who is assisted in this task by their Structural Risk Manager. Furthermore, the Group's main retail

(1) *For more information on the management of other risks encompassed by Societe Generale's ALM, see the Group's 2009 Registration document.*

banking units have set up ALM Committees responsible for monitoring the interest rate risk in accordance with Group principles.

The interest rate risk is measured monthly for the Group's main entities, and at least quarterly for other entities. Every quarter, all the Group entities report their ALM positions to the Group Finance Department, which prepares a consolidated ALM report.

INTEREST RATE RISK MANAGEMENT METHODOLOGY AND OBJECTIVES

Through its ALM and interest rate risk management, Societe Generale aims to minimise each Group entity's exposure to interest rate risk. The interest rate risk exposure on the banking book therefore results only from residual positions. The sensitivity of residual positions must comply with the limits set for each entity, and for the Group overall, as approved by the Financial Committee.

Generally speaking, ALM is not considered to be a profit centre. In other words, transactions are carried out in order to hedge any open positions. All origination activity on the bank's banking book is hedged, as far as possible, on a fully matched and risk-neutral basis. The funding and hedging policies preclude any active risk-taking.

In order to quantify its exposure to structural interest rate risk, the Group analyses all its balance sheet's fixed rate assets and liabilities to identify any gaps which reflect mismatches in the maturity and/or repricing of the fixed interest rate assets and liabilities recorded on the balance sheet. The maturities and amortization of outstanding positions are determined based on their contractual terms, or models reflecting historical customer behavior observed as well as conventional assumptions for certain aggregates (mainly shareholders' equity).

Once the fixed interest rate gaps have been identified, the position's resulting sensitivity to interest rate variations is calculated.

Group policy calls for the transfer of residual risk from commercial activity either into local treasuries or the Group Treasury using an internal transfer price. The interest rate risk is then managed within the authorized limits of the related trading books.

For products without a fixed maturity date (the French retail network's current and savings accounts, for example), the Group uses amortization models, in which the outstanding amounts are deemed to be composed of a stable portion and a volatile portion (i.e. the difference between the total outstanding amount and the stable portion). For example, for Societe Generale's French retail network, the volatile portion of its deposits is scheduled at sight, while the stable portion is determined by using an auto-regressive model that is regularly back- tested. Its amortization profile was defined based on an auto projective model and on the bank's historical data.

The amortization of loans takes into account early repayment models that may be sensitive to the level of interest rates.

KEY INTEREST RATE RISK INDICATORS

Societe Generale's management uses several indicators to measure its interest rate risk, its three preferred measurements being:

- *Gap analysis*: the fixed rate positions and gaps are the main indicators for assessing the characteristics of the hedging operations required, calculated on a static basis.
- The *sensitivity of the economic value* is a supplementary and synthetic indicator used to set limits for the entities (also calculated on a static basis). It is measured as the sensitivity of the economic value of the balance sheet to variations of interest rates. This measurement is calculated for all the currencies to which the Group is exposed.
- The *sensitivity of the interest margin* to variations of interest rates takes into account the sensitivity which is generated by future commercial production over a three-years rolling horizon, calculated on a dynamic basis.

Sensitivity limits are set for each entity, and periodically reviewed by Group Finance Department. The Group's global sensitivity limit is currently set at EUR 500 million, which represents less than 2% of Societe Generale's Tier 1 capital base.

Other measurements that are also used to monitor the structural interest rate risk include:

- *Measurement of Economic Value sensitivity and interest margin sensitivity in various stress scenarios.* In these
  scenarios, the modelling of the behavior of products without a fixed maturity date and on early loan repayment is adjusted accordingly.
- *Measurement of the economic capital* on account of the interest rate risk in the banking book. Societe Generale uses a Value-at-Risk (VAR) measurement method for its assessment of economic capital. The VAR measures the maximum potential loss in economic value that might occur over a one-year time horizon as a result of movements in interest rates.

INTEREST RATE RISK INDICATORS AT END-DECEMBER 2008

Measurement of the sensitivity of the economic value of the balance sheet, by currency, to variations of the interest rates

in millions of euros – 31/12/2008	**Sensitivity by currency**							
	EUR	**USD**	**GBP**	**JPY**	**CZK**	**RUB**	**Others**	**Total**
Parallel increase of the yield curve of 10 basis points	9	-2	0	0	2	-1	2	10
Parallel decrease of the yield curve of 10 basis points	-12	2	0	0	-2	1	-2	-14
Steepening of the yield curve (50 bps increase/decline in interest rates above/below one year)	-65	5	3	2	6	1	16	-32
Flattening of the yield curve (50 bps decline/increase in interest rates above/below one year)	-36	-5	-3	-2	-6	-1	-16	-68

APPENDIX:

INFORMATION PERTAINING TO THE CONTRIBUTION OF KEY SUBSIDIARIES TO THE GROUP'S TOTAL RISK WEIGHTED ASSETS

Contribution to the Group risk weighted assets on account of	Crédit du Nord		Rosbank		Komercni Banka	
in million of euros	SA	IRB	SA	IRB	SA	IRB
Credit and counterparty risk	**3,612**	**11,405**	**10,646**	**434**	**1,353**	**9,120**
Sovereign	5	-	906		13	334
Institutions	317	170	1,056		22	952
Corporates	2,357	5,869	6,294		476	5,988
Retail	837	4,318	2,389		842	1,150
Securitization	-	-	-		-	-
Equity	96	153		182	-	154
Other non credit-obligation assets	-	895		252		542
Market risk	**99**		**354**		**23**	
Operational risk (SA/AMA)	**697**		**1,612**		**737**	
Total	**15,813**		**13,045**		**11,234**	

Summary of exposures at June 30th 2009 disclosed in the Specific Financial Information

	Banking Book	Trading Book	Total
Unhedged Exposures	Net exposures	Net exposures	Net exposures
- ABS	10.7	0.5	11.2
- Banking & Corporate bonds	0.3	0.4	0.7
- CDO of US RMBS	2.5	0.7	3.2
Total	13.5	1.7	15.1
LBO	Net of provisions		Net of provisions
	5.1		5.1
Exposures to monolines, CDPCs & other financial institutions	Fair Value of hedged instruments	Fair Value of hedged instruments	Fair Value of hedged instruments
o.w. Monolines	*7.9*	*8.5*	16.5
against US RMBS CDOs	*0.9*	*2.7*	3.6
against non-US RMBS CDOs	*0.8*	*1.6*	2.4
against CLOs	*5.1*	*3.5*	8.6
against struct. & infrastruct. finance	*1.2*	*0.7*	1.9
o.w. other financial institutions	*0.0*	*0.6*	0.6
o.w. CDPCs	*0.0*	*2.3*	2.3
Total fair value of hedged assets	7.9	11.4	19.4 (1)

- **Book of exotic credit derivatives: net exposure as 5-year risk equivalent: EUR -1.0bn for an underlying hedged exposure of EUR 4.7bn**

(1) Fair value of protection after hedges and credit valuation adjustments: EUR 1.9bn of which EUR 1.2bn for monoline insurer exposures, EUR 0.4bn for CDPCs and EUR 0.3bn for protection purchased from other large financial institutions

Unhedged CDOs exposed to the US residential mortgage sector

In EUR m	CDO Super senior & senior tranches		
	L&R Portfolios (4)	AFS Portfolios	Trading Portfolios
Gross exposure at 31/12/08 (1)	3,982	158	1,641
Gross exposure at 31/03/09 (1)	4,150	164	1,681
Gross exposure at 30/06/09 (1) (2)	3,883	156	1,533
Underlying	high grade / mezzanine (5)	mezzanine	mezzanine
Attachment point at 31/03/09	19%	8%	30%
Attachment point at 30/06/09 (3)	17%	7%	29%
At 30/06/09			
% of underlying subprime assets	44%	70%	72%
o.w. 2005 and earlier	27%	70%	60%
o.w. 2006	10%	0%	5%
o.w. 2007	7%	0%	7%
% of Mid-prime and Alt-A underlying assets	16%	10%	15%
% of Prime underlying assets	20%	6%	9%
% of other underlying assets	21%	13%	3%
Total impairments & write-downs (Flow in Q2 09)	-1,326 *(o.w. 0 in Q2 09)*	-39 *(o.w. 0 in Q2 09)*	-855 *(o.w. +16 in Q2 09)*
Total provisions for credit risk (Flow in Q2 09)	-58* *(o.w. 0 in Q2 09)*	-117 *(o.w. 0 in Q2 09)*	—
% of total CDO write-downs at 30/06/09	36%	100%	56%
Net exposure at 30/06/09 (1)	2,499	0	678

(1) Exposure at closing price
(2) The changes in outstandings vs. 31/03/09 are mainly due to the foreign exchange effect.
(3) The change in attachment points results:
- upwards: from early redemptions at par value
- downwards: from defaults of some underlying assets

(4) Excluding an unhedged CDO following a commutation that was incorrectly booked at 31/12/08 as it did not contain US RMBS' (par value: EUR 93m, write-down: 0%)
(5) 9% of the gross exposure booked in L&R relates to mezzanine underlying assets
* Collective provision booked for all the US RMBS CDO portfolios in L&R

CDOs of RMBS' (trading): valuation assumptions and sensitivities and comparison with ABX indices

- **Cumulative loss rates**
  - Subprimes

	2005	2006	2007
Assumptions for cumulative Q1 09 losses	13.0%	30.0%	36.0%
Assumptions for cumulative Q2 09 losses	13.0%	30.0%	36.0%

  - Mid-primes and Alt-A: assumptions for losses amounting to $^{2}/_{3}$ of the assumptions used for underlying subprime assets
  - Primes: assumptions for losses amounting to 14% of the assumptions used for underlying subprime assets
- **Additional liquidity write-down applied (10% cumulative loss rates applied to all the assets) and additional adjustment with comparison with the ABX (2006 and 2007 vintages)**
  - Subprimes

	2005	2006	2007
Q1 09 cumulative write-down rates (inc. liquidity)	14.3%	33.0%	39.6%
Q2 09 cumulative write-down rates (inc. liquidity)	14.3%	33.0%	39.6%

  - Write-down rate: comparison with ABX indices

	2005 production	2006 and 2007 production	
		A and above	BBB & below
Societe Generale	-77%	-95%	-98%
ABX indices	N/A	-95%	-98%

- **100% write-down of CDO-type underlying assets**

Impact of change in cumulative losses

on NBI		In EUR m
+10% cumulative losses for each year of production	⇒	-100

Protection purchased to hedge exposures to CDOs and other assets

- **From monoline insurers**

In EUR m	Gross notional amount of hedged instruments		Gross notional amount of protection purchased	Jun 30th 09 Fair value of hedged instruments	Jun 30th 09 Fair value of protection before value adjustments
Protection purchased from monolines					
against CDOs (US residential mortgage market)	5,500	(1)	5,500	3,573	1,928
against CDOs (excl. US residential mortgage market)	3,074		3,074	2,368	706
against corporate credits (CLOs)	9,461		9,461	8,603	858
against structured and infrastructure finance	2,400		2,400	1,920	480
Other replacement risks					858
				Total	4,830

(1) o.w. EUR 3.2bn in underlying subprime assets (Vintages: 2007: 3%, 2006: 18%, 2005 and before: 79%)

- **From other counterparties**
  - Fair value of protection purchased from other large financial institutions (multiline insurers and international banks): EUR 272m mainly corresponding to corporate bonds and hedges of CDOs of structured RMBS' until the end of 2005.
  - Other replacement risks (CDPCs): net residual exposure: EUR 0.4bn
    - Fair value of protection before adjustments: EUR 0.6bn for a nominal amount of EUR 2.9bn
    - Value adjustments for credit risk: EUR 201m

Protection purchased to hedge exposures to CDOs and other assets: valuation method

- **CDOs on the US residential mortgage market**
  - Application of the same methodologies and criteria as those used to value unhedged CDOs

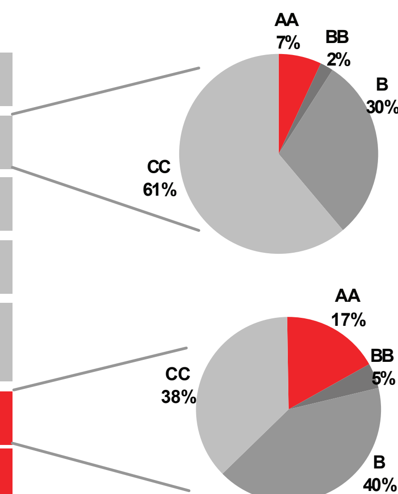
- **Corporate loan CLOs**
  - Rating of tranches hedged by monolines: 74% AAA – 13% AA – 8% A
  - Distribution of underlying assets by rating: 3% BBB and above – 18% BB – 60% B – 19% CCC and below
  - Cumulative loss rate over 5 years applied to underlying assets:
    - Rated on the most negative events observed over the last 30 years
    - According to underlying asset ratings:
      5% for BBB – 17% for BB – 31% for B – 51% for CCC – 100% below
  - Weighted loss rate scenario for underlying assets: 29% after considering the maturity of assets at risk
  - Weighted attachment point: 29% (35% after deduction of the cash available in the CLO)
  - Weighted write-down scenario of the SG portfolio: around 9%

- **Other assets (CDOs excluding US residential mortgage market, infrastructure finance and other structured assets)**
  - Application of methods similar to those used for CLOs

- **Liquidity add-on for all hedged assets, reflecting the changes in the indices or spreads**

Exposure to counterparty risk on monoline insurers (a) Hedging of CDOs and other assets

In EUR bn	Dec 31st 08	Mar 31st 09	Jun 30th 09
Fair value of protection before value adjustments	4.2	5.4	4.8
Nominal amount of hedges purchased*	-0.9	-1.0	-0.8
Fair value of protection net of hedges and before value adjustments	3.3	4.4	4.0
Value adjustments for credit risk on monolines (booked under protection) **	-2.1	-3.1	-2.9
Residual exposure to counterparty risk on monolines	1.2	1.4	1.2
Total fair value hedging rate	*73%*	*75%*	*76%*



The rating used is the lowest issued by Moody's or S&P (at July 31st 2009)
AA: Assured Guaranty, FSA
BB: Radian
B: MBIA
CC: Ambac, CIFG, FGIC, Syncora Guarantee (named XL Capital until August 2008)

(a) Excluding defaulting counterparties: ACA from end-2007, Bluepoint at September 30th 2008

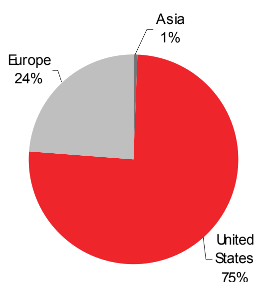
* The nominal amount of hedges purchased from bank counterparties had a EUR +321m Mark-to-Market impact at June 30th 2009, which has been neutralised since 2008 in the income statement.

** At June 30th 2009, including the value adjustment factoring in the prospect of the commutation completed in mid-July with one of the monolines

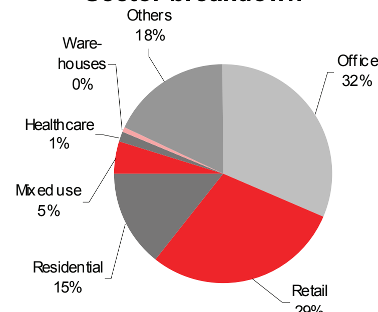
Exposure to CMBS'(a)

In EUR m	Mar 31st 2009	June 30th 2009					Q2 09		
	Net exposure (1)	Net exposure (1)	Gross exposure (2) Amount	Gross exposure (2) % net exposure	%AAA*	% AA & A*	Net Banking Income	Cost of Risk	Equity
'Held for Trading' portfolio	201	128	459	28%	7%	62%	- 50	-	-
'Available For Sale' portfolio	217	168	354	47%	52%	43%	1	-	- 44
'Loans & Receivables' portfolio	7,389	6,990	7,455	94%	94%	5%	79	-	-
'Held To Maturity' portfolio	58	58	61	95%	58%	42%	0	-	-
TOTAL	7,865	7,344	8,327	88%	87%	10%	31	-	- 44

Geographic breakdown *



Sector breakdown *



(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 US residential mortgage market: residential loans and RMBS'

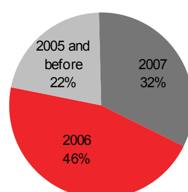
- **Societe Generale has no residential mortgage loan origination activity in the US**

- **US RMBS'(a)**

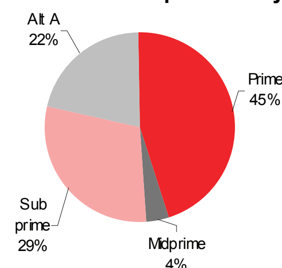
In EUR m	Mar 31st 2009	June 30th 2009					Q2 09		
	Net exposure (1)	Net exposure (1)	Gross exposure (2) Amount	Gross exposure (2) %net exposure	%AAA*	% AA & A*	Net Banking Income	Cost of Risk	Equity
'Held for Trading' portfolio	- 56	- 50	425	NM	15%	9%	3	-	-
'Available For Sale' portfolio	289	242	702	34%	11%	11%	1	- 15	- 21
'Loans & Receivables' portfolio	715	638	737	87%	10%	22%	10	-	-
TOTAL	948	830	1,864	45%	12%	15%	14	- 15	- 21

(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

Breakdown of subprime assets by vintage*



Breakdown of RMBS portfolio by type*



NB: Societe Generale has a portfolio of mid-prime loans purchased from an originator who defaulted (EUR 263m in the banking book net of write-downs)

Exposure to residential mortgage markets in Spain and the UK

■ **Societe Generale has no origination activity in Spain or the UK**

■ **Spain RMBS'[(a)]**

In EUR m	Mar 31st 2009	June 30th 2009					Q2 09		
	Net exposure (1)	Net exposure (1)	*Gross exposure (2)*		*%AAA**	*% AA & A**	Net Banking Income	Cost of Risk	Equity
			Amount	*%net exposure*					
'Held for Trading' portfolio	53	24	112	22%	10%	56%	- 2	-	-
'Available For Sale' portfolio	118	113	198	57%	40%	55%	1	-	3
'Loans & Receivables' portfolio	339	319	368	87%	41%	59%	7	-	-
'Held To Maturity' portfolio	12	9	9	100%	31%	69%	0	-	-
TOTAL	522	466	687	68%	36%	57%	6	-	3

■ **UK RMBS'[(a)]**

In EUR m	Mar 31st 2009	June 30th 2009					Q2 09		
	Net exposure (1)	Net exposure (1)	*Gross exposure (2)*		*%AAA**	*% AA & A**	Net Banking Income	Cost of Risk	Equity
			Amount	*%net exposure*					
'Held for Trading' portfolio	36	11	115	9%	0%	86%	9	-	-
'Available For Sale' portfolio	63	67	178	38%	48%	37%	1	-	-
'Loans & Receivables' portfolio	138	128	145	88%	99%	1%	3	-	-
'Held To Maturity' portfolio	17	17	18	97%	4%	96%	0	-	-
TOTAL	255	223	456	49%	50%	40%	13	-	-

(a) Excluding "exotic credit derivative portfolio" presented below
(1) Net of hedging and impairments

* As a % of remaining capital
(2) Remaining capital of assets before hedging

Commercial conduits (1/2)

■ **Description of 4 commercial conduits sponsored by Societe Generale by type of asset**

In EUR m	Asset total	Nationality of assets	Breakdown of assets							Contractual maturity of assets			Amount of CP issued	Rating of CP issued
			Auto loans	Trade receivables	Consumer loans	Equipment loans	Other loans	RMBS	CMBS (AAA)	0-6 months	6-12 months	> 12 months		
ANTALIS (France)	3,591	Europe(1)	10%	84%	0%	0%	0%	0%	6%	84%	0%	16%	3,549	P-1 / A-1
BARTON (United States)	6,539	US - 97% Switzerland - 3%	40%	8%	38%	10%	4%	0%	0%	8%	25%	67%	6,542	P-1 / A-1
ACE AUSTRALIA (Australia)	1,122	Australia	0%	0%	0%	0%	9%	91% (2)	0%	0%	0%	100%	1,029	P-1 / A-1+
HOMES (Australia)	1,377	Australia	0%	0%	0%	0%	0%	100% (3)	0%	0%	0%	100%	1,382	P-1 / A-1+
TOTAL	**12,629**		24%	28%	20%	5%	3%	19%	2%	28%	13%	59%	**12,502**	

() Conduit country of issuance

(1) 39% France, 22% Italy, 20% Germany, 8% UK, 7% Spain, 2% Netherlands, 1% Others
(2) 96% AAA - 4% AA
(3) 97% AAA - 3% AA -

NB: the RMBS' of conduits are rated, while the other underlying assets are retail assets with no external rating.

Commercial conduits (2/2)

■ Societe Generale's exposure at June 30th 2009 as a sponsor of these conduits (1)

In EUR m	Available liquidity line granted by Societe Generale	Letter of credit granted by Societe Generale	Commercial paper held by Societe Generale
ANTALIS (France)	4,754	261	0
BARTON (United States)	7,862	213	0
ACE AUSTRALIA (Australia)	1,067	28	0
HOMES (Australia)	1,432	34	108
TOTAL	15,115	536	108

■ Conduits sponsored by third parties

- Total available liquidity lines: EUR 0.3bn via 6 conduits
- Total Commercial Papers purchased: EUR 0.2bn

(1) No liquidity lines granted by Societe Generale were drawn down in Q2 09

Exotic credit derivatives

■ Business portfolio linked to client-driven activity

- Securities indexed on ABS credit portfolios marketed to investors
- Hedging of credit protection generated in SG's accounts by the purchase of the underlying ABS portfolio and the sale of indices
- Dynamic hedge management based on changes in credit spreads by adjusting the portfolio of ABS' held, positions on indices and the marketed securities

■ Net position as 5-yr equivalent: EUR -1.0bn

- EUR 2.5bn of securities disposed of in Q2 09
- No accounting reclassification in Q2 09
- Partial inclusion of monoline hedges (49%) following the fall in the monolines' credit ratings (no change in Q2 09)
- 74% of residual portfolio made up of A-rated securities and above

Net exposure as 5-yr risk equivalent (in EUR m)

In EUR m	Mar 31st 2009	June 30th 2009
American ABS'	178	-951
RMBS' (1)	629	-16
o.w. Prime	466	203
o.w. Midprime	868	444
o.w. Subprime	-688	-663
CMBS' (2)	-666	-1,036
Others	215	102
European ABS'	127	-96
RMBS' (3)	126	-42
o.w. UK	160	-20
o.w. Spain	-16	8
o.w. others	-18	-30
CMBS' (4)	-19	-59
Others	20	5
Total	305	-1,046

(1) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 1.1bn o.w. EUR 0.3bn Prime, EUR 0.6bn Midprime and EUR 0.2bn Subprime
(2) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 3.4bn
(3) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 58m
(4) Net exposure corresponding to delta exposure of a hedged underlying portfolio of EUR 21m

Portfolio of assets bought back from SGAM

■ **Excluding RMBS' in the UK and Spain, and CMBS' included in the aforementioned exposures**

'Held for Trading' portfolio

In EUR m	Mar 31st 09	June 30th 2009				
	Net exposure (1)	Net exposure (1)	Gross exposure (2) Amount	Gross exposure (2) % net exposure	%AAA*	% AA & A*
Banking and Corporate bonds	444	434	462	94%	0%	6%
Other RMBS	79	63	126	50%	20%	20%
Other ABS	48	35	106	33%	0%	55%
CDO	135	63	189	33%	3%	45%
CLO	274	251	608	41%	15%	33%
Other	19	17	45	38%	0%	13%
Total	1,000	862	1,535	56%	8%	26%

'Available For Sale' portfolio

In EUR m	Mar 31st 09	June 30th 2009				
	Net exposure (1)	Net exposure (1)	Gross exposure (2) Amount	Gross exposure (2) % net exposure	%AAA*	% AA & A*
Banking and Corporate bonds						
Other RMBS	266	268	347	77%	79%	17%
Other ABS	267	242	319	76%	59%	36%
CDO	207	190	355	54%	23%	55%
CLO	404	379	508	75%	60%	38%
Other	15	24	30	80%	0%	0%
Total	1,158	1,104	1,559	71%	54%	36%

'Loans & Receivables' portfolio

In EUR m	Mar 31st 09	June 30th 2009				
	Net exposure (1)	Net exposure (1)	Gross exposure (2) Amount	Gross exposure (2) % net exposure	%AAA*	% AA & A*
Banking and Corporate bonds	291	235	252	93%	0%	68%
Other RMBS	247	223	248	90%	87%	13%
Other ABS	161	145	165	88%	63%	37%
CDO	65	62	93	66%	0%	0%
CLO	179	163	191	85%	68%	32%
Total	943	827	949	87%	47%	34%

'Held To Maturity' portfolio

In EUR m	Mar 31st 09	June 30th 2009				
	Net exposure (1)	Net exposure (1)	Gross exposure (2) Amount	Gross exposure (2) % net exposure	%AAA*	% AA & A*
Banking and Corporate bonds						
Other RMBS	40	37	38	97%	83%	17%
Other ABS	102	90	91	98%	90%	10%
CDO	51	50	55	90%	0%	69%
CLO	79	73	74	98%	45%	55%
Total	272	249	259	96%	57%	36%

* As a % of remaining capital

(1) Net of hedging and impairments

Net exposure adjusted following a technical error

(2) Remaining capital of assets before hedging

Exposure to LBO financing (total final take and for sale) (1/2)

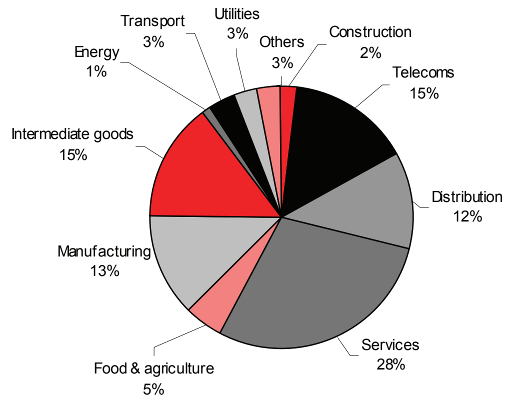
In EUR bn	Corporate and Investment Banking Mar 31st 09	Corporate and Investment Banking Jun 30th 09	French Networks Mar 31st 09	French Networks Jun 30th 09
Final take				
Number of accounts	*134*	*131*	*55*	*56*
Commitments	3.8	3.6	1.6	1.6
Units for sale				
Number of accounts	*0*	*0*	*0*	*1*
Commitments	0.0	0.0	0.0	0.0
Total	3.8	3.6	1.6	1.6

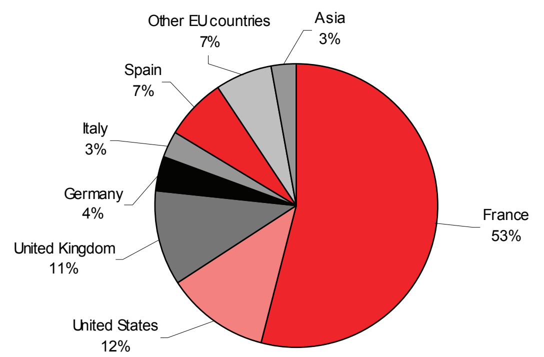
■ Corporate and Investment Banking

- Portfolio-based provision for final take at June 30th 2009: EUR 110m
- Provisions specific to LBO accounts: EUR 168m

Exposure to LBO financing (total final take and for sale) (2/2)

EUR 5.2bn





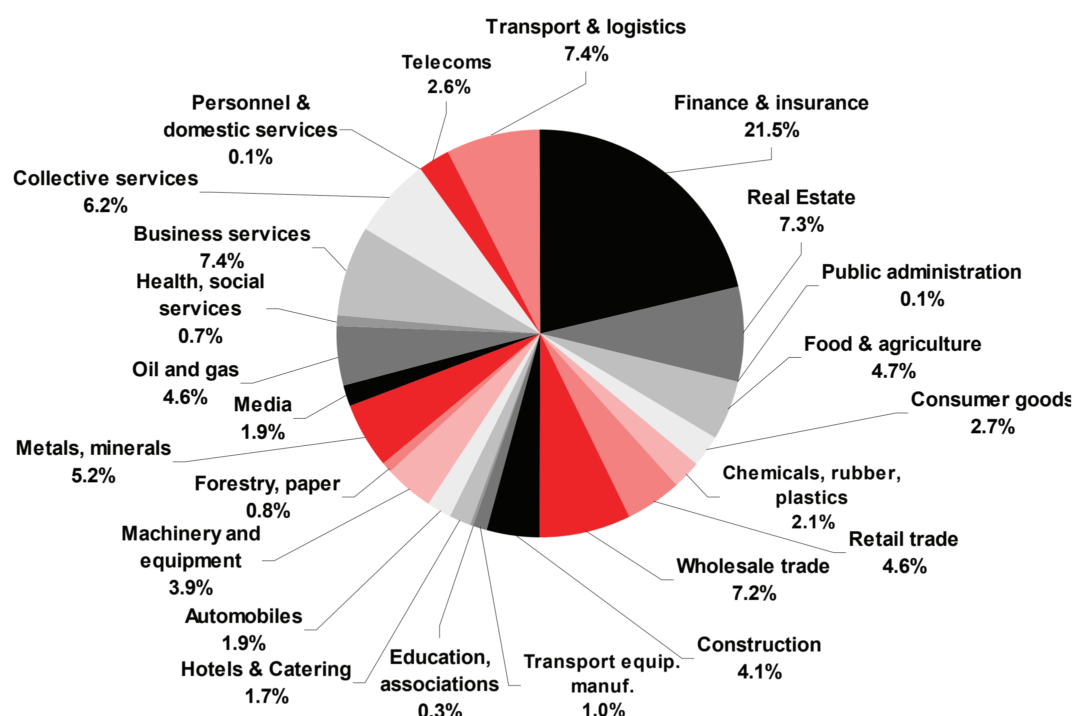
5.3 CREDIT PORTFOLIO ANALYSIS: CREDIT RISK OUTSTANDINGS

At June 30, 2009, loans (on-balance sheet + off-balance sheet, excluding fixed assets, equity investments and accruals) granted by Societe Generale Group to all of its clients represented Exposure at Default (EAD) of EUR 671 billion (including EUR 495 billion in outstanding balance sheet loans).

As a reminder, Exposure at Default (EAD) represents exposure in the event of default. It adds 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 on its ten largest industrial counterparties account for 5% of this portfolio.

- **Sector breakdown of group corporate outstanding loans at June 30, 2009 (Basel corporate portfolio, EUR 297bn) [(1)]**



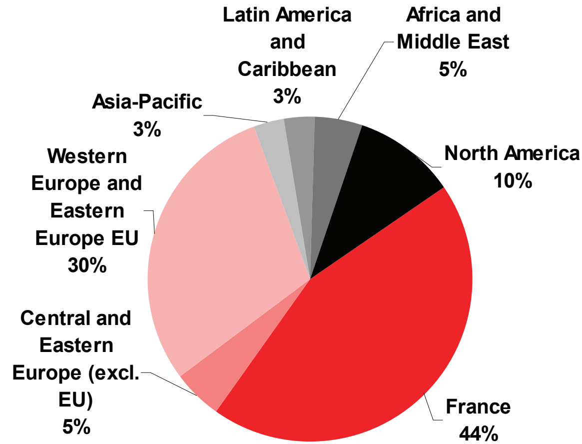
The Group's Corporate loan portfolio (Large Corporates, SMEs and Specialized Financing) is highly diversified in terms of sectors, and generally matches the structure of world GDP. Only one sector represents more than 10% of the Group's total outstanding loans (financial activities) and can notably be explained by the presence of funds and insurance in the Basel Large Corporates portfolio.

---

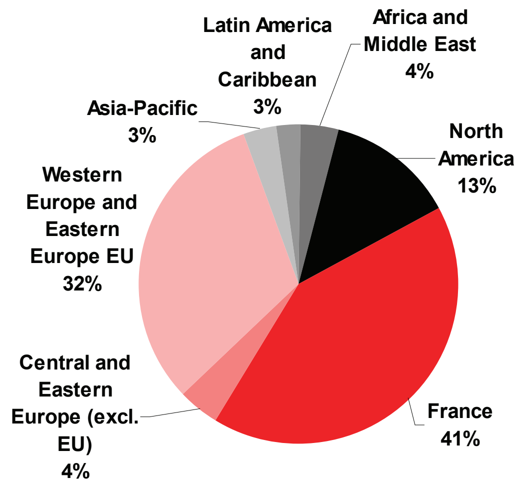
(1) *On and off-balance sheet EAD for the Corporate portfolio as defined by the Basel regulations (Big Corporates including Insurance companies, Funds and Hedge funds, SMEs and specialised financing).*
Entire credit risk (debtor, issuer and replacement risk for all portfolios, excluding fixed assets and accruals)

■ **Geographic breakdown of group credit risk outstanding at June 30, 2009 (all clients included)**

ON-BALANCE SHEET (EUR 495 BILLION IN EAD[(2)]):



ON-BALANCE SHEET AND OFF-BALANCE SHEET COMMITMENTS (EUR 671 BILLION IN EAD[(2)]):



[(2)] Entire credit risk (debtor, issuer and replacement risk for all portfolios, excluding fixed assets, equities and accruals)

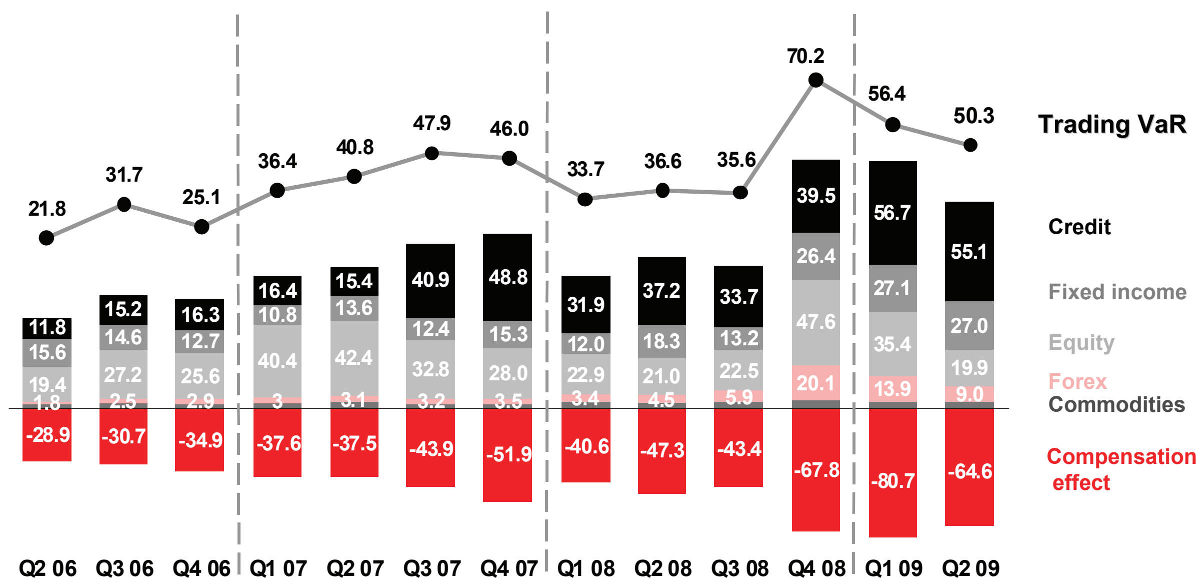
5.4 PROVISIONING OF DOUBTFUL LOANS

	Group		
	31/12/08	31/03/09	30/06/09
Customer loans in EUR bn	431.4	428.9	427.6
Doubtful loans in EUR bn	14.9	16.4	17.8
Doubtful loans / Customer loans	*3.5%*	*3.8%*	*4.2%*
Provisions in EUR bn	8.3	8.9	9.4
Dedicated provisions / Doubtful loans	56%	54%	53%
Portfolio-based provisions in EUR bn	1.1	1.4	1.5
Overall provisions / Doubtful loans	*63%*	*63%*	*61%*

Excluding passive provision attached to these counterparties.

5.5 CHANGE IN TRADING VAR

Quarterly average 99% Value at Risk (VaR), a composite indicator used to monitor the bank's daily risk exposure, notably for its trading activities, in millions of euros:



Since January 1st 2007, the Group has incorporated variations in equity volatility (in the place of variations in index volatility).

Since January 1st 2008, the parameters for Credit VaR exclude positions on hybrid CDOs, which are now accounted for prudentially in the banking book.

VI. CHAPTER 10: FINANCIAL INFORMATION

6.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AT JUNE 30, 2009

CONTENTS OF FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Consolidated balance sheet
Consolidated income statement
Statement of net income and gains and losses recognized directly in equity
Changes in shareholders' equity
Cash flow statement

ACCOUNTING PRINCIPLES AND SCOPE EVOLUTION

Note 1 Accounting principles
Note 2 Changes in consolidation scope
Note 3 Financial instruments affected by the financial crisis

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 4 Financial assets and liabilities measured at fair value through profit and loss
Note 5 Hedging derivatives
Note 6 Available-for-sale financial assets
Note 7 Due from banks
Note 8 Customer loans
Note 9 Reclassification of financial assets
Note 10 Non-current assets held-for-sale
Note 11 Goodwill affected by business unit
Note 12 Due to banks
Note 13 Customer deposits
Note 14 Securitized debt payables
Note 15 Underwriting reserves and net investments of insurance companies
Note 16 Provisions and depreciation
Note 17 Societe Generale ordinary shares, treasury shares, shares held by employees and shareholders' equity issued by the group
Note 18 Gains and losses accounted for directly in equity
Note 19 Commitments
Note 20 Breakdown of assets and liabilities by term to maturity
Note 21 Foreign exchange transactions

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 22 Interest income and expense
Note 23 Fee income and expense
Note 24 Net gains or losses on financial instruments at fair value through P&L
Note 25 Net gains or losses on available-for-sale financial assets
Note 26 Personnel expenses
Note 27 Share-based payment plans
Note 28 Cost of risk
Note 29 Income tax
Note 30 Earnings per share

SECTOR INFORMATION

Note 31 Sector information

CONSOLIDATED BALANCE SHEET

Assets

(In millions of euros)		*IFRS* June 30, 2009	*IFRS* December 31, 2008
Cash, due from central banks		13,441	13,745
Financial assets measured at fair value through profit and loss	Note 4	419,782	488,415
Hedging derivatives	Note 5	5,606	6,246
Available-for-sale financial assets	Note 6	87,425	81,723
Due from banks	Note 7	76,343	71,192
Customers loans	Note 8	346,499	354,613
Lease financing and similar agreements		28,631	28,512
Revaluation differences on portfolios hedged against interest rate risk		2,705	2,311
Held-to-maturity financial assets		2,058	2,172
Tax assets		5,025	4,674
Other assets		45,311	51,469
Non-current assets held-for-sale	Note 10	481	37
Deferred profit sharing	Note 15	2,898	3,024
Investments in subsidiaries and affiliates accounted for by the equity method		727	185
Tangible and intangible fixed assets		15,336	15,155
Goodwill	Note 11	6,591	6,530
Total		**1,058,859**	**1,130,003**

Liabilities

(In millions of euros)		IFRS	
		June 30, 2009	December 31, 2008 *
Due to central banks		2,798	6,503
Financial liabilities measured at fair value through profit and loss	Note 4	337,710	414,256
Hedging derivatives	Note 5	8,026	7,426
Due to banks	Note 12	102,166	115,270
Customer deposits	Note 13	291,480	282,514
Securitized debt payables	Note 14	133,381	120,374
Revaluation differences on portfolios hedged against interest rate risk		531	583
Tax liabilities		798	981
Other liabilities		53,393	57,817
Non-current liabilities held-for-sale	Note 10	150	35
Underwriting reserves of insurance companies	Note 15	70,051	67,147
Provisions	Note 16	2,196	2,291
Subordinated debt		13,487	13,919
Total liabilities		**1,016,167**	**1,089,116**
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Common stock		799	726
Equity instruments and associated reserves		20,322	17,727
Retained earnings		18,787	17,775
Net income		31	2,010
Sub-total		**39,939**	**38,238**
Unrealized and deferred capital gains and losses	Note 18	(2,042)	(2,153)
Sub-total equity, Group share		**37,897**	**36,085**
Minority interests		4,795	4,802
Total equity		**42,692**	**40,887**
Total		**1,058,859**	**1,130,003**

** Amounts adjusted with respect to the published financial statements.*

CONSOLIDATED INCOME STATEMENT

(In millions of euros)		IFRS June 30, 2009	IFRS December 31, 2008	IFRS June 30, 2008
Interest and similar income	Note 22	17,167	40,188	19,515
Interest and similar expense	Note 22	(10,615)	(32,240)	(16,151)
Dividend income		134	466	198
Fee income	Note 23	5,167	10,505	5,216
Fee expense	Note 23	(1,337)	(3,090)	(1,576)
Net gains or losses on financial transactions		(413)	4,770	3,426
o/w net gains or losses on financial instruments at fair value through profit and loss	Note 24	*(359)*	*4,677*	*3,170*
o/w net gains or losses on available-for-sale financial assets	Note 25	*(54)*	*93*	*256*
Income from other activities		8,632	15,383	8,428
Expenses from other activities		(8,106)	(14,116)	(7,793)
Net banking income		**10,629**	**21,866**	**11,263**
Personnel expenses	Note 26	(4,673)	(8,616)	(4,520)
Other operating expenses		(2,769)	(6,040)	(2,934)
Amortization, depreciation and impairment of tangible and intangible fixed assets		(442)	(872)	(408)
Gross operating income		**2,745**	**6,338**	**3,401**
Cost of risk	Note 28	(2,429)	(2,655)	(985)
Operating income		**316**	**3,683**	**2,416**
Net income from companies accounted for by the equity method		(6)	(8)	12
Net income/expense from other assets (1)		14	633	641
Impairment losses on goodwill		(18)	(300)	-
Earnings before tax		**306**	**4,008**	**3,069**
Income tax	Note 29	(62)	(1,235)	(951)
Consolidated net income		**244**	**2,773**	**2,118**
Minority interests		213	763	378
Net income, Group share		**31**	**2,010**	**1,740**
Earnings per ordinary share	Note 30	**(0.23)**	**3.38**	**3.17**
Diluted earnings per ordinary share	Note 30	**(0.23)**	**3.36**	**3.15**
Earnings per preferred share	Note 30	**(0.04)**	**-**	**-**
Diluted earnings per preferred share	Note 30	**(0.04)**	**-**	**-**

(1) When creating Newedge, a gain of EUR 602 million was realized on the sale of 50% of the Fimat shares owned by the Group as at June 30, 2008.

Statement of net income and gains and losses recognized directly in equity

(In millions of euros)	IFRS		
	June 30, 2009 *	December 31, 2008 *	June 30, 2008
Net income	**244**	**2,773**	**2,118**
Translation differences	(46)	(708)	(175)
Revaluation of available-for-sale financial assets	290	(3,335)	(1,369)
Cash flow hedge derivatives revaluation	-	297	(12)
Gains and losses recognized directly in equity for companies accounted for by the equity method	3	-	-
Tax	(133)	797	322
Total gains and losses recognized directly in equity	**114**	**(2,949)**	**(1,234)**
Net income and gains and losses recognized directly in equity	**358**	**(176)**	**884**
O/w Group share	142	(789)	473
O/w minority interests	216	613	411

* See Note 18

Changes in shareholders' equity

(In millions of euros)	Capital and associated reserves			Consolidated reserves	Gains and losses recognized 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 17)	Gains and losses recognized 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	155	5,679							5,834				5,834
Elimination of treasury stock			704	(8)					696				696
Issuance of equity instruments		1,877		34					1,911				1,911
Equity component of share-based payment plans		97							97				97
S1 2008 Dividends paid				(501)					(501)	(293)		(293)	(794)
Effect of acquisitions and disposals on minority interests				(188)					(188)	526		526	338
Sub-total of changes linked to relations with shareholders	***155***	***7,653***	***704***	***(663)***		***-***	***-***	***-***	***7,849***	***233***	***-***	***233***	***8,082***
Change in value of financial instruments and fixed assets having an impact on equity						(1,132)	(20)		(1,152)		(9)	(9)	(1,161)
Change in value of financial instruments and fixed assets recognized in income						(220)			(220)				(220)
Tax impact on change in value on financial instruments and fixed assets having an impact on equity or recognized in income								322	322				322
Translation differences and other changes				(3)	(217)				(220)		42	42	(178)
S1 2008 Net income for the period				1,740					1,740	378		378	2,118
Sub-total	***-***	***-***	***-***	***1,737***	***(217)***	***(1,352)***	***(20)***	***322***	***470***	***378***	***33***	***411***	***881***
Change in equity of associates and joint ventures accounted for by the equity method													
Shareholders' equity at June 30, 2008	**738**	**18,631**	**(2,760)**	**19,572**	**(720)**	**(152)**	**81**	**170**	**35,560**	**4,536**	**142**	**4,678**	**40,238**
Increase in common stock	(12)	(1,205)							(1,217)			-	(1,217)
Elimination of treasury stock			1,270	-					1,270			-	1,270
Issuance of equity instruments		1,699		61					1,760			-	1,760
Equity component of share-based payment plans		92							92			-	92
S2 2008 Dividends paid				(80)					(80)	(47)		(47)	(127)
Effect of acquisitions and disposals on minority interests				(37)					(37)	(31)		(31)	(68)
Sub-total of changes linked to relations with shareholders	***(12)***	***586***	***1,270***	***(56)***		***-***	***-***	***-***	***1,788***	***(78)***	***-***	***(78)***	***1,710***
Change in value of financial instruments and fixed assets having an impact on equity						(1,819)	326		(1,493)		(51)	(51)	(1,544)
Change in value of financial instruments and fixed assets recognized in income						(119)	-		(119)		6	6	(113)
Tax impact on change in value on financial instruments and fixed assets having an impact on equity or recognized in income								475	475			-	475
Translation differences and other changes				(1)	(395)				(396)		(138)	(138)	(534)
2008 Net income for the period				270					270	385		385	655
Sub-total	***-***	***-***	***-***	***269***	***(395)***	***(1,938)***	***326***	***475***	***(1,263)***	***385***	***(183)***	***202***	***(1,061)***
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 17)	73	2,076							2,149			-	2,149
Elimination of treasury stock (1)			69	(92)					(23)			-	(23)
Issuance of equity instruments (see Note 17)		356		86					442			-	442
Equity component of share-based payment plans (2)		94							94	1		1	95
2009 Dividends paid (see Note 17)				(931)					(931)	(278)		(278)	(1,209)
Effect of acquisitions and disposals on minority interests (3) (4)				(61)					(61)	58		58	(3)
Sub-total of changes linked to relations with shareholders	***73***	***2,526***	***69***	***(998)***		***-***	***-***	***-***	***1,670***	***(219)***	***-***	***(219)***	***1,451***
Change in value of financial instruments and fixed assets having an impact on equity						304	-		304		2	2	306
Change in value of financial instruments and fixed assets recognized in income						(19)	-		(19)		3	3	(16)
Tax impact on change in value on financial instruments and fixed assets having an impact on equity or recognized in income								(132)	(132)		(1)	(1)	(133)
Translation differences and other changes (5)				-	(45)				(45)	(4)	(1)	(5)	(50)
2009 Net income for the period				31					31	213		213	244
Sub-total	***-***	***-***	***-***	***31***	***(45)***	***285***	***-***	***(132)***	***139***	***209***	***3***	***212***	***351***
Change in equity of associates and joint ventures accounted for by the equity method						3			3			-	3
Shareholders' equity at June 30, 2009 (6)	**799**	**21,743**	**(1,421)**	**18,818**	**(1,160)**	**(1,802)**	**407**	**513**	**37,897**	**4,833**	**(38)**	**4,795**	**42,692**

(1) At June 30, 2009, the Group held 24,211,799 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 3.79% 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 1,421 million, including EUR 188 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	16	53	69
	16	53	69
Capital gains net of tax on treasury shares and treasury share derivatives, booked under shareholders' equity	0	(105)	(105)
Related dividends, removed from consolidated results	2	11	13
	2	(94)	(92)

(2) Share-based payments settled in equity instruments in 2009 amounted to EUR 94 million, including EUR 17 million for the stock option plans, EUR 49 million for the free shares attribution plan and EUR 28 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 June 30, 2009:

Gains on sales cancellation	8
Minority interests buybacks not subject to any put options	(60)
Transactions and variation of value on put options granted to minority shareholders	(11)
Net income attributable to the minority interests of shareholders holding a put option on their Group shares allocated to consolidated reserves	2
Total	(61)

(4) Movements booked in the amount of EUR 58 million under minority interest reserves correspond to:

EUR 43 million to the capital increase among whom EUR 37 million relative to Rosbank,

EUR 73 million of positive effect on minority interests buybacks not subject to any put options,

EUR (58) million of negative effect of the variations in scope included 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 minority shareholders.

(5) The variation in Group translation differences for 2009 amounted to EUR (45) million.

This variation was mainly due to the decrease of the Rouble against the Euro (EUR (103) million), the US Dollar (EUR (76) million), the Yen (EUR (27) million), the Romanian Leu (EUR (25) million) and to the increase of the Pound sterling against the Euro (EUR 94 million), the Czech Koruna (EUR 48 million) and the Real (EUR 43 million).

The variation in translation differences attributable to minority interests amounted to EUR (1) million. This was mainly due to the revaluation of the euro against Czech Koruna (EUR 29 million), and to the decrease of the Romanian Leu against the Euro (EUR (19) million), the Rouble (EUR (6) million) and the US Dollar (EUR (5) million).

(6) Revaluation at fair value of available-for-sale assets amounting to EUR (1,802) million at June 30, 2009 is decomposed as follows:

- unrealized gains: EUR 2,429 million of which EUR 1,467 million on the portofolios of the insurance subsidiaries;
- unrealized losses: EUR (3,879) million of which:
  . unrealized losses on the portfolios of the insurance subsidiaries: EUR (1,229) million;
  . unrealized losses on the portfolios of the other entities: EUR (2,650) million, concerning for the major part debt securities (unrealized losses on equity securities amounts to EUR (130) million);
  for these debt securities, according to the group accounting principles, the absence of risk event on the credit issuers led to maintain in stockholders' equity unrealized losses (see note 1);
- unrealized losses on assets reclassified in loans and receivables on October 1, 2008 (see note 9): EUR (854) million (will be recycled to profits and losses all along the residual life of the related loans and receivables) of which EUR (835) million on the portofolio of the insurance subsidiaries;
- profit-sharing recordings amounting to EUR 502 million that mostly compensate the unrealised gains and losses on the portofolio of the insurance subsidiaries (see note 15).

Cash flow statement

(In millions of euros)	June 30, 2009	December 31, 2008	June 30, 2008
NET CASH INFLOW (OUTFLOW) RELATED TO OPERATING ACTIVITIES			
Net income (I)	**244**	**2,773**	**2,118**
Amortization expense on tangible fixed assets and intangible assets	1,375	2,665	1,279
Depreciation and net allocation to provisions	4,621	(16)	(337)
Allocation to provisions for the loss linked to the closing of unauthorized and concealed trading activities positions	-	(6,382)	(6,382)
Net income/loss from companies accounted for by the equity method	6	8	(12)
Deferred taxes	(505)	768	(157)
Net income from the sale of long term available-for-sale assets and subsidiaries	(9)	(1,018)	(860)
Change in deferred income	153	(134)	(13)
Change in prepaid expenses	(70)	(25)	(162)
Change in accrued income	761	164	(956)
Change in accrued expenses	(1,372)	308	(214)
Other changes	(617)	5,602	3,595
Non-monetary items included in net income and others adjustments (not including income on financial instruments measured at fair value through P&L) (II)	**4,343**	**1,940**	**(4,219)**
Income on financial instruments measured at fair value through P&L [1] (III)	**359**	**(4,677)**	**(3,170)**
Interbank transactions [2]	(16,789)	(16,449)	(29,070)
Customers transactions [3]	13,998	(43,820)	(15,786)
Transactions related to other financial assets and liabilities [4]	(2,810)	55,695	47,594
Transactions related to other non financial assets and liabilities	5,408	(5,150)	(1,934)
Net increase / decrease in cash related to operating assets and liabilities (IV)	**(193)**	**(9,724)**	**804**
NET CASH INFLOW (OUTFLOW) RELATED TO OPERATING ACTIVITIES (A) = (I) + (II) + (III) + (IV)	**4,753**	**(9,688)**	**(4,467)**
NET CASH INFLOW (OUTFLOW) RELATED TO INVESTMENT ACTIVITIES			
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long-term investments	(64)	(811)	(330)
Tangible and intangible fixed assets	(1,467)	(3,293)	(1,586)
NET CASH INFLOW (OUTFLOW) RELATED TO INVESTMENT ACTIVITIES (B)	**(1,531)**	**(4,104)**	**(1,916)**
NET CASH INFLOW (OUTFLOW) RELATED TO FINANCING ACTIVITIES			
Cash flow from / to shareholders [5]	1,272	9,235	7,614
Other net cash flows arising from financing activities	(334)	1,644	980
NET CASH INFLOW (OUTFLOW) RELATED TO FINANCING ACTIVITIES (C)	**938**	**10,879**	**8,594**
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**4,160**	**(2,913)**	**2,211**
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	8,320
Net balance of accounts, demand deposits and loans with banks	4,533	6,368	6,368
Cash and cash equivalents at end of the year			
Net balance of cash accounts and accounts with central banks	10,644	7,242	10,718
Net balance of accounts, demand deposits and loans with banks	5,291	4,533	6,181
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS	**4,160**	**(2,913)**	**2,211**

(1) Income on financial instruments measured at fair value through P&L includes realized and unrealized income.

(2) O/w EUR (6,115) million reclassified into due from banks as at October 1, 2008.

(3) O/w EUR (22,331) million reclassified into customer loans as at October 1, 2008.

(4) O/w EUR 24,264 million reclassified from Trading portfolio, EUR 4,344 million reclassified from Available-for-sale portfolio and EUR (890) million reclassified into Available-for-sale portfolio as at October 1, 2008.

(5) O/w several capital increases for EUR 73 million with EUR 2,076 million of issuing premiums and one super subordinated loan issue in February 2009 (USD 450 million).

Note 1

Accounting principles

The condensed interim consolidated financial statements for the Societe Generale Group ("the Group") for the 6 months period ending June 30, 2009 were prepared and are presented in accordance with IAS (International Accounting Standards) 34 "Interim Financial Reporting". The accompanying notes therefore relate to significant items for the period and should be read in conjunction with the audited consolidated financial statements for the year ending December 31, 2008 included in the Registration document for the year 2008.

The consolidated financial statements are presented in euros.

Use of estimates

When applying the accounting principles disclosed below for the purpose of preparing the condensed interim consolidated financial statements, 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 statements 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 valuations of fair value of financial instruments, the amount of impairment of assets, provisions and goodwill determined for each business combination.

Accounting principles and methods

In preparing the condensed interim consolidated financial statements, the Group applied the same accounting principles and methods as for its year-end 2008 consolidated financial statements, which were drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and described in Note 1 to the 2008 consolidated financial statements, "Significant accounting principles", updated by the following accounting standards or interpretations applied by the Group since January 1, 2009 :

Accounting standards or Interpretations	Adoption dates by the European Union	Effective dates : annual periods beginning on or after
Improvements to IFRSs	January 27, 2009	January 1, 2009
Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation"	January 25, 2009	January 1, 2009

Accounting standards or Interpretations	Adoption dates by the European Union	Effective dates : annual periods beginning on or after
Amendments to IFRS 1 and IAS 27 ”Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate”	January 27, 2009	January 1, 2009
IFRS 8 “Operating segment”	November 21, 2007	January 1, 2009
IAS 1 (revised) “Presentation of financial statements”	December 17, 2008	January 1, 2009
Amendment to IAS 23 “Borrowing costs”	December 10, 2008	January 1, 2009
Amendment to IFRS 2 “Vesting conditions and cancellations”	December 16, 2008	January 1, 2009
IFRIC 13 “Customer loyalty programs”	December 16, 2008	January 1, 2009
IFRIC 14 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”	December 16, 2008	January 1, 2009

The application of these new measures has no significant impact over the period.

Accounting standards and interpretations to be applied by the Group in the future

The IASB (International Accounting Standards Board) has published some accounting standards that have been adopted by the European Union as of June 30, 2009 and which will be applied by the Group since January 1, 2010 :

Accounting standards or Interpretations	Adoption dates by the European Union	Effective dates : annual periods beginning on or after
IFRS 3 (revised) “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”	June 15, 2009	July 1, 2009
IFRIC 12 “Service Concession Arrangements”	March 29, 2009	March 29, 2009
IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”	June 8, 2009	July 1, 2009

Additionally, the IASB has published some amendments or interpretations that have not been yet adopted by the European Union as of June 30, 2009. Accordingly, they have not been applied by the Group at that date.

Amendments or Interpretations	Adoption dates by IASB	Effective dates : annual periods beginning on or after
IFRIC 15 “Agreements for the Construction of Real Estate”	July 3, 2008	January 1, 2009
IFRIC 17 “Distribution of Non-cash Assets to Owners”	November 27, 2008	July 1, 2009
Amendment to IAS 39 “Financial Instruments: Recognition and Measurement, Eligible Hedged Items”	July 31, 2008	July 1, 2009
Amendments to IFRS 7 “Financial Instruments : Disclosures” *	March 5, 2009	January 1, 2009
Amendments to IFRIC 9 and IAS 39 “Embedded derivatives”	March 12, 2009	July 1, 2009

Amendments or Interpretations	Adoption dates by IASB	Effective dates : annual periods beginning on or after
Improvements to IFRSs	April 16, 2009	January 1, 2010
Amendments to IFRS 2 “Share-based Payment”	June 18, 2009	January 1, 2010
IFRIC 18 “Transfers of Assets from Customers”	January 29, 2009	July 1, 2009
IFRS 1 (revised) “First-time adoption of Financial Reporting Standards”	November 27, 2008	July 1, 2009

* Nota: some of the information required by these amendments are still provided in the selected notes presented in the appendix to the condensed interim consolidated financial statements since they relate to significant items for the period (especially the disclosures of the fair value hierarchy for each class of financial instruments measured at fair value and available-for-sale financial assets).

Absence of seasonality

As the Group’s activities are neither seasonal not cyclical in nature, its first half results were not affected by any seasonal or cyclical factors.

CNC recommended format for banks’ summary financial statements

As the IFRS accounting framework does not specify a standard model, the format used for the summary financial statements is consistent with the format proposed by the French Standard Setter, 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 has kept a separate presentation of the consolidated income statement to show the different components of its net income. It provides in a new statement starting with this net income the detail of its gains and losses recognized directly in equity (“Statement of net income and gains and losses recognized directly in equity “).

The new information related to gains and losses recognized directly in equity that are required by the revised IAS 1 to be disclosed are provided in the notes :

- information about the recycling in the income statement of gains and losses recognized directly in equity and

- information about the income tax related to each component of gains and losses recognized directly in equity.

Comparative figures

Certain June 30, 2008 and December 31, 2008 comparative figures have been restated in order to adjust errors of presentation. These changes have no consequence on the income or on the stockholders' equity of displayed periods. This point is indicated in the concerned notes.

Note 2

Changes in consolidation scope

As at June 30, 2009, the Group's consolidation scope includes 929 companies:

784 fully consolidated companies;

101 proportionately consolidated companies;

44 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 June 30, 2009, compared with the scope applicable for the accounts at June 30, 2008 and at December 31, 2008 are as follows:

- In the first half of 2009:
  - 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.
  - 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 New Esporta Holding Ltd, which is fully consolidated.
  - 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. 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.

In application of IFRS 5 “Non-current receivables held-for-sale and discontinued operations” and following the agreement between Societe Generale Group and Credit Agricole S.A., assets and liabilities of the asset management activities brought to the joint asset management company created by Societe Generale and Credit Agricole S.A. were reclassified in non-current assets and liabilities held-for-sale.

Likewise, following the Group's decision to exercise a put option on the shares it holds in its subsidiary Groupama Bank, its investments in this subsidiary accounted for by the equity method were reclassified as non-current assets held-for-sale.

- During the second half of 2008:
  - Societe Generale, through SG Hambros, acquired a wealth management business ABN AMRO in Gibraltar.
  - PEMA GmbH, which is 100% owned by the Group, was fully consolidated.
  - Arrow Offshore, 100% owned by the Group, was fully consolidated.
  - Permal PJM Ltd, 100% owned by the Group, was fully consolidated.
  - The Group’s stake in U.I.B. was increased by 4.86%, bringing its stake to 57.20% at the end of December 2008.
  - The stake in SG Private Banking Belgique was increased to 100%, i.e. a 1.04% increase compared to December 31, 2007 due to minority shareholders who have exercised their put options.
  - The stake in Splitska Banka was increased to 100%, i.e. a 0.24% increase compared to December 31, 2007.
  - The Group operated capital increase on SG Maroc, bringing its stake to 56.91%, i.e. a 3.89% increase compared to December 31, 2007.
  - The stake in EQDOM was increased to 45.41%, i.e. a 0.25% increase compared to December 31, 2007.
  - The stake in Societe Generale de Banques au Burkina was increased to 44.48%, i.e. a 2.20% increase compared to December 31, 2007.
  - The stake in BRD was increased to 58.54%, i.e. a 0.22% increase compared to December 31, 2007.

Note 3

Financial instruments affected by the financial crisis

The first half of 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.

Following the gradual deterioration in the market environment, the Societe Generale Group was impacted mainly on:

- its RMBS (Residential Mortgage Backed Securities) trading positions;
- its CMBS (Commercial Mortgage Backed Securities) trading positions;
- its positions on super senior tranches of RMBS CDOs (Collateralised Debt Obligations);
- its exposure to counterparty risk on monoline insurers.

1. RMBS (Residential Mortgage Backed Securities)

For positions relative to bonds whose underlyings are subprime risks on US residential mortgage exposure, since the second half of 2007, it has become difficult to establish reliable prices on all securities individually.

In these conditions, the valuation technique was based on using observable prices on benchmark indices, in particular the ABX Index (valuation based on observable market data). A weighted-average life was determined for the various ABX Indices and RMBS investments held in portfolio, including default, recovery, and pre-payment scenarios. 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 acquisition of protection on ABX indexes or sold; moreover a part of the portfolio has been reclassified out of the *Trading* portfolio to *Loans and receivables* on October 1, 2008. The residual exposure net of hedge and write-downs, carried at fair value on the balance sheet totalised EUR 192 million[1] at June 30, 2009.

2. 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 acquisition of protection on CMBX indexes or sold; moreover a part of the portfolio was transferred from *Trading portfolio* to *Loans and receivables* on October 1, 2008. At June 30, 2009, the net residual exposure at fair value following the write-downs and hedge totalised EUR 296 million[1].

[1] Excluding Exotic credit derivative portfolio.

3. CDO (Collateralized Debt Obligations) tranches of RMBS

The valuation of super senior CDO tranches of RMBS was not based on observable transactions but was carried out using parameters that were neither observable nor quoted in an active market.

Societe Generale Group's approach is focused 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 mark-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 over the first half of 2009 to reflect changes in the economic environment, such as the delinquency and default rates, home price appreciation, and observed losses experience. Indeed, over the first half of 2009, Societe Generale Group increased its cumulative losses assumptions, following a degradation of US residential mortgage market (acceleration of default rates, increase in the severity of losses).

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 13% to 14.3% on 2005 RMBS), completed, for 2006 and 2007 subprime loans, by an additional liquidity add-on resulting from the comparison between average liquidity add-on rate obtained and liquidity add-on rates priced in the benchmark (ABX) at closing date.

On the whole, the valuations obtained at June 30, 2009 were consistent with the valuation levels of benchmark ABX indices for this type of exposure where the comparison was appropriate (2006 and 2007 subprime vintage).

On June 30, 2009, gross exposure to super senior CDO tranches previously classified as *Trading*, after reclassification into *Loans and receivables* and partial liquidation, totalised EUR 1.5 billion (versus EUR 1.6 billion at December 31, 2008). Concerning this position, write-downs recorded in 2009 amounted to EUR 0.1 billion and negatively affected bonds and other debt instruments at fair value through profit and loss booked on the assets side of the consolidated balance sheet. On June 30, 2009, the net exposure to CDO tranches was EUR 0.7 billion.

Cumulative losses rates on subprime assets in CDO tranches of RMBS

	2005	2006	2007
Assumptions for cumulative Q4 08 losses	**11,0%**	**25,0%**	**27,0%**
Assumptions for cumulative H1 09 losses	**13,0%**	**30,0%**	**36,0%**

Impact of change in cumulative losses		**In EUR m**
+10% cumulative losses for each year of production	⇒	**-100**

4. Exposure to counterparty risk on US monolines

The relevant exposures are included under *Financial assets at fair value through profit or loss*. The fair value of the Group's exposures to monoline insurers that have granted credit enhancements on assets, notably including underlying US real estate, takes into account the deterioration in the estimated counterparty risk on these players.

Given the continuous deterioration of the credit spreads, changes to cumulative loss assumptions on RMBS and exchange rate effects, the estimate of sums which may be due to Societe Generale Group from monoline guarantees increased from EUR 4.2 billion at December 31, 2008 to EUR 4.8 billion at June 30, 2009.

This change in exposure led us to adjust our provisioning levels, to increase our hedge during the first half of 2009 by EUR 0.8 billion to bring it to EUR 2.9 billion (these figures exclude ACA and Bluepoint). This provisioning is calculated based on applying severe cumulative loss rates (up to 90% for the most poorly rated monoline insurers and up to 60% on investment grade monoline insurers).

Over the first half of 2009, we reviewed the methodology used to determine our provisioning rate. We complemented the previously used fundamental ratings-based approach (provisioning rate being a function of the internal rating of the monoline) with the use of market indications (CDS spreads for a given monoline and expected recovery rates). These elements allow us to derive an expected loss estimation and the appropriate provisioning rate.

Following this review, we decided to be more conservative regarding the provisioning rate of some monolines.

Our exposure to counterparty risk on monoline insurers breaks 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 CDO non RMBS , CLO and the financing of infrastructures, using a mark-to-stress methodology (maximum historical cumulative loss over five years for each asset class) and a liquidity reserve based on mark-to-markets;
- exposure linked to other secured financial instruments (other CDO and ABS) measured at mark-to-market.

The hedging rate (CDS + reserves) amounted to 76% of gross exposure at June 30, 2009 which would result from an immediate and simultaneous default of all companies.

Counterparty risk exposure to monolines (default scenario for all Societe Generale Group counterparty monoline insurers)

EUR bn	Dec 31st 08	June 30th 09
Fair value of protection before value adjustments	4,2	4,8
Nominal amount of hedges purchased*	-0,9	-0,8
Fair value of protection net of hedges and before value adjustments	3,3	4,0
Value adjustments for credit risk on monolines (booked under protection)	-2,1	-2,9**
Residual exposure to counterparty risk on monolines	1,2	1,2
Total fair value hedging rate	*73%*	*76%*

AA 7%
BB 2%
B 30%
CC 61%

AA 17%
BB 5%
B 40%
CC 38%

The rating used is the lowest issued by Moody's or S&P (at July 31st 2009)

AA: Assured Guaranty, FSA
BB: Radian,
B: MBIA
CC: Ambac, CIFG, FGIC, Syncora Guarantee

* The nominal amount of hedges purchased from banking counterparties has a mark-to-market impact of EUR +321 million at June 30, 2009 and is neutralized in the income statement.

** Including the value adjustment taking into account the prospect of commutation realized in Mid-July with one monoline.

Note 4

Financial assets and liabilities at fair value through profit and loss

(In millions of euros)	June 30, 2009				December 31, 2008			
	Valuation established using prices published in an active market	Valuation technique based on observable market data	Valuation not based on market data (2)	Total	Valuation established using prices published in an active market	Valuation technique based on observable market data	Valuation not based on market data (2)	Total
ASSETS								
Trading portfolio								
Treasury notes and similar securities	45,968	3,463	-	49,431	30,455	1,135	-	31,590
Bonds and other debt securities	13,670	15,900	6,607	36,177	13,000	24,124	8,343	45,467
Shares and other equity securities (1)	44,818	3,815	432	49,065	31,537	10,366	372	42,275
Other financial assets	145	38,616	45	38,806	44	30,790	-	30,834
Sub-total trading assets	**104,601**	**61,794**	**7,084**	**173,479**	**75,036**	**66,415**	**8,715**	**150,166**
o/w securities on loan				*2,717*				*2,446*
Financial assets measured using fair value option through P&L								
Treasury notes and similar securities	149	590	-	739	162	565	-	727
Bonds and other debt securities	5,767	443	-	6,210	5,303	526	-	5,829
Shares and other equity securities (1)	12,926	1,821	-	14,747	13,414	1,763	-	15,177
Other financial assets	855	4,773	154	5,782	109	4,385	272	4,766
Sub-total of financial assets measured using fair value option through P&L	**19,697**	**7,627**	**154**	**27,478**	**18,988**	**7,239**	**272**	**26,499**
o/w securities on loan				-				-
Interest rate instruments	**51**	**99,669**	**6,937**	**106,657**	**724**	**124,565**	**7,666**	**132,955**
Firm instruments								
Swaps				84,622				106,481
FRA				594				1,225
Options								
Options on organized markets				1				155
OTC options				14,440				18,817
Caps, floors, collars				7,000				6,277
Foreign exchange instruments	**318**	**27,786**	**65**	**28,169**	**825**	**38,083**	**104**	**39,012**
Firm instruments				*23,953*				*33,023*
Options				*4,216*				*5,989*
Equity and index instruments	**734**	**32,365**	**2,050**	**35,149**	**1,083**	**41,344**	**2,740**	**45,167**
Firm instruments				*3,147*				*8,591*
Options				*32,002*				*36,576*
Commodity instruments	**2,492**	**12,883**	**247**	**15,622**	**2,158**	**21,792**	**101**	**24,051**
Firm instruments-Futures				*10,305*				*18,068*
Options				*5,317*				*5,983*
Credit derivatives	**-**	**28,505**	**4,261**	**32,766**	**-**	**63,375**	**6,546**	**69,921**
Other forward financial instruments	**173**	**27**	**262**	**462**	**284**	**91**	**269**	**644**
On organized markets				*103*				*242*
OTC				*359*				*402*
Sub-total trading derivatives	**3,768**	**201,235**	**13,822**	**218,825**	**5,074**	**289,250**	**17,426**	**311,750**
Total financial instruments measured at fair value through P&L	**128,066**	**270,656**	**21,060**	**419,782**	**99,098**	**362,904**	**26,413**	**488,415**

(1) Including UCITS.

(2) P&L impact of the fair value variation of the instruments initially evaluated by valuation technique not based on market data is disclosed in note 24.

Note 4 (continued)

Financial assets and liabilities at fair value through profit and loss

(In millions of euros)	June 30, 2009				December 31, 2008 *			
	Valuation established using prices published in an active market	Valuation technique based on observable market data	Valuation not based on market data (2)	Total	Valuation established using prices published in an active market	Valuation technique based on observable market data	Valuation not based on market data (2)	Total
LIABILITIES								
Trading portfolio								
Securitized debt payables	48	15,764	15,298	31,110	-	15,093	18,133	33,226
Amounts payable on borrowed securities	278	29,005	486	29,769	20	21,015	374	21,409
Bonds and other debt instruments sold short	2,502	577	-	3,079	1,377	187	-	1,564
Shares and other equity instruments sold short	2,709	-	-	2,709	2,966	1	-	2,967
Other financial liabilities	-	47,308	55	47,363	-	40,021	1,590	41,611
Sub-total trading liabilities (3)	**5,537**	**92,654**	**15,839**	**114,030**	**4,363**	**76,317**	**20,097**	**100,777**
Interest rate instruments	**49**	**96,093**	**7,946**	**104,088**	**165**	**124,372**	**8,471**	**133,008**
Firm instruments								
Swaps				81,674				104,604
FRA				559				1,105
Options								
Options on organized markets				23				175
OTC options				13,917				19,575
Caps, floors, collars				7,915				7,549
Foreign exchange instruments	**1,927**	**24,739**	**12**	**26,678**	**651**	**37,137**	**26**	**37,814**
Firm instruments				*22,631*				*32,591*
Options				*4,047*				*5,223*
Equity and index instruments	**636**	**34,088**	**2,574**	**37,298**	**485**	**42,959**	**3,074**	**46,518**
Firm instruments				*5,757*				*9,093*
Options				*31,541*				*37,425*
Commodity instruments	**2,650**	**12,074**	**683**	**15,407**	**2,231**	**19,841**	**429**	**22,501**
Firm instruments-Futures				*10,372*				*16,720*
Options				*5,035*				*5,781*
Credit derivatives	**-**	**24,973**	**2,117**	**27,090**	**-**	**57,981**	**1,966**	**59,947**
Other forward financial instruments	**67**	**1,671**	**-**	**1,738**	**107**	**2,832**	**1**	**2,940**
On organized markets				*11*				*44*
OTC				*1,727*				*2,896*
Sub-total trading derivatives	**5,329**	**193,638**	**13,332**	**212,299**	**3,639**	**285,122**	**13,967**	**302,728**
Sub-total of financial liabilities measured using fair value option through P&L (3) (4)	**604**	**8,726**	**2,051**	**11,381**	**816**	**8,478**	**1,457**	**10,751**
Total financial instruments measured at fair value through P&L	**11,470**	**295,018**	**31,222**	**337,710**	**8,818**	**369,917**	**35,521**	**414,256**

** Amounts adjusted with respect to the published financial statements.*

FINANCIAL LIABILITIES MEASURED USING FAIR VALUE OPTION THROUGH P&L

(In millions of euros)	June 30, 2009			December 31, 2008		
	Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity	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 (3) (4)	**11,381**	**12,227**	**(846)**	**10,751**	**11,584**	**(833)**

(2) P&L impact of the fair value variation of the instruments initially evaluated by valuation technique not based on market data is disclosed in note 24.
(3) The variation in fair value attributable to the Group's own credit risk is EUR (336) million.
(4) Mainly indexed EMTNs.

Note 5
Hedging derivatives

(In millions of euros)	June 30, 2009		December 31, 2008 *	
	Assets	Liabilities	Assets	Liabilities
FAIR VALUE HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	4,505	7,206	4,749	6,680
Forward Rate Agreements (FRA)	-	-	-	-
Options				
Options on organized markets	-	77	-	2
OTC options	187	-	145	-
Caps, floors, collars	27	-	40	-
Foreign exchange instruments				
Firm instruments				
Currency financing swaps	64	19	141	51
Forward foreign exchange contracts	32	36	29	24
Equity and index instruments				
Equity and stock index options	24	2	29	7
CASH-FLOW HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	553	611	765	653
Foreign exchange instruments				
Firm instruments				
Currency financing swaps	160	46	327	-
Forward foreign exchange contracts	1	21	21	9
Other forward financial instruments	53	8	-	-
Total	**5,606**	**8,026**	**6,246**	**7,426**

** Amounts adjusted with respect to the published financial statements.*

Note 6
Available-for-sale financial assets

(In millions of euros)	June 30, 2009				December 31, 2008			
	Valuation established using prices published in an active market	**Valuation technique based on observable market data**	**Valuation not based on market data**	**Total**	**Valuation established using prices published in an active market**	**Valuation technique based on observable market data**	**Valuation not based on market data**	**Total**
Current assets								
Treasury notes and similar securities	12,943	1,624	-	**14,567**	11,226	999	20	**12,245**
o/w related receivables				***189***				***185***
o/w provisions for impairment				***(26)***				***(25)***
Bonds and other debt securities	43,525	19,708	640	**63,873**	40,427	18,395	179	**59,001**
o/w related receivables				***899***				***895***
o/w provisions for impairment				***(217)***				***(167)***
Shares and other equity securities [1]	4,448	280	528	**5,256**	5,645	590	283	**6,518**
o/w related receivables				***2***				***2***
o/w impairment losses				***(2,064)***				***(494)***
Loans and advances	-	-	-	**-**	16	-	-	**16**
o/w related receivables				***-***				***-***
o/w provisions for impairment				***-***				***-***
Sub-total	**60,916**	**21,612**	**1,168**	**83,696**	**57,314**	**19,984**	**482**	**77,780**
Long-term equity investments	1,409	123	2,197	**3,729**	1,439	320	2,184	**3,943**
o/w related receivables				***3***				***7***
o/w impairment losses				***(859)***				***(781)***
Total available-for-sale financial assets	**62,325**	**21,735**	**3,365**	**87,425**	**58,753**	**20,304**	**2,666**	**81,723**
o/w securities on loan				3				3

(1) Including UCITS.

Changes in available-for-sale financial assets

(In millions of euros)	June 30, 2009	December 31, 2008
Opening balance	**81,723**	**87,808**
Acquisitions	67,098	194,079
Disposals/redemptions *	(61,676)	(189,460)
Reclassification (entries) from Trading portfolio	-	890
Reclassification as (transferring to) "Held-to-maturity" or Loans and Receivables	-	(4,344)
Reclassification and change in scope	127	(1,756)
Gains and losses on changes in fair value **	1,764	(4,682)
Change in impairment on fixed income securities	(50)	(110)
o/w: increase	*(96)*	*(185)*
write-backs	*11*	*70*
others	*35*	*5*
Impairment losses on variable income securities ***	(1,710)	(737)
Change in related receivables	4	66
Translation differences	145	(31)
Closing balance	**87,425**	**81,723**

** Disposals are valued according to the weighted average cost method.*

*** As at June 30, 2009, the difference between this caption and the "change in value of assets available-for-sale" included in the "changes in shareholders' equity" note mainly results from EUR 1,573 million of Insurance Companies - Deferred profit sharing.*

**** This amount is partially compensated by deferred profit sharing for EUR 1,601 million as at June 30, 2009 (see note 25).*

Note 7
Due from banks

(In millions of euros)	June 30, 2009	December 31, 2008
Deposits and loans		
Demand and overnights		
Current accounts	18,987	14,774
Overnight deposits and loans and others	5,243	3,911
Loans secured by overnight notes	5	4
Term		
Term deposits and loans [1]	21,492	24,056
Subordinated and participating loans	726	658
Loans secured by notes and securities	480	547
Related receivables	199	291
Gross amount	**47,132**	**44,241**
Depreciation		
- Depreciation for individually impaired loans	(132)	(120)
- Depreciation for groups of homogenous receivables	(42)	(36)
Revaluation of hedged items	62	94
Net amount [2]	**47,020**	**44,179**
Securities purchased under resale agreements	29,323	27,013
Total	**76,343**	**71,192**
Fair value of amounts due from banks	**76,401**	**71,111**

(1) As at June 30, 2009, the amount of receivables with incurred credit risk is EUR 259 million compared with EUR 240 million as at December 31, 2008.

(2) The entities acquired in 2009 have a total impact of EUR 213 million on amounts due from banks.

Note 8
Customer loans

(In millions of euros)	June 30, 2009	December 31, 2008
Customer loans		
Trade notes	10,524	11,712
Other customer loans [(1) (2)]		
- Short-term loans	102,138	104,625
- Export loans	8,086	6,934
- Equipment loans	60,330	59,149
- Housing loans	87,021	85,810
- Other loans	65,175	71,723
Sub-total	**322,750**	**328,241**
Overdrafts	16,764	16,662
Related receivables	1,419	1,750
Gross amount	**351,457**	**358,365**
Depreciation		
- depreciation for individually impaired loans	(8,844)	(7,848)
- depreciation for groups of homogeneous receivables	(1,430)	(1,032)
Revaluation of hedged items	586	943
Net amount [(3)]	**341,769**	**350,428**
Loans secured by notes and securities	127	235
Securities purchased under resale agreements	4,603	3,950
Total amount of customer loans	**346,499**	**354,613**
Fair value of customer loans	**342,931**	**346,482**

(1) Breakdown of other customer loans by customer type:

(In millions of euros)	June 30, 2009	December 31, 2008
Non-financial customers		
- Corporate	143,853	140,240
- Individual customers	116,922	118,117
- Local authorities	9,722	10,473
- Self-employed professionals	10,663	11,206
- Governments and central administrations	5,087	3,566
- Others	3,151	2,457
Financial customers	33,352	42,182
Total	**322,750**	**328,241**

(2) As at June 30, 2009, the amount of receivables with incurred credit risk is EUR 16,295 million compared with EUR 13,798 million as at December 31, 2008.

(3) The entities acquired in 2009 have a EUR 239 million impact on net customer loans.

Note 9
Reclassification of financial assets

On October 1, 2008, the Group has reclassified non-derivative financial assets out of the fair value through profit and loss and the available-for-sale categories. These reclassifications were 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.

(In millions of euros)

New Category	Fair value on June 30, 2009 *	Accounting value on June 30, 2009 *	Fair value on December 31, 2008	Accounting value on December 31, 2008	Accounting value on the date of reclassification (October 1, 2008)	Accounting value on December 31, 2007
AVAILABLE-FOR-SALE FINANCIAL ASSETS	828	833	890	890	969	1,034
DUE FROM BANKS	6,126	6,570	5,485	6,115	6,345	7,473
CUSTOMER LOANS	17,612	20,561	20,243	22,331	21,293	24,266
Total	**24,566**	**27,964**	**26,618**	**29,336**	**28,607**	**32,773**

	On June 30, 2009
Contribution of financial assets on the period	
recognized in sharehoders' equity	121
recognized in profit and loss	370

	On June 30, 2009	On December 31, 2008
Changes in the fair value		
that would have been recognized in shareholders' equity if the financial assets had not been reclassified **	245	(538)
that would have been recognized in profit and loss if the financial assets had not been reclassified **	(1,504)	(1,454)

* Net reimbursements that have been received since January 1, 2009 : EUR 401 million.

** Including insurance activity reclassifications whose impact would have been neutralized by deferred profit sharing for EUR (272) million in shareholders' equity and for EUR 28 million in Net banking income

The effective interest rates on June 30, 2009 of reclassified financial assets are ranged from 1,27% to 8,87%.

Expected recoverable cash flows on reclassified financial assets are EUR 34,945 million.

Note 10
Non-current assets held-for-sale

(In millions of euros)	June 30, 2009	December 31, 2008
ASSETS	**481**	**37**
Fixed assets and Goodwills	36	17
Financial assets	289	-
Due from banks and others	26	19
Other assets	130	1
LIABILITIES	**150**	**35**
Allowances	2	-
Amounts due	-	13
Other liabilities	148	22

The increase of EUR 444 million and EUR 115 million in non-current assets and liabilities classified as held-for-sale is mainly due to the application of IFRS 5 concerning the agreement between Societe Generale Group and Credit Agricole S.A. (see note 2 on changes in consolidation scope).

Note 11
Goodwill affected by business unit

(In millions of euros)	French Networks	International Retail Banking	Financial Services	Corporate and Investment Banking	Global Investment Management and Services			Corporate Center	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	19	41			2		69
Disposals and other decreases	-				(8)	(4)			(12)
Change	-	(29)	29	5	(8)	4	5		6
Gross value at June 30, 2009	**69**	**3,449**	**1,286**	**99**	**455**	**313**	**1,197**	**-**	**6,868**
Impairment of goodwill at December 31, 2008	-	(275)	-	-	-	-	-	-	**(275)**
Impairment losses	-		(18)						(18)
Change		16							16
Impairment of goodwill at June 30, 2009	**-**	**(259)**	**(18)**	**-**	**-**	**-**	**-**	**-**	**(277)**
Net goodwill at December 31, 2008	69*	3,196	1,238	53*	471	313	1,190	-	6,530
Net goodwill at June 30, 2009	**69**	**3,190**	**1,268**	**99**	**455**	**313**	**1,197**	**-**	**6,591**

** 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 recognized 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.

In the second quarter 2009, a depreciation on the goodwill of the CGU Financial Services was registered, further to the decision of the Group to stop the activity of SGCF Hellas.

As at June 30, 2009, the Group identified the following cash Generating Units (CGU):

(In millions of euros)

CGU	Business Unit	Goodwill (gross book value at June 30, 2009)	Impairment losses at June 30, 2009	Goodwill (net book value at June 30, 2009)
International Retail Banking - European Union and Pre-European Union	International Retail Banking	1,974		1,974
Russian Retail Banking	International Retail Banking	1,033	(259)	774
International Other Retail Banking	International Retail Banking	442		442
Crédit du Nord	French Networks	57		57
Societe General Network	French Networks	12		12
Insurance Financial Services	Financial Services	10		10
Individual Financial Services	Financial Services	669	(18)	651
Company Financial Services	Financial Services	431		431
Car renting Financial Services	Financial Services	176		176
Corporate and Investment Banking	Corporate and Investment Banking	99		99
SGSS and Online Savings	SGSS and Online Savings	1,197		1,197
Asset Management	Asset Management	455		455
Private Banking	Private Banking	313		313

Note 12
Due to banks

(In millions of euros)	June 30, 2009	December 31, 2008
Demand and overnight deposits		
Demand deposits and current accounts	13,704	10,238
Overnight deposits and borrowings and others	10,743	9,413
Sub-total	**24,447**	**19,651**
Term deposits		
Term deposits and borrowings	60,610	80,408
Borrowings secured by notes and securities	699	223
Sub-total	**61,309**	**80,631**
Related payables	365	715
Revaluation of hedged items	29	35
Securities sold under repurchase agreements	16,016	14,238
Total (1)	**102,166**	**115,270**
Fair value of amounts due to banks	**101,841**	**115,493**

(1) The entities acquired in 2009 have a EUR 189 million impact on amounts due to banks.

Note 13
Customer deposits

(In millions of euros)	June 30, 2009	December 31, 2008
Regulated savings accounts		
Demand	39,212	35,151
Term	16,127	16,145
Sub-total	**55,339**	**51,296**
Other demand deposits		
Businesses and sole proprietors	46,066	45,843
Individual customers	37,538	35,388
Financial customers	27,386	29,959
Others	17,215	14,807
Sub-total	**128,205**	**125,997**
Other term deposits		
Businesses and sole proprietors	34,166	37,503
Individual customers	21,331	23,924
Financial customers	24,338	17,049
Others	7,110	6,329
Sub-total	**86,945**	**84,805**
Related payables	1,320	1,529
Revaluation of hedged items	67	120
Total customer deposits (1)	**271,876**	**263,747**
Borrowings secured by notes and securities	102	287
Securities sold to customers under repurchase agreements	19,502	18,480
Total	**291,480**	**282,514**
Fair value of customer deposits	**291,511**	**282,483**

(1) Entities acquired during the first semester 2009 accounted for EUR 433 million in customer deposits.

Note 14
Securitized debt payables

(In millions of euros)	June 30, 2009	December 31, 2008
Term savings certificates	2,454	2,699
Bond borrowings	6,708	4,360
Interbank certificates and negotiable debt instruments	123,469	112,373
Related payables	631	842
Sub-total	**133,262**	**120,274**
Revaluation of hedged items	119	100
Total	**133,381**	**120,374**
o/w floating rate securities	73,336	57,157
Fair value of securitized debt payables	**134,190**	**120,452**

Note 15
Underwriting reserves and net investments of insurance companies

Underwriting reserves of insurance companies

(In millions of euros)	June 30, 2009	December 31, 2008
Underwriting reserves for unit-linked policies	**15,433**	**15,721**
Life insurance underwriting reserves	**54,292**	**51,109**
Non-life insurance underwriting reserves	**326**	**317**
Total	**70,051**	**67,147**
Deferred profit sharing [(1) (2)]	(2,898)	(3,024)
Attributable to reinsurers	(312)	(299)
Underwriting reserves of insurance companies (included provisions for deferred profit sharing) net of the part attribuable to reinsurers	**66,841**	**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 scenario 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 unrealized 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.

(2) Including deferred profit sharing on assets measured at fair value through equity group share EUR (502) million as at June 30, 2009 and EUR (2,075) million as at December 31, 2008.

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	(200)	2,136	21
Revaluation of policies	303	-	-
Charges deducted from policies	(52)	-	-
Transfers and arbitrage	(372)	373	-
New customers	-	28	-
Profit sharing	29	632	-
Others	4	14	(12)
Reserves at June 30, 2009 (except provisions for deferred profit sharing)	**15,433**	**54,292**	**326**

According to the IFRS rules and the Group accounting standards, the Liability Adequacy Test (LAT) was performed as at June 30, 2009. It is carried out on the basis of stochastic modelling similar to the one used for the assets liabilities management of insurance activities.

Net investments of insurance companies

(In millions of euros)	June 30, 2009	December 31, 2008
Financial assets measured at fair value through P&L	**19,374**	**19,421**
Treasury notes and similar securities	-	-
Bonds and other debt securities	5,561	5,172
Shares and other equity securities	13,813	14,249
Due from Banks	**5,585**	**4,695**
Available-for-sale financial assets	**44,350**	**40,250**
Treasury notes and similar securities	339	357
Bonds and other debt securities	40,127	34,970
Shares and other equity securities	3,884	4,923
Investment property	**403**	**405**
Total	**69,712**	**64,771**

Note 16
Provisions and depreciations

A. Assets depreciations

(In millions of euros)	Assets depreciations as at December 31, 2008	Impairment losses	Reversals available	Net impairment losses	Reversals used	Currency and scope effects	Assets depreciations as at June 30, 2009
Banks	120	15	(1)	**14**	-	(2)	**132**
Customer loans	7,848	2,742	(992)	**1,750**	(579)	(175)	**8,844**
Lease financing and similar agreements	325	199	(97)	**102**	(21)	-	**406**
Groups of homogeneous receivables	1,070	457	(136)	**321**	-	86	**1,477**
Available-for-sale assets (1)	1,467	1,814	(201)	**1,613**	-	86	**3,166**
Held-to-maturity assets	-	3	-	**3**	-	-	**3**
Others (1)	333	143	(78)	**65**	(12)	6	**392**
Total	**11,163**	**5,373**	**(1,505)**	**3,868**	**(612)**	**1**	**14,420**

(1) Including a EUR 114 million net allocation for identified risks.

B. Provisions

(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 June 30, 2009
Provisions for off-balance sheet commitments to banks	18	15	-	**15**	-	-	-	**33**
Provisions for off-balance sheet commitments to customers	158	82	(81)	**1**	-	-	4	**163**
Provisions for employee benefits	715	82	(102)	**(20)**	-	-	17	**712**
Provisions for tax adjustments	545	6	(72)	**(66)**	(26)	5	19	**477**
Other provisions (1) (2)	855	192	(95)	**97**	(51)	2	(92)	**811**
Total	**2,291**	**377**	**(350)**	**27**	**(77)**	**7**	**(52)**	**2,196**

(1) Including a EUR 102 million net allocation for net cost of risk.
(2) The Group's other provisions include EUR 90 million of PEL/CEL provisions as at December 31, 2008 and EUR 46 million as at June 30, 2009 i.e. a combined net reversal of EUR 44 million over 2009 for the Societe Generale France Network and for Crédit du Nord.

The consequences, as assessed on June 30, 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 17

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)	**June 30, 2009**	**December 31, 2008**
Ordinary shares	594,537,748	580,727,244
Including treasury shares with voting rights [1]	21,071,187	19,990,602
Including shares held by employees	41,213,750	41,219,452
Preferred shares	45,045,045	
Total	**639,582,793**	**580,727,244**

(1) Doesn't include the Societe Generale shares held for trading.

At June 30, 2009, Societe Generale's fully paid-up capital amounted to EUR 799,478,491 and was made up of 639,582,793 shares with a nominal value of EUR 1.25.

Societe Generale proceeded in 2009 to the following increases of capital, representing a total of EUR 73 million, with EUR 2,076 million of issuing premiums.

1.1 Ordinary shares

Societe Generale S.A. proceeded in 2009 to the increase of capital, representing a total of EUR 17 million, with EUR 432 million of issuing premiums.
This ordinary share issue is due to the exercise by the shareholders of the option to distribute 2008 dividend in Societe Generale shares.

1.2 Preferred shares issued by Societe Generale S.A.

Societe Generale S.A. proceeded in 2009 to a capital increase reserved for SPPE by issuing preferred shares representing a total of EUR 56 million, with EUR 1,644 million of issuing premiums.
The payment of a dividend to the preferred shareholders for the financial year is conditioned by the distribution of a dividend on ordinary share in the same financial year. In case of payment of an ordinary dividend, the dividend on preferred share is an indexation of this last framed by floor and cap returns.

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-month 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 favorable 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 favorable rate between the fixed rate and a variable rate + spread defined as follow : Mid Swap Rapte JPY 5 years + 2.0%
March 27, 2007	GBP 350 M	5.750% until march 2012 and for the next due dates 3-month GBP LIBOR + 1.10%

2.2 Preferred shares

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 June 30, 2009, the amount of preferred shares issued by the Group's subsidiaries and recognized under minority interests equals to EUR 1,455 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-month 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 recognized under Equity instruments and associated reserves.

Issuance Date	Amount issued	Remuneration
January 26, 2005	EUR 1,000 M	4.196%, from 2015 3-month Euribor +1.53% annually
April 05, 2007	USD 200 M	3-month USD Libor +0.75% annually, from 2017 3-month USD Libor +1.75% annually
April 05, 2007	USD 1,100 M	5.922%, from 2017 3-month USD Libor +1.75% annually
December 19, 2007	EUR 600 M	6.999%, from 2018 3-month Euribor +3.35% annually
May 22, 2008	EUR 1,000 M	7.76%, from 2013 3-month Euribor +3.35% annually
June 12, 2008	GBP 700 M	8.875%, from 2018 3-month GBP Libor +3.4% annually
December 11, 2008	EUR 1,700 M	8.18%, from 2013 3-month Euribor +4.98% annually
February 27, 2009	USD 450 M	3-month USD Libor +6.77% annually

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	79	7	86
Remuneration paid booked under dividends (2009 Dividends paid line)	220	28	248

Note 18

Gains and losses recognized directly in equity

(In millions of euros)

Change in gains and losses recognized directly in equity	June 30, 2009	Period	December 31, 2008
Translation differences	(1,200)	(46)	(1,154)
Revaluation differences		(46)	
Recycled to P&L		-	
Revaluation of available-for-sale assets	(1,801)	290	(2,091)
Revaluation differences		306	
Recycled to P&L		(16)	
Cash flow hedge derivatives revaluation	403	-	403
Revaluation differences		-	
Recycled to P&L		-	
Amounts transfered into hedged item value		-	
Net unrealized or deferred capital gains or losses from companies accounted for by the equity method	3	3	-
Tax	515	(133)	648
TOTAL	**(2,080)**	**114**	**(2,194)**

	June 30, 2009			December 31, 2008		
	Gross Value	Tax	Net of tax	Gross Value	Tax	Net of Tax
Translation differences	(1,200)		(1,200)	(1,154)		(1,154)
Revaluation of available-for-sale assets	(1,801)	650	(1,151)	(2,091)	774	(1,317)
Revaluation of hedging derivatives	403	(135)	268	403	(126)	277
Net unrealized or deferred capital gains or losses from companies accounted for by the equity method	3	-	3			
Total gains and losses recognized directly in equity	**(2,595)**	**515**	**(2,080)**	**(2,842)**	**648**	**(2,194)**
Group share			**(2,042)**			**(2,153)**
Minority interests			**(38)**			**(41)**

Note 19
Commitments

A. Commitments granted and received

Commitments granted

(In millions of euros)	June 30, 2009	December 31, 2008
Loan commitments		
to banks	11,832	10,275
to customers [1]		
Issuance facilities	23	26
Confirmed credit lines	129,718	124,637
Others	1,682	1,859
Guarantee commitments		
on behalf of banks	3,818	5,414
on behalf of customers [1] [2]	63,157	58,911
Securities commitments		
Securities to deliver	48,497	30,809

Commitments received

(In millions of euros)	June 30, 2009	December 31, 2008
Loan commitments		
from banks	44,329	47,241
Guarantee commitments		
from banks	57,664	56,802
other commitments [3]	86,245	74,645
Securities commitments		
Securities to be received	51,065	24,769

(1) As at June 30, 2009, credit lines and guarantee commitments granted to securitization vehicles and other special purpose vehicles amounted to EUR 15,211 million and EUR 535 million respectively.

(2) Including capital and performance guarantees given to the holders of units in mutual funds managed by entities of the Group.

(3) Including guarantees granted by government and official agencies and other guarantees granted by customers for EUR 30,665 million as at June 30, 2009 and EUR 28,059 million as at December 31, 2008. The remaining balance mainly corresponds to securities and assets assigned as guarantee.

B. Forward financial instrument commitments (notional amounts)

(In millions of euros)	June 30, 2009		December 31, 2008	
	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
Interest rate instruments				
Firm transactions				
Swaps	7,344,340	219,747	7,101,099	206,821
Interest rate futures	1,404,628	557	1,147,736	475
Options	*2,626,110*	*12,287*	*2,853,682*	*10,200*
Foreign exchange instruments				
Firm transactions	*1,080,545*	*20,820*	*946,711*	*11,143*
Options	*444,576*	*-*	*669,462*	*-*
Equity and index instruments				
Firm transactions	*60,550*	*-*	*61,016*	*-*
Options	*769,929*	*121*	*782,247*	*238*
Commodity instruments				
Firm transactions	*123,959*	*-*	*161,936*	*-*
Options	*109,887*	*-*	*134,266*	*-*
Credit derivatives	**1,232,545**	**-**	**1,539,801**	**-**
Other forward financial instruments	**3,290**	**637**	**5,176**	**581**

Securitization transactions

The Societe Generale Group carries out securitization transactions on behalf of customers or investors, and as such provides credit enhancement and liquidity facilities to the securitization vehicles.

As at June 30, 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 12,629 million as at June 30, 2009 (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 June 30, 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 535 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 15,211 million at this date (EUR 18,682 million as at December 31, 2008).

Note 20

Breakdown of assets and liabilities by term to maturity

Maturities of financial assets and liabilities

(In millions of euros at June 30, 2009)	Less than 3 months (1)	3 months to 1 year	1-5 years	More than 5 years	Total
ASSETS					
Cash, due from central banks	13,441	-	-	-	**13,441**
Financial assets measured at fair value through profit and loss	312,649	82,351	7,185	17,597	**419,782**
Hedging derivatives	5,606	-	-	-	**5,606**
Available-for-sale financial assets	5,934	16,329	19,409	45,753	**87,425**
Due from banks	55,680	4,841	9,939	5,883	**76,343**
Customer loans	77,993	51,716	115,405	101,385	**346,499**
Lease financing and similar agreements	2,760	5,651	14,229	5,991	**28,631**
Revaluation differences on portfolios hedged against interest rate risk	2,705	-	-	-	**2,705**
Held-to-maturity financial assets	74	186	732	1,066	**2,058**
Total Assets	**476,842**	**161,074**	**166,899**	**177,675**	**982,490**
LIABILITIES					
Due to central banks	2,798	-	-	-	**2,798**
Financial liabilities measured at fair value through profit and loss	290,175	12,373	17,758	17,404	**337,710**
Hedging derivatives	8,026	-	-	-	**8,026**
Due to banks	81,399	12,087	4,901	3,779	**102,166**
Customer deposits	230,502	15,120	33,548	12,310	**291,480**
Securitized debt payables	83,685	22,206	20,910	6,580	**133,381**
Revaluation differences on portfolios hedged against interest rate risk	531	-	-	-	**531**
Total Liabilities	**697,116**	**61,786**	**77,117**	**40,073**	**876,092**

(1) As a convention, derivatives are classified as having a maturity of less than three months.

Notional maturities of commitments on financial derivatives (2)

(In millions of euros at June 30, 2009)	ASSETS				LIABILITIES			
	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	2,441,496	2,619,902	2,502,690	**7,564,088**	-	-	-	**-**
Interest rate futures	581,249	111,086	15	**692,350**	569,280	143,533	21	**712,834**
Options	324,729	502,175	453,782	**1,280,686**	341,737	524,974	491,001	**1,357,712**
Forex instruments								
Firm instruments	657,062	297,672	146,631	**1,101,365**	-	-	-	**-**
Options	116,652	64,472	40,321	**221,445**	116,297	65,290	41,543	**223,130**
Equity and index instruments								
Firm instruments	14,177	10,581	2,475	**27,233**	20,957	8,687	3,673	**33,317**
Options	176,138	139,692	35,970	**351,800**	212,816	173,176	32,259	**418,251**
Commodity instruments								
Firm instruments	45,030	17,674	851	**63,555**	37,778	21,755	870	**60,403**
Options	27,279	26,370	555	**54,204**	28,517	26,243	922	**55,682**
Credit derivatives	47,520	432,292	120,115	**599,927**	45,911	438,530	148,177	**632,618**
Other forward financial instruments	1,495	329	78	**1,902**	1,568	451	7	**2,026**

(2) These items are presented according to the accounting maturity of financial instruments.

Note 21
Foreign exchange transactions

(In millions of euros)	June 30, 2009				December 31, 2008			
	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	625,700	617,858	24,181	17,871	643,808	651,692	11,680	13,608
USD	243,976	277,827	40,961	52,503	282,365	302,166	16,410	19,063
GBP	32,267	29,185	5,244	4,107	35,053	31,759	2,957	3,736
JPY	28,201	19,339	6,493	3,278	31,421	23,611	5,980	3,678
AUD	18,454	16,867	2,780	2,146	18,323	17,223	1,413	1,027
CZK	24,437	25,490	554	72	23,811	24,968	134	446
RUB	11,523	6,708	249	144	13,694	8,351	4	6
RON	6,146	6,539	356	480	6,562	7,091	314	493
Other currencies	68,155	59,046	9,922	7,675	74,966	63,142	8,405	5,906
Total	**1,058,859**	**1,058,859**	**90,740**	**88,276**	**1,130,003**	**1,130,003**	**47,297**	**47,963**

Note 22
Interest income and expense

(In millions of euros)	June 30, 2009	December 31, 2008	June 30, 2008
Transactions with banks	**1,432**	**5,182**	**2,603**
Demand deposits and interbank loans	998	3,458	1,552
Securities purchased under resale agreements and loans secured by notes and securities	434	1,724	1,051
Transactions with customers	**9,005**	**20,346**	**9,851**
Trade notes	522	1,103	503
Other customer loans	7,982	17,665	8,490
Overdrafts	454	1,186	604
Securities purchased under resale agreements and loans secured by notes and securities	47	392	254
Transactions in financial instruments	**5,877**	**12,743**	**6,115**
Available-for-sale financial assets	1,509	3,420	1,632
Held-to-maturity financial assets	165	3	51
Securities lending	11	143	46
Hedging derivatives	4,192	9,177	4,386
Finance leases	**853**	**1,917**	**946**
Real estate finance leases	147	404	212
Non-real estate finance leases	706	1,513	734
Total interest income	**17,167**	**40,188**	**19,515**
Transactions with banks	**(1,549)**	**(6,333)**	**(3,560)**
Interbank borrowings	(1,275)	(5,248)	(2,752)
Securities sold under resale agreements and borrowings secured by notes and securities	(274)	(1,085)	(808)
Transactions with customers	**(3,395)**	**(10,413)**	**(5,122)**
Regulated savings accounts	(648)	(1,590)	(764)
Other customer deposits	(2,581)	(7,475)	(3,580)
Securities sold under resale agreements and borrowings secured by notes and securities	(166)	(1,348)	(778)
Transactions in financial instruments	**(5,666)**	**(15,485)**	**(7,467)**
Securitized debt payables	(1,322)	(5,825)	(2,946)
Subordinated and convertible debt	(305)	(639)	(325)
Securities borrowing	(43)	(260)	(185)
Hedging derivatives	(3,996)	(8,761)	(4,011)
Other interest expense	**(5)**	**(9)**	**(2)**
Total interest expense (1)	**(10,615)**	**(32,240)**	**(16,151)**
Including interest income from impaired financial assets	169	346	172

(1) These expenses include the refinancing cost of financial instruments measured at fair value through P&L, which is classified in net gain or loss (see note 24). 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 measured at fair value through P&L must be assessed as a whole.

Note 23
Fee income and expense

(In millions of euros)	**June 30, 2009**	**December 31, 2008**	**June 30, 2008**
Fee income from			
Transactions with banks	127	247	73
Transactions with customers	1,422	2,858	1,415
Securities transactions	343	760	379
Primary market transactions	181	136	85
Foreign exchange transactions and financial derivatives	517	1,086	550
Loan and guarantee commitments	317	567	254
Services	2,122	4,691	2,336
Others	138	160	124
Total fee income	**5,167**	**10,505**	**5,216**

Fee expense on			
Transactions with banks	(148)	(282)	(100)
Securities transactions	(302)	(625)	(308)
Foreign exchange transactions and financial derivatives	(400)	(837)	(397)
Loan and guarantee commitments	(23)	(174)	(118)
Others	(464)	(1,172)	(653)
Total fee expense	**(1,337)**	**(3,090)**	**(1,576)**

Note 24

Net gains or losses on financial instruments at fair value through P&L

(In millions of euros)	**June 30, 2009**	**December 31, 2008**	**June 30, 2008**
Net gain/loss on non-derivative financial assets held for trading	4,044	(16,598)	(6,833)
Net gain/loss on financial assets measured using fair value option	(132)	366	(145)
Net gain/loss on non-derivative financial liabilities held for trading	(3,804)	3,048	127
Net gain/loss on financial liabilities measured using fair value option	(587)	826	555
Net gain/loss on derivative instruments	(216)	15,572	10,020
Net income from hedging instruments / fair value hedge	(622)	(1,104)	17
Revaluation of hedged items attributable to hedged risks	232	1,462	16
Ineffective portion of cash flow hedge	(15)	2	-
Net gain/loss on foreign exchange transactions	741	1,103	(587)
Total (1)	**(359)**	**4,677**	**3,170**

(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 measured 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.

The change in fair value in net gains or losses on financial instruments at fair value initially evaluated using valuation parameters which are not based on market data stood at EUR (1,499) million for the first half of 2009. Assets and liabilities at fair value through profit and loss which valuation is not based on market data are disclosed in note 4.

Amount remaining to be booked in profit and loss relative to financial assets and liabilities at fair value through profit or loss which fair value was initially determined using valuation techniques not based on market data.

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)	**June 30, 2009**	**December 31, 2008**	**June 30, 2008**
Remaining amount to be registered in the income statement as at January, 1	**849**	**1,048**	**1,048**
Amount generated by new transactions within the period	**417**	**648**	**378**
Amount registered in the income statement within the period	**(362)**	**(847)**	**(403)**
Depreciation	(277)	(637)	(284)
Switch to observable parameters	-	(56)	(40)
Expired or terminated	(80)	(167)	(68)
Translation differences	(5)	13	(11)
Remaining amount to be registered in the income statement	**904**	**849**	**1,023**

Note 25
Net gains or losses on available-for-sale financial assets

(In millions of euros)	June 30, 2009	December 31, 2008*	June 30, 2008*
Current activities			
Gains on sale	81	459	257
Losses on sale	(40)	(531)	(190)
Impairment losses on variable income securities	(1,611)	(402)	(80)
Deferred profit sharing on available-for-sale financial assets of insurance subsidiaries	1,601	447	6
Sub-total	**31**	**(27)**	**(7)**
Long-term equity investments			
Gains on sale (1)	15	474	298
Losses on sale	(1)	(19)	(2)
Impairment losses on variable income securities	(99)	(335)	(33)
Sub-total	**(85)**	**120**	**263**
Total	**(54)**	**93**	**256**

** Amounts adjusted with respect to published financial statements.*

(1) The capital gain from the sale of the Group's stake in Bank Muscat amounts to EUR 262 million in the first half of 2008.

Note 26
Personnel expenses

(In millions of euros)	June 30, 2009	December 31, 2008	June 30, 2008
Employee compensation	(3,316)	(6,170)	(3,237)
Social security charges and payroll taxes	(633)	(1,098)	(588)
Net retirement expenses - defined contribution plans	(270)	(530)	(268)
Net retirement expenses - defined benefit plans	(67)	(111)	(44)
Other social security charges and taxes	(225)	(364)	(203)
Employee profit sharing and incentives	(162)	(343)	(180)
Total	**(4,673)**	**(8,616)**	**(4,520)**

	June 30, 2009	December 31, 2008
Average headcount		
- France	59,077	59,003
- Outside France	103,363	101,427
Total	**162,440**	**160,430**

Note 27
Share-based payment plans

1. Expenses recorded in the income statement

(In millions of euros)	June 30, 2009			December 31, 2008			June 30, 2008 *		
	Cash settled plans	Equity settled plans	Total plans	Cash settled plans	Equity settled plans	Total plans	Cash settled plans	Equity settled plans	Total plans
Net expenses from stock purchase plans	-	27.9	27.9	-	65.3	**65.3**	-	32.7	**32.7**
Net expenses from stock option and free share plans	0.2	72.9	73.1	13.8	142.0	**155.8**	6.6	80.2	**86.8**

** Amounts adjusted with respect to the published financial statements.*

2. Main characteristics of new plans granted in the first half of 2009

Equity-settled plans for Group employees for the half year ended June 30, 2009 are briefly described below :

Issuer	**Societe Generale**
Year of grant	**2009**
Type of plan	**subscription stock option**
Shareholders agreement	05.27.2008
Board of Directors' decision	03.09.2009
Number of stock-options granted	1,295,772 (1)
Contractual life of the options granted	7 years
Settlement	Societe Generale shares
Vesting period	03.09.2009 - 03.31.2012
Performance conditions	Conditions on Net Earnings Per Share for certain recipients
Resignation from the Group	forfeited
Redundancy	forfeited
Retirement	maintained
Death	maintained for 6 months
Share price at grant date (in euros) (average of 20 days prior to grant date)	24.45
Discount	0%
Exercise price	24.45
Options exercised	0
Options forfeited at June 30, 2009	97,125
Options outstanding at June 30, 2009	878,647
Number of shares reserved at June 30, 2009	0
Share price of shares reserved (in EUR)	0
Total value of shares reserved (in millions of euros)	0
First authorized date for selling the shares	03.31.2013
Delay for selling after vesting period	1 year
Fair value (% of the share price at grant date)	25%
Valuation method used to determine the fair value	Monte-Carlo

(1) Initially 1,295,772 were granted among which 320,000 for the chief executive officers who gave them up,

Issuer	**Societe Generale**
Year of grant	**2009**
Type of plan	**free shares**
Shareholders agreement	05.27.2008
Board of Directors' decision	01.20.2009
Number of free shares granted	3,090,740
Settlement	Societe Generale shares
Vesting period	01.20.2009 - 03.31.2012
Performance conditions	Conditions on Net Earnings Per Share for certain recipients
Resignation from the Group	forfeited
Redundancy	forfeited
Retirement	maintained
Death	maintained for 6 months
Share price at grant date (in euros)	24.64
Shares forfeited	98,574
Shares outstanding at June 30, 2009	2,992,166
Number of shares reserved at June 30, 2009	2,992,166
Share price of shares reserved (in EUR)	64.35
Total value of shares reserved (in millions of euros)	193
First authorized date for selling the shares	03.31.2014
Delay for selling after vesting period	2 years
Fair value (% of the share price at grant date)	74%
Valuation method used to determine the fair value	Arbitrage

3. Information on Global Employee Share Ownership Program

Grant of Societe Generale discounted shares

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% rapported at 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 (EUR 27.9 million on June 30, 2009) 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 5-year credit facility and by a forward sale of these same 5-year maturity shares.
The main market parameters to valuate these 5-year holding period cost at the subscription date are :
- average SG share price retained for the subscription period: EUR 39.63
- risk-free interest rate : 2.79%
- interest rate of a non-affected 5-year facilities 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 reference price before discount.

Note 28
Cost of risk

(In millions of euros)	June 30, 2009	December 31, 2008	June 30, 2008
Counterparty risk			
Net allocation to impairment losses	(2,317)	(2,525)	(1,002)
Losses not covered	**(79)**	**(148)**	**(56)**
- losses on bad loans	(57)	(118)	(43)
- losses on other risks	(22)	(30)	(13)
Amounts recovered	**69**	**156**	**75**
- amounts recovered on provisioned loans	66	147	71
- amounts recovered on other risks	3	9	4
Other risks			
Net allocation to other provisions	(102)	(138)	(2)
Total	**(2,429)**	**(2,655)**	**(985)**

Note 29
Income tax

(In millions of euros)	June 30, 2009	December 31, 2008	June 30, 2008
Current taxes	(567)	(467)	(1,108)
Deferred taxes	505	(768)	157
Total taxes [1]	**(62)**	**(1,235)**	**(951)**

(1) Reconciliation of the difference between the Group's normative tax rate and its effective tax rate:

	June 30, 2009	December 31, 2008	June 30, 2008
Income before tax excluding net income from companies accounted for by the equity method and impairment losses on goodwill (in millions of euros)	330	4,316	3,057
Normal tax rate applicable to French companies (including 3.3% tax contributions)	34.43%	34.43%	34.43%
Permanent differences	8.81%	9.31%	9.37%
Differential on items taxed at reduced rate	0.00%	-3.91%	-4.96%
Tax rate differential on profits taxed outside France	-13.97%	-6.85%	-4.45%
Impact of non-deductible losses and use of tax losses carried forward	-10.47%	-4.37%	-3.29%
Group effective tax rate	**18.80%**	**28.61%**	**31.10%**

Note 30
Earnings per share

(In millions of euros)	June 30, 2009	December 31, 2008	June 30, 2008
Net income, Group Share	31	2,010	1,740
Net attributable income to ordinary shareholders [(1)]	(131)	1,826	1,671
Weighted average number of ordinary shares outstanding [(2)]	564,608,718	540,279,113	526,659,927
Earnings per ordinary share (in EUR)	**(0.23)**	**3.38**	**3.17**

(In millions of euros)	June 30, 2009
Net income, Group Share	31
Net attributable income to preferred shareholders issued by Societe Generale S.A [(3)]	(2)
Number of preferred share outstanding issued by Societe Generale S.A.	45,045,045
Earnings per preferred share issued by Societe Generale S.A. (in EUR)	**(0.04)**

(In millions of euros)	June 30, 2009	December 31, 2008	June 30, 2008
Net income, Group Share	31	2,010	1,740
Net attributable income to ordinary shareholders [(1)]	(131)	1,826	1,671
Weighted average number of ordinary shares outstanding [(2)]	564,608,718	540,279,113	526,659,927
Average number of ordinary shares used to calculate dilution	2,033,453	3,036,402	3,407,211
Weighted average number of ordinary shares used to calculate diluted net earnings per share	566,642,171	543,315,515	530,067,138
Diluted earnings per ordinary share (in EUR)	**(0.23)**	**3.36**	**3.15**

(In millions of euros)	June 30, 2009
Net income, Group Share	31
Net attributable income to preferred shareholders issued by Societe Generale S.A. after dilution [(3)]	(2)
Number of preferred share outstanding issued by Societe Generale S.A.	45,045,045
Diluted earnings per preferred share issued by Societe Generale S.A. (in EUR)	**(0.04)**

The dividend paid in 2009 regarding 2008 financial year amounts to EUR 1.20 per share.

(1) The variation reflects interest after tax paid to holders of super subordinated notes and undated subordinated notes as well as the net attributable income to preferred shareholders issued by Societe Generale S.A.
(2) Excluding treasury shares.

(3) In case of negative net attributable income to shareholders, this one is distributed between ordinary and preferred shares issued by Societe Generale S.A. regarding the percentage of stockholding of each share category. This computation is done prorata temporis starting from preferred shares issued by Societe Generale S.A. issuance date.

Note 31
Sector information by business lines

(In millions of euros)	French Network **			International Retail Banking			Financial Services		
	June 30, 2009	December 31, 2008 *	June 30, 2008 *	June 30, 2009	December 31, 2008 *	June 30, 2008 *	June 30, 2009	December 31, 2008 *	June 30, 2008 *
Net banking income	3,554	7,179	3,499	2,344	4,990	2,338	1,538	3,101	1,591
Operating Expenses (1)	(2,342)	(4,725)	(2,333)	(1,343)	(2,752)	(1,343)	(871)	(1,795)	(883)
Gross operating income	**1,212**	**2,454**	**1,166**	**1,001**	**2,238**	**995**	**667**	**1,306**	**708**
Cost of risk	(443)	(494)	(185)	(609)	(500)	(166)	(527)	(587)	(247)
Operating income	**769**	**1,960**	**981**	**392**	**1,738**	**829**	**140**	**719**	**461**
Net income from companies accounted for by the equity method	4	8	7	2	8	5	(31)	(21)	5
Net income/expense from other assets	1	-	-	11	14	10	1	(1)	(1)
Impairment of goodwill	-	-	-	-	(300)	-	(18)	-	-
Earnings before tax	**774**	**1,968**	**988**	**405**	**1,460**	**844**	**92**	**697**	**465**
Income tax	(262)	(667)	(335)	(81)	(368)	(176)	(39)	(220)	(141)
Net income before minority interests	**512**	**1,301**	**653**	**324**	**1,092**	**668**	**53**	**477**	**324**
Minority interests	16	50	27	84	474	232	5	18	8
Net income, Group share	**496**	**1,251**	**626**	**240**	**618**	**436**	**48**	**459**	**316**

(In millions of euros)	Global Investment Management and Services								
	Asset Management			Private Banking			SGSS and Online Savings		
	June 30, 2009	December 31, 2008 *	June 30, 2008 *	June 30, 2009	December 31, 2008 *	June 30, 2008 *	June 30, 2009	December 31, 2008 *	June 30, 2008 *
Net banking income	339	425	256	418	834	414	642	1,559	803
Operating Expenses (1)	(359)	(792)	(405)	(263)	(539)	(266)	(611)	(1,299)	(646)
Gross operating income	**(20)**	**(367)**	**(149)**	**155**	**295**	**148**	**31**	**260**	**157**
Cost of risk	2	(8)	-	(26)	(32)	(2)	(1)	(13)	-
Operating income	**(18)**	**(375)**	**(149)**	**129**	**263**	**146**	**30**	**247**	**157**
Net income from companies accounted for by the equity method	-	-	-	-	-	-	-	-	-
Net income/expense from other assets	-	-	-	-	-	-	-	-	1
Impairment of goodwill	-	-	-	-	-	-	-	-	-
Earnings before tax	**(18)**	**(375)**	**(149)**	**129**	**263**	**146**	**30**	**247**	**158**
Income tax	6	124	50	(29)	(54)	(34)	(10)	(82)	(53)
Net income before minority interests	**(12)**	**(251)**	**(99)**	**100**	**209**	**112**	**20**	**165**	**105**
Minority interests	2	(5)	(7)	-	-	5	8	18	9
Net income, Group share	**(14)**	**(246)**	**(92)**	**100**	**209**	**107**	**12**	**147**	**96**

(In millions of euros)	Corporate and Investment Banking **			Corporate Center			Societe Generale Group		
	June 30, 2009	December 31, 2008 *	June 30, 2008 *	June 30, 2009	December 31, 2008 *	June 30, 2008 *	June 30, 2009	December 31, 2008 *	June 30, 2008 *
Net banking income (2)	2,129	3,990	2,211	(335)	(212)	151	10,629	21,866	11,263
Operating Expenses (1)	(2,045)	(3,431)	(1,929)	(50)	(195)	(57)	(7,884)	(15,528)	(7,862)
Gross operating income	**84**	**559**	**282**	**(385)**	**(407)**	**94**	**2,745**	**6,338**	**3,401**
Cost of risk	(825)	(1,010)	(384)	-	(11)	(1)	(2,429)	(2,655)	(985)
Operating income	**(741)**	**(451)**	**(102)**	**(385)**	**(418)**	**93**	**316**	**3,683**	**2,416**
Net income from companies accounted for by the equity method	21	-	-	(2)	(3)	(5)	(6)	(8)	12
Net income/expense from other assets	(1)	11	6	2	609	625	14	633	641
Impairment of goodwill	-	-	-	-	-	-	(18)	(300)	-
Earnings before tax	**(721)**	**(440)**	**(96)**	**(385)**	**188**	**713**	**306**	**4,008**	**3,069**
Income tax	304	232	59	49	(200)	(321)	(62)	(1,235)	(951)
Net income before minority interests	**(417)**	**(208)**	**(37)**	**(336)**	**(12)**	**392**	**244**	**2,773**	**2,118**
Minority interests	10	6	2	88	202	102	213	763	378
Net income, Group share	**(427)**	**(214)**	**(39)**	**(424)**	**(214)**	**290**	**31**	**2,010**	**1,740**

** All the core business results have been prepared on the basis of an average capital allocation calculated according to Basel II standards.*

*** 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.*

(1) Including depreciation and amortization.

(2) Breakdown of the net banking income by business for the "Corporate and Investment Banking":

(In millions of euros)	June 30, 2009	December 31, 2008 **	June 30, 2008 **
Financing and Advisory	*875*	*1,181*	*508*
Fixed Income, Currencies and Commodities	*799*	*(930)*	*(87)*
Equities	*1,577*	*1,385*	*1,463*
Others	*(1,122)*	*2,354*	*327*
Total net banking income	***2,129***	***3,990***	***2,211***

Note 31 (continued)
Sector information by business lines

(In millions of euros)	French Networks		International Retail banking		Financial services		Corporate and Investment Banking	
	June 30, 2009	December 31, 2008**	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008**
Sector assets	174,457	175,363	87,316	87,496	123,129	118,936	572,531	647,291
Sector liabilities (1)	126,456	126,339	71,636	72,458	77,390	73,751	614,845	694,302

(In millions of euros)	Global Investment Management and Services							
	Asset Management		Private Banking		SGSS and Online Savings		Division Total	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Sector assets	5,227	7,652	17,922	22,090	49,862	43,533	73,011	73,275
Sector liabilities (1)	3,926	7,969	27,036	31,888	63,578	60,560	94,540	100,417

(In millions of euros)	Corporate Center		Societe Generale Group	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Sector assets	28,415	27,642	1,058,859	1,130,003
Sector liabilities (1)	31,300	21,849	1,016,167	1,089,116

*** 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.*

(1) Sector liabilities correspond to debts (i.e. total liabilities except equity).

Note 31 (continued)
Sector information by geographical regions

Geographical breakdown of Net banking income

(In millions of euros)	France			Europe			Americas		
	June 30, 2009	December 31, 2008	June 30, 2008	June 30, 2009	December 31, 2008	June 30, 2008	June 30, 2009	December 31, 2008	June 30, 2008
Net interest and similar income	3,570	3,508	1,295	1,915	3,949	1,843	625	44	24
Net fee income	2,231	4,160	2,199	935	2,214	971	442	569	247
Net income/expense from financial transactions	(287)	2,945	3,092	(139)	537	(220)	(186)	1,038	335
Other net operating income	238	493	301	289	848	359	(3)	(88)	(34)
Net banking income	**5,752**	**11,106**	**6,887**	**3,000**	**7,548**	**2,953**	**878**	**1,563**	**572**

(In millions of euros)	Asia			Africa			Oceania			Total		
	June 30, 2009	December 31, 2008	June 30, 2008	June 30, 2009	December 31, 2008	June 30, 2008	June 30, 2009	December 31, 2008	June 30, 2008	June 30, 2009	December 31, 2008	June 30, 2008
Net interest and similar income	81	81	30	409	722	341	86	110	29	6,686	8,414	3,562
Net fee income	54	139	68	162	304	146	6	29	9	3,830	7,415	3,640
Net income/expense from financial transactions	184	316	168	25	65	33	(10)	(131)	18	(413)	4,770	3,426
Other net operating income	1	-	1	1	15	8	-	(1)	-	526	1,267	635
Net banking income	**320**	**536**	**267**	**597**	**1,106**	**528**	**82**	**7**	**56**	**10,629**	**21,866**	**11,263**

Geographical breakdown of balance sheet items

(In millions of euros)	France		Europe		Americas		Asia	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Sector assets	725,882	796,906	160,155	162,201	119,122	111,743	17,466	19,251
Sector liabilities [(1)]	688,434	762,684	155,826	157,415	120,281	111,845	17,083	18,727

(In millions of euros)	Africa		Oceania		Total	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Sector assets	19,547	18,443	16,687	21,459	1,058,859	1,130,003
Sector liabilities [(1)]	17,979	16,963	16,564	21,482	1,016,167	1,089,116

(1) Sector liabilities correspond to debts (i.e. total liabilities except equity).

6.2 STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST HALF-YEARLY FINANCIAL INFORMATION FOR 2009

ERNST & YOUNG Audit
Faubourg de l'Arche
11, allée de l'Arche
92037 - Paris La Défense

DELOITTE & Associés
185 avenue Charles-de-Gaulle
BP 136
92524 - Neuilly-sur-Seine Cedex

SOCIETE GENERALE

Statutory Auditors' Review Report on the First Half-yearly Financial Information for 2009

Period from January 1 to June 30, 2009

This is a free translation into English of the statutory auditors' review report issued in French 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.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with article L.451-1-2 III of the French monetary and financial code *(code monétaire et financier*), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of Société Générale, for the period from January 1, 2009 to June 30, 2009 and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. They have been established in the context of economic and financial crisis characterized by an ongoing very high volatility in the financial markets and low visibility in the future. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

Without modifying the conclusion expressed above, we draw your attention to the matter discussed in note 1 to the condensed half-yearly consolidated financial statements relating to new accounting standards and interpretations that Société Générale has applied starting January 1, 2009.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the half-yearly financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, August 6, 2009

The Statutory Auditors

French original signed by

ERNST & YOUNG Audit	DELOITTE & Associés
Represented by	*Represented by*
Philippe PEUCH-LESTRADE	Damien LEURENT Jean-Marc MICKELER

Q2 2009: good operating performance

- **Revenues of core businesses: +14.6%[a] vs. Q2 08 (+7.6%[a] vs. Q1 09)**
  - **Non-recurring items: EUR -1.7bn o/w**
    - Changes in the Marked-to-Market valuation of CDS: EUR -0.8bn
    - Revaluation of financial liabilities: EUR -0.5bn
    - Deterioration in the valuation of assets at risk: EUR -0.4bn
- **Persistently high cost of risk: EUR -1.1bn (112 bp)**
- **Group net income: EUR 309m**

H1 results: proven solidity of customer franchises in a still challenging environment

- **Revenues of core businesses: +15.2%[a] vs. H1 08 (+29.2%[a] vs. H2 08)**
  - **H1 non-recurring items: EUR -3.6bn**
- **Solidity of customer franchises**
  - **Revenues of Retail Banking and Financial Services: +0.1% vs. H1 08**
  - **Revenues of Corporate and Investment Banking's client-driven activities: +24.9%[a]**
- **Positive Group net income in H1: EUR 31m**
  - **Earnings per ordinary share: EUR -0.23[1]**
- **Solid capital position: Tier One ratio: 9.5% (7.3% Core Tier One)**

(a) : All non-recurring items (affecting NBI, cost of risk and net income from other assets) are presented in Appendix 3

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

(1) After deducting the interest to be paid to holders of deeply subordinated notes and undated subordinated notes (respectively EUR 151 million and EUR 13 million) and the proportion of income for allocation to holders of preference shares (EUR -2 million)

At its August 4th 2009 meeting, the Board of Directors of Societe Generale approved the financial statements for Q2 and H1 2009. Group net income was EUR 309 million in Q2 2009. Income for H1 amounted to EUR 31 million.

Frédéric Oudéa, the Group's Chairman and Chief Executive Officer stated: "Societe Generale's Retail Banking activities proved highly resilient in Q2 while Corporate and Investment Banking posted an excellent performance, concealed by negative valuation items of an accounting nature. In an environment of global recession, the Group is focusing on consolidating its market share, controlling risks and restructuring the activities most severely affected by the crisis in order to adapt to the new environment and prepare for the future."

Benefiting from a solid capital position (Basel II Tier One ratio of 9.5%), Societe Generale continued during Q2 2009 with its plans for:

(i) the commercial growth of its Retail Banking and Private Banking activities both inside and outside France,
(ii) the substantial expansion of its Corporate and Investment Banking customer franchises while reducing its exposures at risk,
(iii) the focused realignment of its Specialised Financial Services platform,
(iv) the reorganisation of its Asset Management activities with, in particular, the signing of the definitive agreement with Crédit Agricole SA.

1. GROUP CONSOLIDATED RESULTS

In EUR m	Q2 09	Q2 08	Change Q2/Q2	H1 09	H1 08	Change H1/H1
Net banking income	**5,716**	**5,584**	**+2.4%**	**10,629**	**11,263**	**-5.6%**
On a like-for-like basis*			***+3.3%***			***-4.5%***
Operating expenses	**(4,107)**	**(3,957)**	**+3.8%**	**(7,884)**	**(7,862)**	**+0.3%**
On a like-for-like basis*			***+4.8%***			***+1.2%***
Gross operating income	**1,609**	**1,627**	**-1.1%**	**2,745**	**3,401**	**-19.3%**
On a like-for-like basis*			***-0.2%***			***-17.6%***
Net allocation to provisions	**(1,075)**	**(387)**	**x2.8**	**(2,429)**	**(985)**	**x2.5**
Operating income	**534**	**1,240**	**-56.9%**	**316**	**2,416**	**-86.9%**
On a like-for-like basis*			***-56.3%***			***-85.6%***
Group share of net income	**309**	**644**	**-52.0%**	**31**	**1,740**	**-98.2%**

	Q2 09	Q2 08	H1 09	H1 08
Group ROE after tax	**3.0%**	**8.3%**	**NM**	**12.3%**
ROE of core businesses after tax	**9.0%**	**13.1%**	**4.2%**	**14.1%**

The recession experienced by the global economy is the most brutal and deepest since the Second World War. That said, and despite a still challenging economic environment in Q2 (contraction in investment, deterioration in the labour market), there appear to be some signs that economic activity could stabilise at end-2009. Similarly, and although the outlook remains uncertain, investors demonstrated less risk aversion during Q2 than during the previous two quarters, as testified by the rebound in equity markets.

Net banking income

Societe Generale enjoyed healthy commercial activity during the first half of the year. That said, its revenues (EUR 5.7 billion in Q2 09, EUR 10.6 billion in H1) were affected mainly:

(i) in Q1, by the unfavourable trend in the US residential real estate market and monoline insurers' ratings. This situation stabilised in Q2, as illustrated by the rise in several representative indexes (ABX, CMBX, etc). As a result, the Group limited its losses and write-downs to EUR -0.4 billion in Q2 09, after EUR -1.5 billion in Q1.

(ii) in Q2, by accounting items related to changes in the Marked-to-Market value of corporate credit portfolio hedges and the Group's financial liabilities representing EUR -1.3 billion (EUR -0.3 billion in Q1).

When restated for all the non-recurring items (EUR -1.7 billion in Q2 09 and EUR -3.6 billion in H1 09), the revenues of the Group's core businesses amounted to respectively EUR 7.5 billion for Q2 (+14.6% vs. Q2 08) and EUR 14.5 billion for H1 (+15.2% vs. H1 08), a dynamic trend that well reflects the expansion of the customer franchises.

- The French Networks published net banking income up +1.2%[1] vs. Q2 08 at EUR 1.8 billion in Q2 09 (EUR 3.6 billion in H1 09 or +0.1%[1] vs. H1 08), in line with the target announced at the beginning of the year of a 1%[1] increase in revenues for FY 2009.
- Although affected by the recession which has spread to emerging countries, International Retail Banking posted a strong commercial performance with revenues of EUR 1.2 billion in Q2 09, up +4.1%* vs. Q2 08 (EUR 2.3 billion in H1 09, +7.4%* vs. H1 2008).
- In a generally unfavourable market, Financial Services continues to realign its operating infrastructure. Net banking income was virtually stable: EUR 0.8 billion in Q2 or -1.0%* vs. Q2 08 (EUR 1.5 billion in H1 09, -0.9%* vs. H1 08).
- Asset Management has also been hit by the negative effects of the recession and the confirmed risk aversion of investors. As a result, the level of net outflow in Q2 09 was EUR -1.8 billion, or a total of EUR -3.4 billion in H1 2009. Despite Private Banking's strong performance with an inflow of EUR +1.3 billion in Q2 09 (EUR +1.9 billion in H1), Asset Management experienced an outflow due to the capital withdrawals observed in alternative investment activities, whereas traditional investment activities were stable. The revenues of Global Investment Management and Services totalled EUR 0.7 billion in Q2 09, down -14.5%* vs. Q2 08 (EUR 1.4 billion in H1 09, -5.8%* vs. H1 08).
- As in Q1 2009, Corporate and Investment Banking provided further evidence of the dynamic growth of its customer franchises with sharply higher client-driven revenues. As a result, net banking income for client-driven activities (excluding non-recurring items) amounted to EUR 1.6 billion in Q2 09, up +20% both vs. Q2 08 and Q1 09 (EUR 2.9 billion in H1 09, +25% vs. H1 08). In its trading activities, the Group generated a high level of revenues (excluding non-recurring items) representing EUR 1.4 billion in Q2 09 (EUR 2.8 billion in H1 09), while continuing to reduce its exposures at risk (disposal of assets at risk representing EUR -3.0 billion during Q2, or EUR -3.8 billion in H1 09) and reducing its risk appetite. Corporate and Investment Banking's net banking income (excluding non-recurring items) totalled EUR 3.0 billion in Q2 09 (EUR 5.7 billion for the whole of H1).

[1] Excluding the effect of the PEL/CEL provision

Operating expenses

The Group's operating expenses amounted to EUR 4.1 billion for Q2 09 and EUR 7.9 billion for H1, representing an increase of +4.8%* and +1.2%* vs. 2008 comparison bases. The changes reflect the combination of:

(i) a deliberate policy to control all expenditure,

(ii) restructuring plans for Societe Generale (SGAM/CAAM, SGAM AI/Lyxor, changes in SG CIB's organisational structure), and

(iii) a strategy of commercial expansion targeted on high-potential sectors.

Societe Generale's cost to income ratio was 71.9% for the quarter (vs. 70.9% in Q2 08) and 74.2% for the first half (vs. 69.8% in H1 08).

Operating income

The Group's Q2 gross operating income amounted to EUR 1.6 billion (-0.2%* vs. Q2 08), with a contribution from core businesses of EUR 1.8 billion. The figure for H1 was EUR 2.7 billion, down -17.6%* on the first 6 months of 2008, with the core businesses making a EUR 3.1 billion contribution to this result.

After a sharp increase in Q1 09, the Group's Q2 cost of risk was lower at EUR -1.1 billion, reflecting the slowdown in the deterioration of its portfolio vs. Q1. On the basis of Basel I risk-weighted assets, the Group's cost of risk in Q2 09 amounted to 112 basis points and remains at a high level.

- The cost of risk associated with the French Networks remains high (EUR -213 million in Q2 09 vs. EUR -230 million in Q1 09).
- The high level of the cost of risk for International Retail Banking (EUR -310 million in Q2 09, or EUR -609 million in H1 09) corresponds primarily to the increase in Russia (with 559 basis points in Q2 09). In the other regions of activity, the cost of risk remains contained given the economic context.
- Financial Services' cost of risk was substantially higher (EUR -293 million in Q2 09 vs. EUR -234 million in Q1 09), with a significant contribution from consumer credit activities (77% of total, for 413 basis points). Meanwhile, Equipment Finance's cost of risk amounted to 130 basis points in Q2 09.
- After experiencing a significant cost of risk in Q1 09 (EUR -567 million), which included various specific or one-off items (provisions for litigation and portfolio-based), Corporate and Investment Banking's Q2 09 cost of risk amounted to EUR -258 million. The net cost of risk therefore amounts to 93 basis points.

The Group generated total operating income of EUR 534 million in Q2. Operating income for H1 totalled EUR 316 million.

Net income

After tax (the Group's effective tax rate was 22% in Q2) and minority interests, Group net income totalled EUR 309 million in Q2 09.
Group net income amounted to EUR 31 million in H1. During this period, the Group recorded numerous non-recurring items (details of which are presented in appendix 3), with an impact of EUR -3.6 billion on revenues. If these non-recurring items are stripped out, the Group's net income before tax would have been EUR 4.1 billion. When restated for these items, the Group's ROE after tax would be around 16%.

Earnings per ordinary share for H1 amounts to EUR -0.23, after deducting interest to be paid to holders of deeply subordinated notes and undated subordinated notes, and the proportion of income for allocation to holders of preference shares[1].

[1] Interest net of tax to be paid in respect of H1 09 amounts to EUR 151 million for holders of deeply subordinated notes and EUR 13 million for holders of undated subordinated notes. The proportion of income for allocation in respect of preference shares represents EUR -2 million in H1.

2. THE GROUP'S FINANCIAL STRUCTURE

At June 30th 2009, Group shareholders' equity totalled EUR 37.9 billion[1] and net asset value per share was EUR 49.66 (including EUR -1.43 of unrealised capital losses).

As part of Societe Generale's involvement in the French plan to ensure the financing of the economy, the Group made a commitment to limit the implementation of its share buyback policy only to interventions intended to cover the employee shareownership plans and the Group's day-to-day management transactions. Nevertheless, for 2009, the Board of Directors has decided not to proceed with share buybacks aimed at cancelling out the dilution resulting from employee shareownership plans in order to preserve the Group's shareholders' equity.

As a result, Societe Generale did not purchase any shares in the market during Q2 (2.1 million shares were purchased in Q1). At end-June 2009, Societe Generale possessed 12.1 million own shares and 9.0 million treasury shares representing 3.3% of the capital (excluding shares held for trading purposes). At that date, the Group also held 7.2 million purchase options on its own shares to cover the plans allocated to its employees.

Basel II risk-weighted assets amounted to EUR 335.7 billion at June 30th 2009 vs. EUR 340.4 billion at the end of H1 08 (for the record, these assets totalled EUR 345.5 billion at December 31st 2008).

Tier One and Core Tier One ratios were respectively 9.5% and 7.3% at June 30th 2009, an increase of 30 basis points vs. the proforma ratios for the preference share issue at end-March 2009.

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

[1] This figure includes notably (i) EUR 6.4 billion of deeply subordinated notes, EUR 0.8 billion of undated subordinated notes and (ii) EUR -0.9 billion of net unrealised capital losses.

3. FRENCH NETWORKS

In EUR m	Q2 09	Q2 08	Change Q2/Q2	H1 09	H1 08	Change H1/H1
Net banking income	**1,822**	**1,758**	**+3.6%**	**3,554**	**3,499**	**+1.6%**
NBI excl. PEL/CEL			*+1.2%*			*+0.1%*
Operating expenses	**(1,175)**	**(1,158)**	**+1.5%**	**(2,342)**	**(2,333)**	**+0.4%**
Gross operating income	**647**	**600**	**+7.8%**	**1,212**	**1,166**	**+3.9%**
GOI excl. PEL/CEL			*+0.7%*			*-0.3%*
Net allocation to provisions	**(213)**	**(98)**	**x2.2**	**(443)**	**(185)**	**x2.4**
Operating income	**434**	**502**	**-13.5%**	**769**	**981**	**-21.6%**
Group share of net income	**280**	**320**	**-12.5%**	**496**	**626**	**-20.8%**
Net income excl. PEL/CEL			*-20.9%*			*-25.7%*

	Q2 09	Q2 08	H1 09	H1 08
ROE (after tax)	**20.9%**	**24.5%**	**18.6%**	**24.5%**

The economic environment remained challenging, characterised by a now global recession, a still high level of corporate bankruptcies and rapidly rising unemployment.

The Societe Generale and Crédit du Nord networks have implemented a proactive policy to encourage the inflow of deposits and support their business customers. This commercial drive has resulted in strong activity levels as well as revenues and market share that are on the whole higher, thus demonstrating the networks' solidity during a crisis period.

The number of personal current accounts for **individual customers** totalled 6.3 million at June 30th, representing an increase of 8,200 units for Q2.

Balance sheet deposits increased by +1.5% vs. Q2 08, driven by the dynamic growth of the Special Savings Scheme. The Livret A passbook account confirmed the success it enjoyed in Q1, with 1.4 million account holders and EUR 4.0 billion of outstandings. For the first time in several years, outstandings on home ownership savings plans saw a resumption in growth, increasing +0.2% during Q2, in a market that was nevertheless 0.6% lower.

Meanwhile, the French Networks' life insurance outstandings totalled EUR 66.6 billion, slightly higher than in Q2 08 (+0.5%) despite the significant decline (-24.3% year-on-year) in gross inflow. Against a backdrop of less volatile stock markets and declining interest rates, the proportion invested in unit-linked policies triggered a rebound, returning to a level on a par with the level one year earlier (22% in Q2 09 vs. 18% in Q2 08), due mainly to the successful launch of new vehicles.

On the loan front, the persistent sluggishness of the property market and households' aversion to getting into debt in an environment of strong economic uncertainty and rapidly rising unemployment are adversely affecting activity levels. However, the French Networks' continuing commitment to their customers has helped maintain growth in outstanding loans to individuals of +3.7% vs. Q2 08, including +4.3% for housing loans. Meanwhile, the trend in new consumer credit business, up +7.3% vs. Q2 08, represents a reversal of market trends (-18.7% over the same period).

Despite a deteriorated environment, the **business customer** market remained strong. Balance sheet deposits rose +19.9%[(1)] year-on-year to EUR 27.2 billion, boosted by the launch of new offerings adapted to current market conditions.

[(1)] Excluding negotiable medium-term notes (BMTN) issued to French Network customers

In the case of loans, the French Networks have increased the number of initiatives and measures to support their business customers. This is testified by the rise in outstanding investment loans (+9.4%) and loans to local authorities (+16.7%) year-on-year. This commercial drive has helped the French Networks to post overall growth in outstanding loans to business customers of +3.7% vs. Q2 08, despite the very sharp slowdown in economic activity.

Generally, the **financial results** of the Societe Generale and Crédit du Nord networks reflect the robustness of the commercial business. At EUR 1,822 million, Q2 09 revenues were up +1.2% (excluding the EUR 42 million PEL/CEL provision write-back vs. a EUR 1 million allocation in Q2 08).

The interest margin rose by +3.8% (excluding the PEL/CEL effect) vs. Q2 08 due to the combination of growth in outstanding loans and the recovery in margins, as well as lower remuneration rates on long-term savings.

Commissions continued to decline, albeit at a lower rate than in Q1 09 since they were only down -1.9% year-on-year in Q2 09 vs. -2.8% in the previous quarter. Financial commissions remained sharply lower (-13.5% vs. Q2 08) due to the situation in the financial markets. However, service commissions were up +1.8% over the same period.

The limited increase in operating expenses (+1.5% vs. Q2 08) helped stabilise the Q2 cost to income ratio at 66.0% (excluding the PEL/CEL effect), very slightly higher than the level in Q2 08 (+0.2 point).

The French Networks' H1 revenues totalled EUR 3,554 million, up +0.1% excluding the PEL/CEL effect. Operating expenses were 0.4% higher than in H1 08 and the C/I ratio (excluding the PEL/CEL effect) rose 0.1 point to 66.7%.

At 65 basis points in Q2 09, the French Networks' cost of risk remained generally stable (-3 basis points) vs. Q1 09, with housing loans continuing to record a limited loss rate.

The French Networks' contribution to Group net income totalled EUR 280 million in Q2 and EUR 496 million in H1, down respectively -12.5% and -20.8% year-on-year.

The French Networks' ROE, excluding the PEL/CEL effect, stood at 18.9% in Q2 09 vs. 24.5% in Q2 08.

4. INTERNATIONAL RETAIL BANKING

M EUR	Q2 09	Q2 08	Change Q2/Q2	H1 09	H1 08	Change H1/H1
Net banking income	**1,183**	**1,215**	**-2.6%**	**2,344**	**2,338**	**+0.3%**
On a like-for-like basis*			***+4.1%***			***+7.4%***
Operating expenses	**(680)**	**(694)**	**-2.0%**	**(1,343)**	**(1,343)**	**0.0%**
On a like-for-like basis*			***+5.0%***			***+7.4%***
Gross operating income	**503**	**521**	**-3.5%**	**1,001**	**995**	**+0.6%**
On a like-for-like basis*			***+2.9%***			***+7.3%***
Net allocation to provisions	**(310)**	**(78)**	**x4.0**	**(609)**	**(166)**	**x3.7**
Operating income	**193**	**443**	**-56.4%**	**392**	**829**	**-52.7%**
On a like-for-like basis*			***-53.9%***			***-49.9%***
Group share of net income	**122**	**240**	**-49.2%**	**240**	**436**	**-45.0%**

	Q2 09	Q2 08	H1 09	H1 08
ROE (after tax)	**15.7%**	**35.5%**	**15.5%**	**32.0%**

In an environment marked by a very sharp economic slowdown, **International Retail Banking** generally proved resilient.

Changes in activity indicators reflect the realignment of the expansion policy to the economic environment. The policy was largely based on initiatives to encourage customer loyalty aimed at consolidating the customer franchises. These initiatives focused on an extended and innovative product offering promoted through marketing campaigns and sponsorship. At the same time and in order to maintain risk quality, International Retail Banking adapted its credit policy accordingly.

As a result, at end-June 2009, the individual customer portfolio had been bolstered by 83,000 net new customers vs. end-2008, at constant structure. Outstanding deposits increased by +1.1%* vs. end-December 2008, whereas outstanding loans fell -2.3%* vs. end-December 2008.

The deteriorated environment also prompted the Group to adjust the rate of expansion of its operating infrastructure. As a result, International Retail Banking opened 31 branches in Q2 09 compared with 57 in Q1 09 and 160 in Q2 08. At end-June 2009, there were 3,800 branches and 62,800 employees (representing a 1.1% reduction in the headcount in Q2 09).

With the exception of Russia, where the crisis has had a heavy impact on SG revenues, the Group has posted satisfactory performances, thereby succeeding in consolidating its commercial presence and maintaining a satisfactory level of profitability for its activities.

In the Mediterranean Basin, which is relatively unscathed by the crisis, the strong commercial momentum has continued as testified by the diversification and enhancement of customer portfolios and the growth in outstandings. Driven by Egypt and Morocco, the region has produced healthy, steadily increasing, financial performances.

In the Czech Republic, Komercni Banka boasts solid market positions, ranking it No. 3 among local players. These positions are reinforced by targeted and innovative initiatives (launch of Guaranteed Structured Deposit, savings account and platinum credit card products). Its surplus liquidity (loan/deposit ratio of 69.0% at end-June 2009) means that it does not have to adopt a policy of over-remunerating deposits, thus retaining satisfactory levels of profitability. The entity has also stepped up the sharing of costs and synergies essentially through the rationalisation of back offices.

Meanwhile, BRD in Romania has provided further evidence of its resilience capacity: it continues to enhance its customer franchises and strengthen its market positions, owing to the withdrawal of a number of competitors in recent months.

In Russia, the crisis environment has been adversely affecting the performances of subsidiaries since Q4 08. The deterioration in the business climate has resulted in shrinking loan demand combined with a rapid increase in non-performing loans. As a result, outstanding loans were down -12.6%* vs. end-2008 while the cost of risk continued to deteriorate to 559 bp in Q2 09 vs. 223 bp in Q4 08. In light of this situation, the Group has continued with the acceleration of productivity gains and the implementation of its operating infrastructure realignment policy by freezing plans to expand its network.

International Retail Banking revenues were up +4.1%* vs. Q2 08 but down -2.6% in absolute terms, at EUR 1,183 million.

Operating expenses were 5.0%* higher than in Q2 08, but down -2.0% in absolute terms. The increase in operating expenses is +2.2% vs. Q2 08, excluding network development costs. H1 net banking income totalled EUR 2,344 million, up +7.4%* (+0.3% in absolute terms) vs. H1 08. Operating expenses were 7.4%* higher (stable in absolute terms) than in H1 08. They were 4.4% higher excluding network development costs.

At 185 bp, the cost of risk is slightly above the level in Q1 09 (173 bp). The increase is due largely to the ongoing deterioration in Russian risks. If Russia is stripped out, the cost of risk shows an improvement compared with the previous quarter: 97 bp vs. 113 bp in Q1 09.

International Retail Banking's contribution to Group net income totalled EUR 122 million in Q2 and EUR 240 million in H1. ROE after tax stood at 15.7% vs. 35.5% in Q2 08. If Russia is stripped out, the Q2 contribution to Group net income amounts to EUR 177 million and ROE after tax is 29.1%.

5. FINANCIAL SERVICES

M EUR	Q2 09	Q2 08	Change Q2/Q2	H1 09	H1 08	Change H1/H1
Net banking income	**801**	**820**	**-2.3%**	**1,538**	**1,591**	**-3.3%**
On a like-for-like basis*			***-1.0%***			***-0.9%***
Operating expenses	**(441)**	**(455)**	**-3.1%**	**(871)**	**(883)**	**-1.4%**
On a like-for-like basis*			***-2.7%***			***-0.6%***
Gross operating income	**360**	**365**	**-1.4%**	**667**	**708**	**-5.8%**
On a like-for-like basis*			***+1.1%***			***-1.3%***
Net allocation to provisions	**(293)**	**(134)**	**x2.2**	**(527)**	**(247)**	**x2.1**
Operating income	**67**	**231**	**-71.0%**	**140**	**461**	**-69.6%**
On a like-for-like basis*			***-67.4%***			***-60.9%***
Group share of net income	**17**	**164**	**-89.6%**	**48**	**316**	**-84.8%**

	Q2 09	Q2 08	H1 09	H1 08
ROE (after tax)	**1.6%**	**17.2%**	**2.3%**	**16.8%**

The **Financial Services** 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

Financial Services' overall performance reflects the slowdown in economic activity in a deteriorated environment. The decline in new business which affected all business lines can be attributed to the drop in demand caused by consumers' reluctance to get into debt but also the realignment of commercial policy to the new market conditions. In the light of rising risks, credit conditions have been tightened in order to maintain profitability.

Consumer credit continues to be affected by the repercussions of the unfavourable economic environment, with new business in Q2 of EUR 3 billion, down -11.4%* vs. Q2 08. That said, the figure was 7.7% higher than in the previous quarter which was marked by the sluggishness of all markets. Q2 illustrated the resilience of Germany, where new business grew +12.0%*, whereas Italy continued to decline (-23.4%* vs. Q2 08). France, which was 9.1%* lower, produced a commendable performance compared with its market (-18.7% according to the ASF[1]). The economic environment continues to adversely affect the performance of Russia where new business plummeted compared with Q2 08 (-52.9%*) but picked up compared with Q1 09 (+15.6%). The commercial momentum continues to bolster activity in Brazil (+48.7%*) and the Czech Republic (+41.6%*). Consumer credit outstandings totalled EUR 21.9 billion at end-June 2009, up +11.4%* vs. end-June 2008.
Price raising measures and the optimisation of refinancing costs, which have been implemented according to the local context, are starting to pay off, with the significant strengthening of new business margins.

In **Equipment Finance**, SG Equipment Finance has generally observed the same trend: new financing amounted to EUR 1.9 billion (excluding factoring) in Q2, down -19.1%* vs. Q2 08. Business was slightly lower in France (-2.2%* vs. Q2 08), despite a good performance by the high-tech sector. Growth in business was satisfactory in the United Kingdom (+43.9%*). Having been hard hit by the crisis, Germany, SGEF's main market, and Scandinavia where business is heavily focused on "transport" have seen their new financing shrink by respectively -23.5%* and -19.7%*. Outstanding

[1] French Association of Financial Companies

loans (excluding factoring) totalled EUR 19.1 billion, representing an increase of +7.9%* vs. end-June 2008.
The price policy implemented by the business line, in accordance with the new market conditions, has helped raise new financing margins.

In **operational vehicle leasing and fleet management**, ALD has adapted to the environment by reducing its leasing rate. During Q2, it leased just over 51,000 vehicles vs. 71,000 in Q2 08. This slowdown affected all countries. At end-June 2009, ALD had a fleet under management of 778,100 vehicles, representing an increase of +2.6%* year-on-year, largely driven by its two key markets, France (+5.5%*) and Germany (+5.8%*). The deterioration in the second-hand vehicle market, which has been felt since end-2008, has prompted the business line to adopt a number of realignment measures. In addition to developing alternative resale channels and extending the duration of contracts in order to postpone disposals, the residual values of new contracts have been lowered.

Overall, **Specialised Financing** revenues totalled EUR 686 million in Q2 09, stable vs. Q2 08 (+0.1%* and -1.4% in absolute terms), with the rise in sales margins offsetting the losses and provisions on the residual values of second-hand vehicles. The optimisation of the operating infrastructure in light of the crisis (reduced headcount, strict control of expenditure) has resulted in lower operating expenses: -3.5%* vs. Q2 08 (-3.9% in absolute terms) including -4.1%* in consumer credit and -9.5%* in operational vehicle leasing. As a result, gross operating income amounted to EUR 293 million, up +5.4%* (+2.1% in absolute terms) vs. Q2 08.

Specialised Financing's H1 net banking income amounted to EUR 1,316 million, or +1.6%* vs. H1 08 (-1.4% in absolute terms) while operating expenses fell -0.7%* (-1.6% in absolute terms). As a result, gross operating income was EUR 538 million, up +4.9%* (-1.1% in absolute terms) vs. H1 08.

Life insurance continued to suffer from the unfavourable environment with gross inflow of EUR 2.3 billion (-4.5%* vs. Q2 08). The proportion of with-profits policies was 89% vs. 85% in Q2 08.

The **Insurance** activity's net banking income totalled EUR 115 million, down -7.3%* vs. Q2 08 (-7.3% in absolute terms). The figure for H1 was EUR 222 million, or -13.7%* vs. H1 08 (-13.3% in absolute terms).

The continuing increase in the **cost of risk** reflects the scale of the crisis and its repercussions on the business climate. In Q2 09, the cost of risk stood at 242 basis points vs. 120 basis points in Q2 08 and 197 basis points in Q1 09. This deterioration was observed in both consumer credit (413 bp) and equipment finance (130 bp), with the latter affected in particular by the difficult environment in Germany.

Financial Services' operating income totalled EUR 67 million in Q2 09 vs. EUR 231 million in Q2 08. The contribution to Group net income was EUR 17 million. The figure was EUR 164 million in Q2 08.

H1 operating income amounted to EUR 140 million. The contribution to Group net income was EUR 48 million.

6. GLOBAL INVESTMENT MANAGEMENT AND SERVICES

M EUR	Q2 09	Q2 08	Change Q2/Q2	H1 09	H1 08	Change H1/H1
Net banking income	**747**	**873**	**-14.4%**	**1,399**	**1,473**	**-5.0%**
On a like-for-like basis			*-14.5%*			*-5.8%*
Operating expenses	**(622)**	**(663)**	**-6.2%**	**(1,233)**	**(1,317)**	**-6.4%**
On a like-for-like basis			*-5.9%*			*-6.8%*
Operating income	**117**	**208**	**-43.8%**	**141**	**154**	**-8.4%**
On a like-for-like basis			*-44.5%*			*-11.9%*
Group share of net income	**80**	**139**	**-42.4%**	**98**	**111**	**-11.7%**
Of which Asset Management	12	43	*-72.1%*	(14)	(92)	*+84.8%*
Private Banking	63	49	*+28.6%*	100	107	*-6.5%*
Securities Services, Brokers & Online Savings	5	47	*-89.4%*	12	96	*-87.5%*

In EUR bn	Q2 09	Q2 08	H1 09	H1 08
Net inflow for period (a)	-1.8	-0.7	-3.4	-7.6
AuM at end of period (a)	333	381	333	381

(a) Excluding assets managed by Lyxor

Global Investment Management and Services consists of three major activities:

(i) asset management (Societe Generale Asset Management)
(ii) private banking (SG Private Banking)
(iii) Societe Generale Securities Services (SG SS), Brokers (Newedge), and Online Savings (Boursorama).

Despite a few signs of improvement, the environment generally remains unfavourable for Global Investment Management and Services.

The outflow continued in Asset Management, mainly on alternative investment products, whereas traditional investment products remained stable. The business line's financial performances provided further evidence of the improvement observed since the beginning of the year but remain lower than in 2008. The merger agreement with CAAM was finalised at the beginning of July and will give rise, at end-2009, to the 4th largest European player and 8th largest global player in this activity. The new entity will be 75%-owned by Crédit Agricole S.A. and 25%-owned by Societe Generale.

Private Banking provided further evidence of its commercial momentum, with an inflow of EUR 1.3 billion.

Societe Generale Securities Services and the Brokers business experienced a lower performance, having been affected by the decline in stock markets and interest rates, whereas Online Savings posted a satisfactory performance.

The division's revenues amounted to EUR 747 million in Q2 09 (-14.5%* and -14.4% in absolute terms vs. Q2 08). Its assets totalled EUR 333.1 billion. Operating expenses were 5.9%* lower (-6.2% in absolute terms). As a result, gross operating income amounted to EUR 125 million and the contribution to Group net income was EUR 80 million.

Asset management

Asset Management experienced a EUR -3.1 billion net outflow in Q2 09, mainly in alternative investment activities. Traditional investment activities were stable, reflecting arbitrage operations by clients switching from money market funds to bond funds (respectively EUR -3.7 billion and EUR +3.7 billion). Equity inflow amounted to EUR 0.3 billion.

At end-June 2009, assets under management totalled EUR 262.1 billion (vs. EUR 264.2 billion at end-March 2009) given a favourable market effect of EUR +10.8 billion, a negative currency effect of EUR -5.1 billion and a structure effect of EUR -4.7 billion, related to the disposal of SGAM UK. They are managed mainly by:

(i) SGAM with EUR 160.2 billion of assets under management, comprising 68% of fixed income products and 30% of equities and diversified assets. These correspond to the assets contributed under the merger with CAAM;
(ii) TCW with EUR 73.1 billion of assets under management;
(iii) SGAM AI with EUR 17.5 billion of assets under management.

SGAM's revenues amounted to EUR 202 million in Q2, down -25.5%* vs. Q2 08 (-24.9% in absolute terms) due primarily to the decline in assets under management (-15.2% vs. end-June 2008).

Operating expenses were down -11.3%* vs. Q2 08 (-11.3% in absolute terms) due to the decline in performance-linked pay. Operating income totalled EUR 21 million vs. EUR 65 million in Q2 08. The contribution to Group net income was EUR 12 million.

Private banking

In a slightly more favourable environment, **Private Banking** experienced healthy business volumes and posted satisfactory financial performances.

It generated a net inflow of EUR +1.3 billion in Q2 2009, more than double the amount in the previous quarter. This inflow, combined with a positive market effect of EUR +2.2 billion and a negative currency impact of EUR -0.4 billion, takes the assets managed by Private Banking to EUR 71 billion at end-June 2009, up +4.6% vs. end-March 2009. H1 net inflow amounted to EUR +1.9 billion.

The business line continued to expand and optimise its operating infrastructure with the setting up of an international centre of expertise dedicated to offering property products and services, and supported by specialists based primarily in European and Asian markets. SG Private Banking has also enhanced its platform in France with the opening of a regional centre in Lille.

Private Banking revenues totalled EUR 222 million, up +9.4%* vs. Q2 08 (+10.4% in absolute terms). They were driven mainly by treasury products, helped by a significant "cash" base.

Operating expenses were down -2.2%* vs. Q2 08 (-0.8% in absolute terms) reflecting the ongoing implementation of the cost-cutting plan and the adjustment of performance-linked pay to the business line's performance.

As a result of these developments, gross operating income amounted to EUR 90 million, up +32.4%* vs. Q2 08 (+32.4% in absolute terms). The contribution to Group net income was EUR 63 million, or +28.6%* vs. Q2 08 (+28.6% in absolute terms).

The business line generated revenues of EUR 418 million in H1, slightly higher than in H1 08 (+0.2%* and +1.0% in absolute terms). Operating expenses were down -1.9%* (-1.1% in absolute terms). As a result, gross operating income amounted to EUR 155 million, or +4.1%* (+4.7% in absolute terms) vs. H1 08.

After taking into account a net allocation to provisions of EUR 26 million in H1, the contribution to Group net income was EUR 100 million.

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

Securities Services continues to be adversely affected by declining interest rates. Assets under custody were up +6.3% vs. end-June 2008 at EUR 2,906 billion, whereas assets under administration were down -14.5% at EUR 423 billion over the same period.

Newedge's business reflected the slowdown in the market, while demonstrating some resilience. The subsidiary's Q2 09 trading volumes amounted to 761 million lots, down -8.5% vs. Q2 08, in a market whose volumes were down -13.8%. It has therefore succeeded in maintaining a high market share (11.8%) and is ranked No. 2 based on deposits in the United States[(1)].

Boursorama posted satisfactory performances. The brokerage business continued to benefit from strong market volatility as illustrated by the increase in the number of orders executed: +29% vs. Q2 08, whereas the savings business suffered from the decline in UCITS assets. With the opening of nearly 7,000 accounts in France in Q2, representing nearly 89,000 accounts at end-June 2009, banking activity provided further evidence of its vitality.

The Q2 revenues of SGSS, Brokers and Online Savings were affected by declining interest rates. They amounted to EUR 323 million, down -19.3%* vs. Q2 08 (-19.9% in absolute terms) while operating expenses were down -4.0%* (-5.2% in absolute terms). As a result, gross operating income amounted to EUR 14 million vs. EUR 77 million in Q2 08.

H1 net banking income totalled EUR 642 million, -19.4%* (-20.0% in absolute terms) vs. H1 08. Gross operating income was EUR 31 million, -80.1%* (-80.3% in absolute terms) vs. H1 08. The business line's contribution to Group net income was EUR 12 million vs. EUR 96 million in H1 2008.

(1) Classification at end-May 2009

7. CORPORATE AND INVESTMENT BANKING

M EUR	Q2 09	Q2 08	Change Q2/Q2	H1 09	H1 08	Change H1/H1
Net banking income	**1,288**	**655**	**+96.6%**	**2,129**	**2,211**	**-3.7%**
*On a like-for-like basis**			*+84.7%*			*-5.6%*
Financing and Advisory	(278)	(118)	NM	(247)	835	NM
Fixed Income, Currencies and Commodities	821	58	x14.2	799	(87)	NM
Equities	745	715	+4.2%	1,577	1,463	+7.8%
Operating expenses	**(1,134)**	**(942)**	**+20.4%**	**(2,045)**	**(1,929)**	**+6.0%**
*On a like-for-like basis**			*+18.8%*			*+4.9%*
Gross operating income	**154**	**(287)**	**NM**	**84**	**282**	**-70.2%**
*On a like-for-like basis**			*NM*			*-73.7%*
Net allocation to provisions	**(258)**	**(72)**	**x3.6**	**(825)**	**(384)**	**x2.1**
Operating income	**(104)**	**(359)**	**+71.0%**	**(741)**	**(102)**	**NM**
*On a like-for-like basis**			*+70.1%*			*NM*
Group share of net income	**(12)**	**(180)**	**NM**	**(426)**	**(39)**	**NM**

	Q2 09	Q2 08	H1 09	H1 08
ROE (after tax)	**NM**	**NM**	**NM**	**NM**

Q2 2009 saw confirmation of the improved market conditions observed from March 2009. The ongoing decline in interest rates, the tightening of credit spreads, as well as the normalisation and uptrend in equity markets helped Corporate and Investment Banking achieve a record operating performance.

The level of underlying activities[1] actually exceeded the level reached in Q1 2009. They posted revenues of EUR 2,984 million in Q2 09, up +57.5% vs. Q2 08, testifying to the robustness of the customer franchise and its ability to gain market share in a changing competitive environment. H1 revenues amounted to EUR 5,672 million, up +65.9% vs. H1 08.

However, once again in Q2, the division recorded various non-recurring items on a significant scale. These amounted to EUR -1.7 billion, or EUR -3.5 billion in H1. However, the relative weighting of the various items is very different from the Q1 weighting:

- with the parameters for the valuation of exposures at risk having stabilised and even improved in Q2 09, the amount of losses and write-downs was well below the Q1 09 figure since it represented EUR -397 million vs. EUR -1,507 million. The situation concerning monoline insurers was generally stable in Q2, with the exception of Ambac for which an additional provision was recorded to take into account the deterioration in its rating in July. The Group also continued with its policy of reducing its positions in assets at risk, with further disposals (EUR 3.0 billion) in Q2;
- however, most of the non-recurring items in Q2 stem from the accounting effects resulting from the tightening of credit spreads. As a result, the Marked-to-Market of CDS used to hedge the corporate credit portfolio fell by EUR -840 million (vs. EUR -472 million in Q1 09). The tightening of the Societe Generale credit spread, which reflects the improvement in the

[1] Comments on revenue performance are based on data excluding non-recurring items. However, comments on operating income and Group net income data take into account these items.

market's perception of the Group's risk, had an impact of EUR -459 million (vs. EUR +132 million in Q1 09).

The **Equities** business line produced an excellent performance in Q2 09. With Q2 revenues of EUR 1,001 million, close to its best performances at the beginning of 2007, it saw an increase of +61.2% vs. Q1 09 and +27.8% year-on-year. H1 revenues totalled EUR 1,622 million, up +21.9% vs. H1 08. Client-driven earnings were significantly higher (+11.6% vs. Q2 08 and x2.1 vs. Q1 09) at EUR 560 million. Although the downtrend in new client-driven structured products business continued in Q2, there was a rebound in flow products compared with Q1 09, particularly in listed products. The valuation of market positions associated with client transactions also had a positive impact in Q2. Capitalising on the normalisation of market parameters, trading activities enjoyed another excellent performance in Q2, with revenues of EUR 441 million (+56.9% vs. Q2 08 and +24.6% vs. Q1 09). Lyxor's assets under management were up EUR +3.6 billion vs. Q1 09, at EUR 62.1 billion at end-June. Recognised for the quality of its "Managed Accounts" platform, characterised by the transparency, liquidity and risk control offered to investors, Lyxor was recently awarded the prize for "Best Manager of the Year" by *Alternative Investment News*. These excellent performances make SGCIB the entity that has received the most awards since 2000, enabling it to confirm its leadership position in the equity derivatives market, with a global market share of 14.4% in warrants (No. 1) and a market share of 22.1% in ETFs in Europe (No. 2). It has also retained the title of "Best Equity Derivatives House" (*Euromoney June 2009*), for the 4th year running.

After an exceptionally good Q1, **Fixed Income, Currencies & Commodities** maintained a high level of revenues. At EUR 1,427 million, Q2 revenues were in fact almost double the figure for Q2 08 and experienced a limited decline of -9.1% vs. Q1 09. With EUR 462 million, client-driven revenues were robust (+5.0% vs. Q2 08), driven primarily by the excellent performance of flow products and the good performance of fixed income and currency structured products. In market conditions still conducive to this type of activity, trading maintained healthy business volumes, particularly for fixed income activities, which continue to benefit from the slope of the yield curve. At EUR 965 million, trading's Q2 revenues more than tripled vs. Q2 08 and were only slightly lower (-6.1%) vs. Q1 09. The business line's H1 revenues totalled EUR 2,996 million, more than double the revenues for H1 08. Generally, the solidity and commercial dynamism of the customer franchises are illustrated in the significant market share gains observed since the beginning of 2007, particularly on electronic Currency (+2.8 points at 3.8%) and Euro Government Bonds (+5.7 points, at 12.4%) platforms. In the commodities market, the bank has confirmed its status as a leading player, gaining 2 places since 2007 and ranking global No. 3 in the Energy Risk classification (May 2009).

With Q2 revenues of EUR 556 million, up +48.0% vs. Q2 08, (or H1 revenues of EUR 1,054 million and +67.4% vs. H1 08), **Financing & Advisory** enjoyed a record quarter. Financing activities posted excellent performances overall. These were led by strong growth in infrastructure financing (+20% vs. Q2 08), driven by ongoing government investment plans, particularly in Europe, and by export financing (+70% vs. Q2 08), which has benefited from the significant increase in the number of domestic programmes aimed at financing exports via credit guaranteed by export credit agencies. Natural resources have also benefited from the increase in the number of energy and mining projects, posting revenues up +18% vs. Q2 08. SGCIB's expertise in this area was once again recognised and rewarded with the titles of "Best Commodity Finance Bank" and "Best Export Finance Arranger" (*Trade Finance June 2009*). The buoyant acquisition financing business has also helped SG CIB gain seven places since H1 08 in the "EMEA syndicated loans bookrunner" classification, where it is now ranked No. 3. However, other activities, such as leverage and property financing posted lower performances (respectively -38% and -16% vs. Q2 08) in a still sluggish market. Capital markets activities also enjoyed an excellent quarter, benefiting in particular from strong business volumes in the bond issues market. By maintaining a high market share (10.2%), SG CIB has consolidated its global No. 3 ranking in euro bond issues and has climbed two places to No. 2 for corporate issues. It is also ranked 4th in the global classification for equity issues and equity products in Western Europe.

Operating expenses were up +18.8%* in Q2 09 vs. Q2 08, at EUR 1,134 million. They amounted to EUR 2,045 million in H1, up +4.9%* vs. H1 08.

Corporate and Investment Banking's gross operating income totalled EUR +154 million in Q2 and EUR +84 million in H1.

The division recorded a net allocation to provisions of EUR -258 million vs. EUR -567 million in Q1 09 due to the sharp slowdown in collective provision allocations and the absence of litigation provisions.

The division's contribution to Group net income was very slightly negative at EUR -12 million in Q2. The figure for H1 was EUR -426 million.

8. CORPORATE CENTRE

The Corporate Centre recorded gross operating income of EUR -180 million in Q2 09 vs. EUR 218 million last year. This significant decline can be attributed to:

(i) EUR +306 million of non-recurring items in Q2 08 (including the capital gain on the disposal of the shareholding in Bank Muscat), and

(ii) the effect in 2009 of the Marked-to-Market valuation of hedge swaps on issues of USD and GBP instruments eligible for inclusion in Tier One (EUR -98 million).

At June 30th 2009, the IFRS net book value of the industrial equity portfolio, excluding unrealised capital gains, amounted to EUR 0.69 billion, representing market value of EUR 0.74 billion.

9. CONCLUSION

The quality of Societe Generale's portfolio of activities and its high solvency level mean that the Group is able to absorb the effects of the crisis, while capitalising on the withdrawal of some of its competitors in order to strengthen its customer franchises and selectively increase its market share. The Group is also resolutely pursuing its structural realignment plans in order to prepare for the future banking environment. It is therefore providing itself with the resources to return to the path of profitable growth based on:

- the expansion of its Retail Banking customer franchises inside and outside France through both organic and external growth, according to the opportunities that arise,
- the growth of its market share in Corporate and Investment Banking,
- the rapid realignment of its activities most affected by the crisis (Retail Banking in Russia, Financial Services)
- the conclusion of a strategic partnership in Asset Management, and lastly
- the ongoing search for and intensification of synergies (revenues and resources) within the Group.

2009/2010 financial communication calendar

November 4th 2009	**Publication of third quarter 2009 results**
February 18th 2010	**Publication of fourth quarter and FY 2009 results**
May 5th 2010	**Publication of first quarter 2010 results**

This document contains a number of forecasts and comments relating to the targets and strategies of the Societe Generale Group. These forecasts are based on a series of assumptions, both general and specific. As a result, there is a risk that these projections will not be met. Readers are therefore advised not to rely on these figures more than is justified as the Group's future results are liable to be affected by a number of factors and may therefore differ from current estimates.

Investors are advised to take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document. Neither Societe Generale nor its representatives may be held liable for any loss resulting from the use of this presentation or its contents, or anything relating to them, or any document or information to which the presentation may refer.

Unless otherwise specified, the sources for the rankings are internal.

APPENDIX 1: FIGURES AND QUARTERLY RESULTS BY CORE BUSINESS

CONSOLIDATED INCOME STATEMENT (in EUR millions)	Second quarter				First half			
	Q2 09	Q2 08	Change Q2/Q2		H1 09	H1 08	Change H1/H1	
Net banking income	5,716	5,584	+2.4%	+3.3%(*)	10,629	11,263	-5.6%	-4.5%(*)
Operating expenses	(4,107)	(3,957)	+3.8%	+4.8%(*)	(7,884)	(7,862)	+0.3%	+1.2%(*)
Gross operating income	**1,609**	**1,627**	**-1.1%**	**-0.2%(*)**	**2,745**	**3,401**	**-19.3%**	**-17.6%(*)**
Net allocation to provisions	(1,075)	(387)	x2.8	x 2,9(*)	(2,429)	(985)	x2.5	x 2,5(*)
Operating income	**534**	**1,240**	**-56.9%**	**-56.3%(*)**	**316**	**2,416**	**-86.9%**	**-85.6%(*)**
Net profits or losses from other assets	11	35	-68.6%		14	641	-97.8%	
Net income from companies accounted for by the equity method	10	7	+42.9%		(6)	12	NM	
Impairment losses on goodwill	(18)	0	NM		(18)	0	NM	
Income tax	(122)	(432)	-71.8%		(62)	(951)	-93.5%	
Net income before minority interests	**415**	**850**	**-51.2%**		**244**	**2,118**	**-88.5%**	
O.w. minority interests	106	206	-48.5%		213	378	-43.7%	
Group share of net income	**309**	**644**	**-52.0%**		**31**	**1,740**	**-98.2%**	
Annualised Group ROE after tax (as %)	3.0%	8.3%			n/s	12.3%		
Tier 1 ratio at end of period	9.5%	8.2%			9.5%	8.2%		

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

NET INCOME AFTER TAX BY CORE BUSINESS (in EUR millions)	Second quarter			First half		
	Q2 09	Q2 08	Change Q2/Q2	H1 09	H1 08	Change H1/H1
French Networks	**280**	**320**	**-12.5%**	**496**	**626**	**-20.8%**
International Retail Banking	**122**	**240**	**-49.2%**	**240**	**436**	**-45.0%**
Financial Services	**17**	**164**	**-89.6%**	**48**	**316**	**-84.8%**
Global Investment Management & Services	**80**	**139**	**-42.4%**	**98**	**111**	**-11.7%**
o.w. Asset Management	12	43	-72.1%	(14)	(92)	+84.8%
o.w. Private Banking	63	49	+28.6%	100	107	-6.5%
o.w. SG SS, Brokers & Online Savings	5	47	-89.4%	12	96	-87.5%
Corporate & Investment Banking	**(12)**	**(180)**	**+93.3%**	**(426)**	**(39)**	**NM**
CORE BUSINESSES	**487**	**683**	**-28.7%**	**456**	**1,450**	**-68.6%**
Corporate Centre	**(178)**	**(39)**	**NM**	**(425)**	**290**	**NM**
GROUP	**309**	**644**	**-52.0%**	**31**	**1,740**	**-98.2%**

QUARTERLY RESULTS BY CORE BUSINESSES

	2007 Basel I - IFRS (inc. IAS 32 & 39 and IFRS 4)				2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
(in EUR millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
French Networks												
Net banking income	1,736	1,789	1,746	1,787	1,741	1,758	1,774	1,906	1,732	1,822		
Operating expenses	-1,145	-1,126	-1,108	-1,187	-1,175	-1,158	-1,140	-1,252	-1,167	-1,175		
Gross operating income	*591*	*663*	*638*	*600*	*566*	*600*	*634*	*654*	*565*	*647*		
Net allocation to provisions	-78	-78	-68	-105	-87	-98	-116	-193	-230	-213		
Operating income	*513*	*585*	*570*	*495*	*479*	*502*	*518*	*461*	*335*	*434*		
Net income from other assets	3	1	0	0	0	0	1	-1	0	1		
Net income from companies accounted for by the equity method	0	1	0	1	5	2	4	-3	2	2		
Income tax	-176	-199	-192	-169	-165	-170	-178	-154	-114	-148		
Net income before minority interests	*340*	*388*	*378*	*327*	*319*	*334*	*345*	*303*	*223*	*289*		
O.w. minority interests	13	19	14	12	13	14	10	13	7	9		
Group share of net income	*327*	*369*	*364*	*315*	*306*	*320*	*335*	*290*	*216*	*280*		
Average allocated capital	5,965	6,155	6,335	6,456	5,005	5,218	5,310	5,324	5,282	5,360		
ROE (after tax)	21.9%	24.0%	23.0%	19.5%	24.5%	24.5%	25.2%	21.8%	16.4%	20.9%		
International Retail Banking												
Net banking income	763	860	871	950	1,123	1,215	1,303	1,349	1,161	1,183		
Operating expenses	-465	-498	-494	-529	-649	-694	-668	-741	-663	-680		
Gross operating income	*298*	*362*	*377*	*421*	*474*	*521*	*635*	*608*	*498*	*503*		
Net allocation to provisions	-58	-53	-44	-49	-88	-78	-127	-207	-299	-310		
Operating income	*240*	*309*	*333*	*372*	*386*	*443*	*508*	*401*	*199*	*193*		
Net income from other assets	20	1	-2	9	-3	13	1	3	1	10		
Net income from companies accounted for by the equity method	8	11	8	9	4	1	2	1	2	0		
Impairment losses on goodwill	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*-300*	*0*	*0*		
Income tax	-64	-78	-82	-96	-80	-96	-107	-85	-40	-41		
Net income before minority interests	*204*	*243*	*257*	*294*	*307*	*361*	*404*	*20*	*162*	*162*		
O.w. minority interests	60	75	85	92	111	121	147	95	44	40		
Group share of net income	*144*	*168*	*172*	*202*	*196*	*240*	*257*	*-75*	*118*	*122*		
Average allocated capital	1,701	1,796	1,917	2,025	2,741	2,703	2,943	3,052	3,074	3,116		
ROE (after tax)	33.9%	37.4%	35.9%	39.9%	28.6%	35.5%	34.9%	NM	15.4%	15.7%		
Financial Services												
Net banking income	645	688	707	798	771	820	801	709	737	801		
Operating expenses	-344	-372	-375	-435	-428	-455	-454	-458	-430	-441		
Gross operating income	*301*	*316*	*332*	*363*	*343*	*365*	*347*	*251*	*307*	*360*		
Net allocation to provisions	-84	-86	-102	-102	-113	-134	-149	-191	-234	-293		
Operating income	*217*	*230*	*230*	*261*	*230*	*231*	*198*	*60*	*73*	*67*		
Net income from other assets	0	1	0	0	0	-1	0	0	0	1		
Net income from companies accounted for by the equity method	-2	-3	-1	-1	-3	8	-2	-24	-19	-12		
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	-18		
Income tax	-73	-77	-78	-87	-71	-70	-60	-19	-21	-18		
Net income before minority interests	*142*	*151*	*151*	*173*	*156*	*168*	*136*	*17*	*33*	*20*		
O.w. minority interests	4	4	4	5	4	4	5	5	2	3		
Group share of net income	*138*	*147*	*147*	*168*	*152*	*164*	*131*	*12*	*31*	*17*		
Average allocated capital	3,560	3,681	3,779	3,884	3,709	3,812	3,986	4,016	4,052	4,138		
ROE (after tax)	15.5%	16.0%	15.6%	17.3%	16.4%	17.2%	13.1%	1.2%	3.1%	1.6%		

	2007 Basel I - IFRS (inc. IAS 32 & 39 and IFRS 4)				2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Global Investment Management & Services												
Net banking income	919	1,116	854	852	600	873	747	598	652	747		
Operating expenses	-649	-677	-638	-744	-654	-663	-640	-673	-611	-622		
Gross operating income	*270*	*439*	*216*	*108*	*-54*	*210*	*107*	*-75*	*41*	*125*		
Net allocation to provisions	-1	-5	-2	-33	0	-2	-12	-39	-17	-8		
Operating income	*269*	*434*	*214*	*75*	*-54*	*208*	*95*	*-114*	*24*	*117*		
Net income from other assets	0	0	-2	-4	0	1	-1	0	0	0		
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0		
Income tax	-83	-136	-64	-12	26	-63	-25	50	-2	-31		
Net income before minority interests	*186*	*298*	*148*	*59*	*-28*	*146*	*69*	*-64*	*22*	*86*		
O.w. minority interests	10	9	11	9	0	7	0	6	4	6		
Group share of net income	*176*	*289*	*137*	*50*	*-28*	*139*	*69*	*-70*	*18*	*80*		
Average allocated capital	1,239	1,282	1,456	1,550	1,816	1,543	1,472	1,434	1,332	1,266		
ROE (after tax)	56.8%	90.2%	37.6%	12.9%	NM	36.0%	18.8%	NM	5.4%	25.3%		
o.w. Asset Management												
Net banking income	340	345	243	191	-13	269	184	-15	137	202		
Operating expenses	-212	-226	-176	-227	-201	-204	-190	-197	-178	-181		
Gross operating income	*128*	*119*	*67*	*-36*	*-214*	*65*	*-6*	*-212*	*-41*	*21*		
Net allocation to provisions	0	0	0	-4	0	0	2	-10	2	0		
Operating income	*128*	*119*	*67*	*-40*	*-214*	*65*	*-4*	*-222*	*-39*	*21*		
Net income from other assets	0	0	-2	-4	0	0	0	0	0	0		
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0		
Income tax	-43	-41	-22	15	71	-21	0	74	14	-8		
Net income before minority interests	*85*	*78*	*43*	*-29*	*-143*	*44*	*-4*	*-148*	*-25*	*13*		
O.w. minority interests	3	1	3	1	-8	1	1	1	1	1		
Group share of net income	*82*	*77*	*40*	*-30*	*-135*	*43*	*-5*	*-149*	*-26*	*12*		
Average allocated capital	277	302	404	502	879	655	526	505	466	413		
ROE (after tax)	118.4%	102.0%	39.6%	NM	NM	26.3%	NM	NM	NM	11.6%		
o.w. Private Banking												
Net banking income	191	198	201	233	213	201	197	223	196	222		
Operating expenses	-118	-126	-130	-157	-133	-133	-135	-138	-131	-132		
Gross operating income	*73*	*72*	*71*	*76*	*80*	*68*	*62*	*85*	*65*	*90*		
Net allocation to provisions	0	-1	0	0	-1	-1	-10	-20	-17	-9		
Operating income	*73*	*71*	*71*	*76*	*79*	*67*	*52*	*65*	*48*	*81*		
Net income from other assets	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0		
Income tax	-17	-15	-17	-14	-18	-16	-11	-9	-11	-18		
Net income before minority interests	*56*	*56*	*54*	*62*	*61*	*51*	*41*	*56*	*37*	*63*		
O.w. minority interests	3	3	3	4	3	2	-5	0	0	0		
Group share of net income	*53*	*53*	*51*	*58*	*58*	*49*	*46*	*56*	*37*	*63*		
Average allocated capital	396	410	435	466	336	380	423	422	389	375		
ROE (after tax)	53.5%	51.7%	46.9%	49.8%	69.0%	51.6%	43.5%	53.1%	38.0%	67.2%		
o.w. SG SS, Brokers & Online Savings												
Net banking income	388	573	410	428	400	403	366	390	319	323		
Operating expenses	-319	-325	-332	-360	-320	-326	-315	-338	-302	-309		
Gross operating income	69	248	78	68	80	77	51	52	17	14		
Net allocation to provisions	-1	-4	-2	-29	1	-1	-4	-9	-2	1		
Operating income	68	244	76	39	81	76	47	43	15	15		
Net income from other assets	0	0	0	0	0	1	-1	0	0	0		
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0		
Income tax	-23	-80	-25	-13	-27	-26	-14	-15	-5	-5		
Net income before minority interests	45	164	51	26	54	51	32	28	10	10		
O.w. minority interests	4	5	5	4	5	4	4	5	3	5		
Group share of net income	41	159	46	22	49	47	28	23	7	5		
Average allocated capital	566	570	617	582	601	508	523	507	477	478		
ROE (after tax)	29.0%	111.6%	29.8%	15.1%	32.6%	37.0%	21.4%	18.1%	5.9%	4.2%		

	2007 Basel I (a) - IFRS (inc. IAS 32 & 39 and IFRS 4)				2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Corporate & Investment Banking												
Net banking income	1,947	2,077	1,159	-661	1,556	655	643	1,136	841	1,288		
Operating expenses	-1,081	-1,112	-743	-489	-987	-942	-765	-737	-911	-1,134		
Gross operating income	*866*	*965*	*416*	*-1,150*	*569*	*-287*	*-122*	*399*	*-70*	*154*		
Net allocation to provisions	29	31	-9	5	-312	-72	-270	-356	-567	-258		
Operating income excluding net loss on unauthorised and concealed market activities	*895*	*996*	*407*	*-1,145*	*257*	*-359*	*-392*	*43*	*-637*	*-104*		
Net loss on unauthorised and concealed market activities	0	0	0	*-4,911*	0	0	0	0	0	0		
Operating income including net loss on unauthorised and concealed market activities	*895*	*996*	*407*	*-6,056*	*257*	*-359*	*-392*	*43*	*-637*	*-104*		
Net income from other assets	1	-1	2	24	-2	8	5	0	0	-1		
Net income from companies accounted for by the equity method	6	2	6	5	0	0	0	0	0	21		
Impairment losses on goodwill	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Income tax	-233	-274	-101	2,109	-114	173	148	25	228	77		
Net income before minority interests	*669*	*723*	*314*	*-3,918*	*141*	*-178*	*-239*	*68*	*-409*	*-7*		
O.w. minority interests	3	2	4	0	0	2	1	3	5	5		
Group share of net income	*666*	*721*	*310*	*-3,918*	*141*	*-180*	*-240*	*65*	*-414*	*-12*		
Average allocated capital	5,303	5,731	5,888	5,811	7,097	7,580	7,420	7,379	7,858	7,845		
ROE (after tax)	50.2%	50.3%	21.1%	NM	7.9%	NM	NM	3.5%	NM	NM		

Corporate & Investment Banking (excl. Cowen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net banking income	1,947	2,077	1,159	-661	1,556	655	643	1,136	841	1,288		
Financing and Advisory	*354*	*449*	*375*	*681*	*953*	*-118*	*497*	*2203*	*31*	*-278*		
Fixed Income, Currencies and Commodities	*525*	*584*	*105*	*-2099*	*-145*	*58*	*-372*	*-471*	*-22*	*821*		
Equities	*1068*	*1044*	*679*	*757*	*748*	*715*	*518*	*-596*	*832*	*745*		
Operating expenses	-1,081	-1,112	-743	-489	-987	-942	-765	-737	-911	-1,134		
Gross operating income	*866*	*965*	*416*	*-1,150*	*569*	*-287*	*-122*	*399*	*-70*	*154*		
Net allocation to provisions	29	31	-9	5	-312	-72	-270	-356	-567	-258		
Operating income excluding net loss on unauthorised and concealed market activities	*895*	*996*	*407*	*-1,145*	*257*	*-359*	*-392*	*43*	*-637*	*-104*		
Net loss on unauthorised and concealed market activities	*0*	*0*	*0*	*-4,911*	*0*	*0*	*0*	*0*	*0*	*0*		
Operating income including net loss on unauthorised and concealed market activities	*895*	*996*	*407*	*-6,056*	*257*	*-359*	*-392*	*43*	*-637*	*-104*		
Net income from other assets	1	-1	2	24	-2	8	5	0	0	-1		
Net income from companies accounted for by the equity method	6	2	6	5	0	0	0	0	0	21		
Impairment losses on goodwill	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Income tax	-233	-274	-101	2,109	-114	173	148	25	228	77		
Net income before minority interests	*669*	*723*	*314*	*-3,918*	*141*	*-178*	*-239*	*68*	*-409*	*-7*		
O.w. minority interests	3	2	4	0	0	2	1	3	5	5		
Group share of net income	*666*	*721*	*310*	*-3,918*	*141*	*-180*	*-240*	*65*	*-414*	*-12*		
Average allocated capital	5,303	5,731	5,888	5,811	7,097	7,580	7,420	7,379	7,858	7,845		
ROE (after tax)	50.2%	50.3%	21.1%	NM	7.9%	NM	NM	3.5%	NM	NM		

Corporate Centre	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net banking income	36	92	38	154	-112	263	-160	-203	-210	-125		
Operating expenses	-14	-32	-16	-32	-12	-45	-30	-108	5	-55		
Gross operating income	*22*	*60*	*22*	*122*	*-124*	*218*	*-190*	*-311*	*-205*	*-180*		
Net allocation to provisions	0	5	-1	-17	2	-3	-13	3	-7	7		
Operating income	*22*	*65*	*21*	*105*	*-122*	*215*	*-203*	*-308*	*-212*	*-173*		
Net income from other assets	0	4	-1	-16	611	14	12	-28	2	0		
Net income from companies accounted for by the equity method	-1	-2	-1	-2	-1	-4	-2	4	-1	-1		
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0		
Income tax	16	45	33	-211	-115	-206	-111	232	9	39		
Net income before minority interests	*37*	*112*	*52*	*-124*	*373*	*19*	*-304*	*-100*	*-202*	*-135*		
O.w. minority interests	57	62	59	44	44	58	65	35	45	43		
Group share of net income	*-20*	*50*	*-7*	*-168*	*329*	*-39*	*-369*	*-135*	*-247*	*-178*		

(a): Reported data not restated for the accounting consequences of the fictitious operations recorded in 2007 on unauthorised and concealed market activities.

	2007 Basel I (a) - IFRS (inc. IAS 32 & 39 and IFRS 4)				2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Group												
Net banking income	6,046	6,622	5,375	3,880	5,679	5,584	5,108	5,495	4,913	5,716		
Operating expenses	-3,698	-3,817	-3,374	-3,416	-3,905	-3,957	-3,697	-3,969	-3,777	-4,107		
Gross operating income	*2,348*	*2,805*	*2,001*	*464*	*1,774*	*1,627*	*1,411*	*1,526*	*1,136*	*1,609*		
Net allocation to provisions	*-192*	*-186*	*-226*	*-301*	*-598*	*-387*	*-687*	*-983*	*-1,354*	*-1,075*		
Operating income excluding net loss on unauthorised and concealed market activities	*2,156*	*2,619*	*1,775*	*163*	*1,176*	*1,240*	*724*	*543*	*-218*	*534*		
Net loss on unauthorised and concealed market activities	0	0	0	*-4,911*	0	0	0	0	0	0		
Operating income including net loss on unauthorised and concealed market activities	2,156	2,619	1,775	*-4,748*	1,176	1,240	724	543	-218	534		
Net income from other assets	*24*	*6*	*-3*	*13*	*606*	*35*	*18*	*-26*	*3*	*11*		
Net income from companies accounted for by the equity method	*11*	*9*	*12*	*12*	*5*	*7*	*2*	*-22*	*-16*	*10*		
Impairment losses on goodwill	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*-300*	*0*	*-18*		
Income tax	*-613*	*-719*	*-484*	*1,534*	*-519*	*-432*	*-333*	*49*	*60*	*-122*		
Net income before minority interests	*1,578*	*1,915*	*1,300*	*-3,189*	*1,268*	*850*	*411*	*244*	*-171*	*415*		
O.w. minority interests	*147*	*171*	*177*	*162*	*172*	*206*	*228*	*157*	*107*	*106*		
Group share of net income	*1,431*	*1,744*	*1,123*	*-3,351*	*1,096*	*644*	*183*	*87*	*-278*	*309*		
Average allocated capital	23,268	23,725	24,321	23,410	25,431	29,029	29,611	29,630	29,274	30,223		
ROE (after tax)	24.4%	28.9%	18.0%	NM	16.8%	8.3%	1.7%	0.4%	NM	3.0%		

(a): Reported data not restated for the accounting consequences of the fictitious operations recorded in 2007 on unauthorised and concealed market activities.

APPENDIX 2: METHODOLOGY

1- The interim consolidated results at June 30th 2009 and the comparative information prepared accordingly are the subject of a limited examination by the Statutory Auditors. They were approved by the Board of Directors on August 4th 2009
The financial information presented for the six-month period ended June 30th 2009 has been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union at June 30th 2009. In particular, the Group's summary interim consolidated financial statements have been prepared and are presented in accordance with IAS 34 "Interim Financial Reporting".

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 conversion 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 of the restated, undated subordinated notes. The net income used to calculate ROE excludes interest, net of tax impact, to be paid to holders of deeply subordinated notes for the period and, as of 2006, to the holders of restated, undated subordinated notes (i.e. EUR 83 million in Q2 2009 and EUR 164 million in H1 2009).

3- For the calculation of **earnings per ordinary share**, "Group net income for the period" is corrected (reduced in the case of a profit and increased in the case of a loss) for the following items:
(i) as of 2005, for the interest, net of tax, to be paid to holders of deeply subordinated notes (EUR 151 million in H1 2009),
(ii) as of 2006, for the interest, net of tax, to be paid to holders of undated subordinated notes which were reclassified from debt to shareholders' equity (EUR 13 million in H1 2009),
(iii) as of 2009,

- if "Group net income for the period" after deduction of the items mentioned in (i) and (ii) (hereinafter Reference Income) is positive, for the contractual amount of the preference dividends that are likely to be distributed to the holders of preference shares if the entire Reference Income was distributed to shareholders (ordinary and preference shareholders).
- if the Reference Income is negative, for the share of the Reference Income allocated to holders of preference shares according to their share of the capital.

Earnings per ordinary share is therefore calculated as the ratio of corrected Group net income for the period to the average number of ordinary shares outstanding, excluding treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

4- Net assets are comprised of Group shareholders' equity, excluding (i) deeply subordinated notes (EUR 6.4 billion), undated subordinated notes previously recognised as debt (EUR 0.8 billion) and (ii) interest to be paid to holders of deeply subordinated notes and undated subordinated notes, but reinstating the book value of trading shares held by the Group and shares held under the liquidity contract. The number of shares used to calculate book value per share is the number outstanding at June 30th 2009 (including preference shares), excluding treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

APPENDIX 3: IMPACT OF NON-RECURRING ITEMS ON PRE-TAX PROFITS

	EUR m	Q1 08	Q2 08	Q1 09	Q2 09	H1 08	H1 09	2007	2008
Non-recurring items in NBI	**French Networks**	-	-	-	-	-	-	36	72
	Euronext and Visa capital gain	-	-	-	-	-	-	36	72
	International Retail Banking	-	-	-	-	-	-	-	16
	Asiban capital gain	-	-	-	-	-	-	-	75
	Impairment of AFS securities	-	-	-	-	-	-	-	- 59
	Global Investment Management & Services	- 274	-	- 22	17	- 274	- 5	- 67	- 335
	Asset Management	- 274	-	- 22	17	- 274	- 5	- 232	- 335
	Liquidity support provided to certain funds	- 274	-	- 19	17	- 274	- 2	- 232	- 290
	Impact of Lehman	-	-	-	-	-	-	-	- 12
	Impact of Madoff	-	-	-	-	-	-	-	- 5
	Impairment of AFS securities	-	-	- 3		-	- 3	-	- 28
	Private Banking	-	-	-	-	-	-	1	-
	Euronext capital gain	-	-	-	-	-	-	1	-
	SGSS, Brokers and Online Savings	-	-	-	-	-	-	164	-
	Euronext SGSS capital gain	-	-	-	-	-	-	159	-
	Euronext Fimat capital gain	-	-	-	-	-	-	5	-
	Corporate & Investment Banking	31	-1,240	-1,847	-1,696	-1,209	-3,543	-2,348	-1,502
	Equities	200	- 68	211	- 256	132	- 45	178	- 109
	Euronext capital gain	-	-	-	-	-	-	34	-
	Revaluation of financial liabiltiies + Own shares	200	- 68	211	- 256	132	- 45	144	56
	Impact of Lehman	-	-	-	-	-	-	-	- 159
	Impact of Icelandic banks	-	-	-	-	-	-	-	- 6
	Fixed Income, Currencies and Commodities	- 868	- 678	- 1,591	- 606	- 1,546	- 2,197	- 2,724	- 3,460
	Revaluation of financial liabilities	323	- 79	- 79	- 203	244	- 282	89	283
	Losses and writedowns linked to exotic credit derivatives	- 417	- 372	- 364	- 718	- 789	- 1,082	- 209	- 792
	Writedown of unhedged CDOs	- 350	- 20	- 116	16	- 370	- 100	- 1,249	- 119
	Writedown of monolines	- 203	- 98	- 609	145	- 301	- 464	- 947	- 1,082
	Writedown of RMBSs	- 43	- 15	12	- 2	- 58	10	- 325	- 65
	Writedown of ABS portfolio sold by SGAM	- 166	- 84	- 193	62	- 250	- 131	- 116	- 1,210
	CDPC reserves		- 17	- 257	116	- 17	- 141	-	- 117
	Writedown / Reversal of SIV PACE	- 12	7	15	- 22	- 5	- 7	- 49	- 30
	Ice capital gain	-	-	-	-	-	-	82	-
	Impact of Lehman	-	-	-	-	-	-	-	- 246
	Impact of Icelandic banks	-	-	-	-	-	-	-	- 82
	Financing and Advisory	699	- 494	- 467	- 834	205	- 1,301	198	2,067
	CDS MtM	743	- 501	-472	-840	242	- 1,312	266	2,112
	Writedown / Reversal of NIG transactions under syndication	- 44	7	5	6	- 37	11	- 68	- 44
	Impact of Lehman	-	-	-	-	-	-	-	- 39
	Impact of Icelandic banks	-	-	-	-	-	-	-	38
	Corporate Centre	-	306	- 78	- 4	306	- 82	-	63
	Revaluation of Crédit du Nord's financial liabilities	-	44	- 7	- 4	44	- 11	-	28
	Muscat capital gain	-	262	-	-	262	-	-	262
	Impairment of equity portfolio	-	-	- 71	-	-	- 71	-	- 227
	Total impact on GROUP NBI	- 243	- 934	-1,947	-1,683	-1,177	-3,630	-2,379	-1,686
Net allocation to provisions	**Private Banking**	-	-	-	-	-	-	-	- 10
	Allocation to Washington Mutual	-	-	-	-	-	-	-	- 10
	Corporate & Investment Banking	- 292	- 3	- 135	- 15	- 295	- 150	-	- 392
	Allocations to a few accounts	- 282	-	- 12	-	- 282	- 12	-	- 375
	Impairment of US RMBS	- 10	- 3	- 65	- 15	- 13	- 80	-	- 17
	Impact on assets transferred to L&R	-	-	- 58	-	-	- 58	-	-
Goodwill impairment	**International Retail Banking**	-	-	-	-	0	0	0	-300
	Goodwill impairment	-	-	-	-	-	-	-	- 300
						-	-	-	-
Net losses	**Corporate & Investment Banking**	-	-	-	-	0	0	-4,911	0
	Net loss on unauthorised and concealed market activities	-	-	-	-	-	-	- 4,911	-
Net gain on other assets	**Corporate Centre**	602	-	-	-	602	-	-	602
	Capital gain on Fimat	602	-	-	-	602	-	-	602
	Total impact on GROUP	67	-937	-2,082	-1,698	-870	-3,780	-7,290	-1,786

6.4 PRUDENTIAL RATIO MANAGEMENT

As part of the management of its prudential ratios, Societe Generale has issued preference shares totalling EUR 1.7 billion subscribed by the French state-owned investment company, SPPE ("Société de Prise de Participation de l'Etat"); these preference shares will be included without limit in the Core Tier 1 capital of the Company for the calculation of prudential capital.

6.5 INFORMATION ON COMMON STOCK

6.5.1 PRESS RELEASE DATED MAY 28, 2009: PREFERENCE SHARE ISSUE

In compliance with the authorisation given by the General Meeting of Shareholders on 19 May 2009, Societe Generale issued 45,045,045 preference shares to the French state-owned investment company, SPPE ("Société de Prise de Participation de l'Etat"), at a unit price of €37.74, for a sum total of €1.7bn. The share issue took place on 28 May 2009.

These preference shares, which do not carry voting rights and are not convertible into ordinary shares, are issued under the French Economic Support Plan ("Plan Français de Soutien à l'Economie").

Subsequent to this share issue, the Group's Core Tier one and Tier One ratios at 31/03/2009 are 7% and 9.2%, respectively, on a pro forma basis.

6.5.2 PRESS RELEASE DATED JUNE 17, 2009: RESULT OF THE SCRIP DIVIDEND PAYMENT OFFER

At their Annual General Meeting of 19 May 2009, Societe Generale shareholders voted in favour of a 2008 dividend of €1.20 per ordinary share, with the option of a scrip dividend.

The option period closed on 10 June 2009. Shareholders' continued faith in Societe Generale's strategy was reflected in a significant demand for payment in shares (nearly 68%). Accordingly, 13,810,504 new ordinary shares will be issued with effect from 19 June 2009.

Following this operation, Societe Generale's capital will comprise 639,582,793 registered shares at €1.25 each, made up of 594,537,748 ordinary shares and 45,045,045 preference shares held by the Société de Prise de Participation de l'Etat (the French state-owned investment company, SPPE).

Cash dividends, which will be paid out from 19 June 2009, will account for a total outlay of €222 million for the Group. In all, this operation will enable Societe Generale to reinforce its Tier One ratio by around 13 basis points.

6.5.3 PRESS RELEASE DATED JULY 27, 2009: GLOBAL EMPLOYEE SHARE OWNERSHIP PLAN 2009: RESULTS OF THE 22ND CAPITAL INCREASE RESERVED FOR EMPLOYEES

Once again this year, Societe Generale Group gave its employees the right to purchase shares in the company at favourable terms.

In 2009, this employee share ownership scheme was made available to 14 new subsidiaries or entities in the Group within the scope of the Global Employee Share Ownership Plan. As a result, the number of eligible current and former employees now stands at 145,000, including 74,000 in France.

Shares were offered at the price of €27.09. The capital increase took place from 15 to 29 May 2009 and enabled Group employees to subscribe to 1.74% of the share capital.

In all, 59,000 employees and former employees in 62 countries took part in the plan, for a total subscription of €291 million. In France, nearly three out of four Societe Generale employees (73%) decided to subscribe to the reserved capital increase this year. Although this year, for the first time, employees had the option of crediting their subscriptions directly to their bank accounts, 91% of Societe Generale France employees placed their shares in the Company Savings Plan. This subscription rate demonstrates employees' confidence in the company's strategy.

More than 82,000 employees and former employees around the world are now Societe Generale shareholders, holding 8.2% of the capital*.

Changes in common stock

Operations	**Date of record or completion**	**Change in number of shares**	**Number of ordinary shares**	**Number of preference shares**	**Common stock (in EUR)**	**Change in common stock resulting from operation (as a %)**
Reminder: information at 31/12/2008			*580,727,244*	*0*	*725,909,055*	
Issue of preference shares	May 28, 2009	45,045,045 ordinary shares	580,727,244	45,045,045	782,215,361.25	7.75%
Payment of dividend in shares	June 17, 2009	13,810,504 ordinary shares	594,537,748	45,045,045	799,478,491.25	2.20%
2009 Savings Plan capital increase	July 10, 2009	10,757,876 ordinary shares	605,295,624	45,045,045	812,925,836.25	1.68%

* 4th highest shareholding percentage among CAC 40 companies (ranking based on figures published by IAS® on 19 June 2009 and taking into account the 22nd reserved capital increase for current and former Group employees).

VII. CHAPTER 11: LEGAL INFORMATION

7.1 BY-LAWS UPDATED ON JULY 10, 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 or 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 or agricultural, movable or immovable property transactions, directly or indirectly related to the above-mentioned activities or likely to facilitate the accomplishment of such activities.

CAPITAL - SHARES
ARTICLE 4

4.1. Share capital

The share capital amounts to EUR 812,925,836.25. This is divided into 650,340,669 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 605,295,624 A shares and 45,045,045 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 or reduced 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 account of capital reimbursement for certain of them only, either during the life of the Company or during its liquidation, shall be divided between all the shares making up the capital during such reimbursement(s) so that, while allowing for the nominal and non-amortized 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 limited liability 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 Secretary 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 securities he holds which may give rise to his holding capital stock in the future. 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 penalized 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 the present Article.

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 that term of office remaining to be served by his predecessor.

   Each Director must hold at least six hundred A 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 on expiry of the outgoing Directors' terms of office.

If, in 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 such term of office and the Board shall continue to meet and take decisions validly until that date.

Elections shall be organized 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 closing of the polls; the report is drawn up as soon as the counting has been completed.

Reports are immediately sent to the Head Office of SOCIETE GENERALE, where a centralized 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 representative trade unions.

These methods may include electronic voting, whose organisation may deviate from the practical organization of the election described herein.

III - NON-VOTING DIRECTORS "CENSEURS"

On the proposal of the Chairman, the Board of Directors may appoint one or two non-voting Directors "Censeurs".

"Censeurs" 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 put an end to 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 the documents and information 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 organizes 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 questions placed on the agenda.

It will 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 the Chief Executive Officer or a Deputy Chief Executive Officer provided they are a member of the Board.

Apart from where 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 conditions laid down by the legislation in force.

At the request of the Chairman of the Board of Directors, members of the Management, the Statutory Auditors or other persons from 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 Directors' 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.

If 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 shall 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, the 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 by the legal and regulatory provisions in force.

It meets at the Company's head office or in any other place in metropolitan 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 the 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 gives right 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 Meetings of B shareholders.

A shareholders have no right to participate in the Special Meetings of B shareholders.

STATUTORY AUDITORS
ARTICLE 16

The Statutory Auditors are appointed and carry out their duties according to the applicable statutory and regulatory provisions.

ANNUAL ACCOUNTS
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 of 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 the payment is possible, any distribution to shareholders of:

(i) the entirety of Dividend B (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 Dividend B and a dividend to A shareholders, Dividend B 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 will be increased by 150 basis points, it being specified that for the first period for which Dividend B shall be due, i.e. 2009, this rate shall be applied to the period between the issue date of the B shares inclusive and 31 December 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 31 December 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, Dividend B is not cumulative. Thus, if for any reason whatsoever, Dividend B were not due for a period, it would not be carried forward to subsequent periods.

Dividend B 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 accounts 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 shareholder 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 30 June 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 365day basis, or a 366day 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 Payment Rate (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 30 June 2010;
- 105% if the repurchase takes place between 1 July 2010 and 30 June 2011;
- 110% if the repurchase takes place between 1 July 2011 and 30 June 2012; and
- 115% if the repurchase takes place between 1 July 2012 and 30 June 2013.

(B) For the period from 1 July 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 Payment Rate (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 1 July 2013 and 30 June 2014;
- 125% if the repurchase takes place between 1 July 2014 and 30 June 2015;
- 130% if the repurchase takes place between 1 July 2015 and 30 June 2017;
- 140% if the repurchase takes place between 1 July 2017 and 30 June 2019;
- 150% if the repurchase takes place between 1 July 2019 and 30 June 2022; and
- 160% if the repurchase takes place after 1 July 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 Dividend B 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 Secretary General of the 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 a 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 Secretary General of the 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 CLAUSE
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 SOCIETE GENERALE is wound up and unless otherwise provided 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.

Draft 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 a 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 accounts 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 accounts. The Reduction Percentage shall be deemed to apply to the Current Amount on the date of certification of the consolidated accounts 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 accounts 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 accounts. The Restitution Percentage shall be deemed to apply to the Current Amount on the date of certification of the consolidated accounts in which group net consolidated profits appear following the occurrence of a reduction in the Current Amount.

In the event the French State no longer holds the B shares, in this case, for the purposes of calculating Dividend B, the Current Amount Restitution Percentage shall only apply in the above manner from such time as a Dividend B 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 Company accounts, 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 31 December 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 1 January 2010 and 31 December 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 years 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) Dividend B 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 31 December 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) Dividend B 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 two following 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 Secretary General of the French Banking Commission (Secrétariat Général de la Commission Bancaire) warning it that its financial situation shall 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 equal to EUR zero per B share).

7.2 BOARD'S INTERNAL RULES (UPDATED ON JULY 6, 2009)

Changes approved by the Board of Directors on May 24, 2009 and July 6, 2009 appear in bold italics script.

Preamble:

The Board of Directors of Societe Generale functions in accordance with the corporate governance principles set out in the December 2008 AFEP-MEDEF reports on corporate governance.
The Board's organisation and operating procedures are defined in these Internal Rules
Copies of these reports 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) shall approve the Group's strategy and review it at least once a year;

b) shall approve 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.

Except where precluded by justified reasons of urgency, 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% Group's consolidated shareholders' equity;
- transactions that would result in a substantial deterioration of the Group's risk profile.

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.

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 operations 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.

The Board shall receive copies of all press releases relating to acquisitions or disposals prior to their release to the press, save where justified by reasons of urgency.

c) shall deliberate on modifications to the Group's management structures prior to their implementation and shall be informed of the principal changes to its organisation;

d) shall deliberate on the Company's exposure to all types of risk at least once a year;

e) shall approve the report of the Board and the Board Committees to be included in the Company's annual report;

f) shall approve the presentation of the Directors for the annual report, including the list of Independent Directors and the criteria used for their selection, based on the proposals put forward by the Nomination Committee;

g) shall set the compensation of the Chairman and the Company's Chief Executive Officers based on the proposals of the Compensation Committee;

h) shall approve the management report, as well as those sections of the annual report dealing with corporate governance and presenting the Company's policy governing stock remuneration and purchase and subscription options.

ARTICLE 2: THE CHAIRMAN AND VICE-PRESIDENT OF THE BOARD OF DIRECTORS

a) The Chairman calls and chairs the Board of Directors' meetings. He sets the timetable and the agenda of Board meetings. He organizes 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 submit questions to the Committees for review. He is a member of the Nomination Committee.

He ensures that the Directors are in a position to fulfil their duties and that they are provided with the appropriate information.

He produces the report on the conditions for the preparation and organization of the work of the Board and on internal control and risk management procedures.

He speaks alone in the Board's name, barring exceptional circumstances or specific assignments entrusted to another Director.

He dedicates his best efforts to promoting in all circumstances the image and values of the Company.

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.

b) The Vice-President assists the Chairman in his assignments, especially with regard to the organization and efficient operation of the Board of Directors and its committees and the supervision of corporate governance and internal control.

The Vice-President chairs the Audit Committee and is a member of the Nomination and Compensation Committees. He may interview the managers in charge of drawing up financial statements, of internal control, risk management, compliance and internal audit, as well as the Statutory Auditors. He is provided with the information and documents he deems necessary to accomplish his assignments.

In accordance with the Chairman-Chief Executive Officer, he may represent the Company during meetings with third parties about corporate governance and internal control.

ARTICLE 3: MEETINGS

The Board shall meet at least five times a year. At least once a year, an evaluation of the Board's performance shall be included as an item on its agenda.

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.***

ARTICLE 4: INFORMATION FURNISHED TO THE BOARD OF DIRECTORS

Each Director shall receive ***all documents*** necessary for him to complete his mission.

Prior to the Board meetings, a file containing agenda items requiring special analysis and prior reflection, whenever confidentiality rules allow, ***will be made available or posted online.***

Moreover, between meetings, the Directors shall receive any relevant information, including any critical reviews, about significant events or transactions for the Company. In particular, they shall receive copies of all press releases issued by the Company.

The Board is informed of and regularly discusses (at least once a year) Group policy with respect to human resources, information systems and organization.

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

For certain fields, the Board's resolutions are prepared by specialized Committees composed of Directors appointed by the Board, who examine the issues within their competencies and submit their recommendations and proposals to the Board.

The said 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 subsequently report on the information obtained and the opinions collected.

There are three permanent Committees:

- the Audit Committee,
- the Compensation Committee,
- the Nomination Committee.

The Board may create one or more ''ad hoc'' committees.

The Audit Committee shall be chaired by the Vice-President or, in his absence, by a chairman appointed by the Board of Directors based on a proposal made by the Nomination Committee.
The secretarial functions for each committee shall be provided by a person appointed by the Chairman of the Committee.

ARTICLE 7: THE COMPENSATION COMMITTEE

The Compensation Committee:

a) proposes to the Board the criteria for determining the compensation of the Company's Chief Executive Officers ("mandataires sociaux"), as well as the amount of this compensation, including benefits in kind, welfare benefits or retirement benefits, and any compensation received from Group companies. The Committee ensures that these criteria are correctly applied, in particular as regards the calculation of the variable component;

b) prepares the annual performance appraisal of the Chairman and the Company's Chief Executive Officers and convenes the Independent Directors to deliberate on the same;

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) is informed of the Group's compensation policy, in particular with respect to senior managers;

f) gives the Board of Directors its opinion on the section of the annual report dealing with these issues;

g) produces an annual activity report which is submitted for the approval of the Board and is intended for inclusion in the Company's annual report.

It is made up of at least three Directors, who may not be senior officers of the Company or members of the Audit Committee, and may not be linked to the Company or one of its subsidiaries by an employment contract, ***except for the Vice-President***. At least two-thirds of the Committee's members shall be independent as per the definition given in the Company's corporate governance rules.

The Company's Chairman or the Deputy Chief Executive Officers may be present during meetings on issues that do not concern them.

ARTICLE 8: THE NOMINATION COMMITTEE

This Committee is assigned the task of submitting proposals to the Board Directors for the nomination of Directors and for the appointment of successors to the Chief Executive Officers ("mandataires sociaux") especially where a position becomes vacant unexpectedly.

It may propose the appointment of a Vice-President.

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 performance of the Board of Directors, 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 makes proposals to the Board of Directors regarding its composition, after carrying out any necessary inquiries.

It produces an annual activity report that is submitted for the approval of the Board and is intended for inclusion in the Company's annual report.

The Nomination 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. Its Chairman is also the Chairman of the Compensation Committee.

ARTICLE 9: THE AUDIT COMMITTEE

This Committee's mission is to monitor issues concerning the production and control of accounting and financial information.

The Audit Committee is tasked in particular with:

- Ensuring monitoring of the process for drawing up financial information

- 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 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 program 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 measurement, supervision and risk control systems and proposing additional actions accordingly where appropriate. To this end, the Committee shall in particular:

- Review the Group's internal audit program and the annual report on internal control drawn up in accordance with banking regulations and formulate an opinion on the organisation and operation of internal audit services

- Review the follow-up letters sent by the French Banking Commission and issue an opinion on draft responses to these letters

- Review the policy concerning risk management and monitoring off balance sheet commitments 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 Audit Committee may interview company officers, the Statutory Auditors and managers in charge of drawing up financial statements, internal controls, risk management, compliance and internal audits. The Statutory Auditors shall be invited to meetings of the Audit Committee unless the Committee decides otherwise.

The Chairman of the Audit Committee shall report on its work to the Board.

The Audit Committee shall present its annual work program to the Board and an annual activity report intended to be included in the annual report.

The Audit Committee shall consist of at least three Board members appointed by the Board of Directors, who may not be senior officers of the Company, bound to the Company or to any of its subsidiaries by an employment contract, or members of the Compensation Committee***, except for the Vice-President***. At least two thirds of the committee members shall be independent, as defined by corporate governance principles, and at least one Audit Committee member shall have specific skills in finance or accounting.

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 responsibilities to another Company, should inform the Board and abstain from voting on the corresponding resolution.

The Chairman may also request that he not participate in any related discussions and refrain from voting.

ARTICLE 11: DIRECTORS' FEES

The total amount of attendance fees is set at the General Meetings.

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-President receives 35% of the fixed part as special fees, calculated pro-rata to the duration of his mandate over the period.

After allocation of the Vice-President's share, the fixed part 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 Committee
-three shares for the members of the Audit Committee
-two shares for the Chairman of the Nomination and Compensation Committees
-one share for the other Directors.

The variable part of the fees is shared between the Directors at the end of the year according to the number of Board, Committee or work meetings that they have attended. However, meetings of the Nomination Committee and of the Compensation Committee held on the same day are taken into account as one unit.

The compensation paid to Non-Voting Directors for their participation in Board meetings is equal to the attendance fees 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' ("Censeurs") travel, accommodation, meals and assignment-related expenses linked to Board, Committee, Shareholder or any other Meetings associated with the duties of the Board or Committees are paid for by the Company or reimbursed by Societe Generale, upon submission of receipts.

The Company pays for the Vice-President's office, secretariat and communication expenses.

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 ("Censeur") should consider himself bound by professional secrecy with regard to confidential information received in his capacity as Director or Non-Voting Director ("Censeur"), and with regard to the opinions expressed by each Board member.

VIII. CHAPTER 12: PERSON RESPONSIBLE FOR UPDATING THE REGISTRATION DOCUMENT

8.1 PERSON RESPONSIBLE FOR UPDATING THE REGISTRATION DOCUMENT

Mr Fréderic OUDEA, Chairman and Chief Executive Officer of Societe Generale

8.2 STATEMENT OF THE PERSON RESPONSIBLE FOR UPDATING THE REGISTRATION DOCUMENT

I hereby certify, having taken all reasonable measures to this effect and to the best of my knowledge, that the information contained in the present update of the 2009 Registration document is in accordance with the facts and that it makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the condensed accounts for the first half have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the interim management report presents a fair review of the important events that have occurred during the first six months of the financial year, their impact on the accounts, major related-parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

I have received a completion letter from the Statutory Auditors in which they state that they have verified the information contained in the present update about the Group's financial position and accounts and that they have read the Registration Document, its amendment and updated documents A-01 and A-02 in their entirety.

The historical financial information presented in the 2009 Registration Document has been discussed in the Statutory Auditors' reports found on pages 310 to 311 and 382 to 383 of the 2009 Registration Document, and those enclosed for reference purposes for the financial years 2006 and 2007, found on pages 246 to 247 and 301 to 302 of the 2007 Registration Document and on pages 266 to 267 and 330 to 331 of the 2008 Registration Document. The Statutory Auditors' reports on the 2008 parent company and consolidated financial statements, the 2007 parent company and consolidated financial statements and the 2006 parent company financial statements contain remarks.

Paris, August 6, 2009

Mr Fréderic OUDEA
Chief Executive Officer of Societe Generale

8.3 PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

STATUTORY AUDITORS

Name: Cabinet Ernst & Young Audit
represented by 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: 6 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 Jean-Marc Mickeler et Damien Leurent
Address: 185, avenue Charles-de-Gaulle - B.P. 136 - 92524 Neuilly-sur-Seine Cedex
Date of first appointment: April 18, 2003
Term of mandate: 6 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: Robert Gabriel Galet
Address: Faubourg de l'Arche – 11, allée de l'Arche - 92037 Paris - La Défense
Date of first appointment: May 30, 2006
Term of mandate: 6 fiscal years

Name: Alain Pons
Address: 185, avenue Charles-de-Gaulle - B.P. 136 - 92524 Neuilly-sur-Seine Cedex
Date of first appointment: April 18, 2003
Term of mandate: 6 fiscal years

IX. CHAPTER 13: CROSS-REFERENCE TABLE

Subject		*Registration Document 2009*	*First Update*	*Second Update*
1.	**PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT**	**408**	**54**	**224**
2.	**STATUTORY AUDITORS**	**409**	**55**	**225**
3.	**SELECTED FINANCIAL INFORMATION**			
3.1.	**Selected historical financial information on the issuer for each financial year**			
3.2.	Selected financial information for interim periods			13-15
4.	**RISK FACTORS**	**148 – 150; 154 – 193**	**17-24; 50-52**	**53-121**
5.	**INFORMATION ABOUT THE ISSUER**			
5.1	History and development of the company	2; 392		
5.2.	Investments	53 – 54; 309		36
6.	**BUSINESS OVERVIEW**			
6.1.	Principal activities	4 –13; 51 – 52	3-6; 13	4; 7-8;11; 34-35
6.2.	Principal markets	305 – 308	7-12	
6.3.	Exceptional events	NA		
6.4.	Dependence of the issuer on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	188 – 190		
6.5.	The basis for statements made by the issuer regarding its competitive position	Contents	Contents	Contents
7.	**ORGANISATIONAL STRUCTURE**			
7.1.	Summary description of the Group	2; 26 – 27		11
7.2.	List of main subsidiaries	33 – 48; 294 – 304; 364 – 380		11
8.	**PROPERTY, PLANT AND EQUIPMENT**			
8.1.	Main tangible fixed assets (existing or planned)	62		45
8.2.	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	138 – 140		
9.	**OPERATING AND FINANCIAL REVIEW**			
9.1.	Financial condition	49 – 50; 58 – 61		33; 40-44
9.2.	Operating results	30; 33 – 48		13-32; 172-174
10.	**CAPITAL RESOURCES**			
10.1.	Information on the issuer's capital resources	198 – 200		127-128; 175; 196-197
10.2.	Sources and amounts of the issuer's cash flows	201		129
10.3.	Information on the issuer's borrowing requirements and funding structure	49 – 50; 61	50	33; 44; 144
10.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations	385		
10.5.	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in items 5.2.3. and 8.1	50		
11.	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES**			
12.	**TREND INFORMATION**	**55**		
13.	**PROFIT FORECASTS OR ESTIMATES**			
14.	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**			
14.1.	Board of Directors and senior management	64 – 78	14-15	47-52
14.2.	Administrative bodies and senior management's conflicts of interest	69		

Subject		*Registration Document 2009*	*First Update*	*Second Update*
15.	**REMUNERATION AND BENEFITS**			
15.1.	Amount of remuneration paid and benefits in kind	85 –101	15-16	48
15.2.	Total amounts set aside or accrued by the issuer to provide pension, retirement or similar benefits	292 – 293		
16.	**BOARD PRACTICES**			
16.1.	Date of expiration of the current term of office	64 – 74	15	
16.2.	Members of the administrative bodies' service contracts with the issuer	69		
16.3.	Information about the issuer's audit committee and remuneration committee	79 – 84		47
16.4.	Statement as to whether or not the issuer complies with the corporate governance regime	79		
17.	**EMPLOYEES**			
17.1.	Number of employees	124 – 125		
17.2.	Shareholdings and stock options awarded to directors	64 – 67; 85 – 104		162
17.3.	Arrangements for involving the employees in the capital of the issuer	128 – 129		197
18.	**MAJOR SHAREHOLDERS**			
18.1.	Shareholders owing more than 5% of capital or voting rights	23		10
18.2.	Different voting rights held by the major shareholders	23; 385		10
18.3.	Control of the issuer	23		
18.4.	Arrangements known to the issuer, the operation of which may at a subsequent date result in a change of control of the issuer	NA		
19.	**RELATED PARTY TRANSACTIONS**	**292 – 293; 364 – 380; 405 – 406**		**46**
20.	**FINANCIAL INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES OF THE ISSUER**			
20.1.	Historical financial information	196 – 308; 313 – 380; 412		
20.2.	Proforma financial information	NA		
20.3.	Financial statements	196 – 308; 313 – 380		
20.4.	Auditing of the historical annual financial information	310 – 311; 382 – 383		
20.5.	Age of latest financial information	196; 313		122
20.6.	Interim financial information	NA	25-49	122-168; 171-195
20.7.	Dividend policy	18 – 19		
20.8.	Legal and arbitration proceedings	188 – 190		
20.9.	Significant changes in the issuer's financial or trading position	309		
21.	**ADDITIONAL INFORMATION**			
21.1.	Share capital	21 – 23; 384 – 386	53	196-197
21.2.	Memorandum and articles of association	392 – 399		198-216
22.	**MATERIAL CONTRACTS**	**55; 62**		
23.	**THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST**			
24.	**DOCUMENTS ON DISPLAY**	**393 – 394**		
25.	**INFORMATION ON HOLDINGS**	**26 – 27; 294 – 304; 364 – 380**		