

## Supplemental Listing Document

If you are in any doubt about this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

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**Placing of**  
**400,000,000 European Style (Cash Settlement) Put Warrants 2004**  
relating to the

**Hang Seng Index**  
**(Stock Code: 9536)**

**exercisable only on 29 July, 2004**

issued by  
**SGA Société Générale Acceptance N.V.**  
(incorporated in the Netherlands Antilles with limited liability)

**unconditionally and irrevocably guaranteed by**  
**Société Générale**  
(incorporated in France)



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**Strike Level: 13,600.00**

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This document is published for the purpose of obtaining a listing of all the above warrants (the "Warrants") to be issued by SGA Société Générale Acceptance N.V. (the "Issuer") and unconditionally and irrevocably guaranteed by Société Générale ("Société Générale" or the "Guarantor"), is supplemental to and should be read in conjunction with a base listing document published on 12 May, 2003 (the "Base Listing Document") and contains particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Rules") for the purpose of giving information with regard to the Issuer, the Guarantor and the Warrants.

**Investors are warned that due to their nature, the Warrants may be subject to considerable fluctuations in value and the price of the Warrants may fall in value as rapidly as it may rise. Therefore, Warrant holders (as defined in the Conditions) may, in certain circumstances, sustain a total loss of their investment including loss of the purchase price of the Warrants. Prospective purchasers should ensure that they understand the nature of the Warrants, carefully study the risk factors set out in this document and the Base Listing Document and reach an investment decision only after careful consideration with their own advisers of the suitability of the Warrants in light of their particular financial circumstances and the information set forth or referred to in this document and, where necessary, seek professional advice before they invest in the Warrants.**

**The Warrants constitute general unsecured contractual obligations of the Issuer and of no other person, and the Guarantee (as defined herein) constitutes general unsecured contractual obligations of the Guarantor and of no other person, and if you purchase the Warrants you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Warrants against the companies comprising the Index (as defined herein) or HSI Services Limited ("HSI Services").**

The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document and confirm that, to the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), there are no other facts the omission of which would make any statement in this document and the Base Listing Document misleading and the information contained in this document and the Base Listing Document for which the Issuer and the Guarantor accept responsibility is in accordance with the facts and is not limited by anything likely to affect the import of such information.

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Warrants and the Listing Committee of the Stock Exchange has agreed in principle to grant listing of, and permission to deal in, the Warrants. It is expected that dealings in the Warrants will commence on 19 January, 2004.

Subject to the granting of listing of, and permission to deal in, the Warrants on the Stock Exchange as well as the compliance with the stock admission requirements of HKSCC, the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS") with effect from the commencement date of dealings in the Warrants on the Stock Exchange or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Warrants to be admitted to CCASS. Investors need to open an account with CCASS directly as CCASS investor participants or open an account with CCASS brokers/custodian participants who will hold the Warrants on their behalf (if they do not already have such accounts) before investing in the Warrants.

The Guarantor is rated Aa3 by Moody's Investors Service, Inc. and AA- by Standard and Poor's Corporation. The rating by Moody's Investors Service, Inc. was granted on 4 April, 1997 and reconfirmed on 20 June, 2002. The rating by Standard and Poor's Corporation was granted on 26 July, 1995 and reconfirmed on 21 January, 2003.

Neither the Issuer nor the Guarantor are regulated by any of the bodies referred to in Rule 15A.13(2) or (3) of the Rules. The Issuer is regulated by the Central Bank of the Netherlands Antilles and the Guarantor is regulated by, inter alia, the Commission Bancaire in France.

**Manager and Sponsor**  
**SG Securities (HK) Limited**  
**15 January, 2004**

Neither the delivery of this document nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer or the Guarantor, and its subsidiaries and affiliates since the date hereof. No person has been authorised to give any information or to make any representations other than those contained in this document and the Base Listing Document in connection with the offering of the Warrants and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor or the Manager (as defined below). The Base Listing Document may from time to time be updated by way of addenda. Intending investors in the Warrants should ask SG Securities (HK) Limited (the "Sponsor") if any addenda to the Base Listing Document or any later Base Listing Document have been issued. Such addenda to the Base Listing Document and any later Base Listing Document can be obtained from the registered office of the Sponsor (see below for address).

The distribution of this document and the offering of the Warrants may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Warrants, or interests therein, may not at any time be offered, sold, resold or delivered within the United States or to, or for the account or benefit of, U.S. persons and any offer, sale, resale or delivery made within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Warrants and distribution of this document is given in the section headed "Sales Restrictions" below.

The Stock Exchange and HKSCC have made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Warrants, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer or its affiliates may repurchase Warrants at any time and any Warrant which is repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer. Investors should not therefore make any assumption as to the number of Warrants in issue at any time.

References in this document to the "Conditions" shall mean references to the "Terms and Conditions of the European Style Index Put Warrants (Global Form of Certificate)" contained in the Base Listing Document subject as amended in this document. Terms not defined herein in respect of the Warrants shall have the meanings ascribed thereto in the Conditions.

On 13 January, 2004, the Issuer announced its intention to issue 400,000,000 Warrants initially, all at an issue price of HK\$0.25 per Warrant, to be placed by SG Securities (HK) Limited (the "Manager") through securities dealers by way of a placement. This placement was made pursuant to a master placing agreement dated 6 March, 2002 (the "Placing Agreement") as supplemented by a Confirmation (as defined in the Placing Agreement) dated 12 January, 2004 each between the Issuer, the Guarantor and the Manager. A permanent global certificate (the "Global Certificate") representing the Warrants will be issued in the name of HKSCC Nominees Limited and will be deposited with the CCASS Depository on 15 January, 2004 or such other date as HKSCC requests. Dealings in the Warrants on the Stock Exchange are expected to commence on 19 January, 2004.

All references in this document to "HK\$" and "HKD" are to Hong Kong dollars.

Copies of the latest publicly available audited financial statements or annual report (as the case may be), interim report (if any) and quarterly report (if any) of the Issuer and the Guarantor, the English and Chinese versions of the Base Listing Document (which contains financial and other information relating to the Issuer and the Guarantor) and any addenda thereto and the English and Chinese versions of this document (which contains details of the Warrants) may be obtained during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of the Sponsor, currently at 41st Floor, Edinburgh Tower, 15 Queen's Road Central, Hong Kong, from the date of this document to the Expiry Date (as defined below). Information relating to the Guarantor can also be found at the Guarantor's corporate website [www.socgen.com](http://www.socgen.com).

發行人及擔保人最新公佈之經審核財務報表或年報（視情況而定）、中期報告（如有）及季度報告（如有）、基本上市文件（載有關於發行人及擔保人之財務及其他資料）及其任何附件、基本上市文件及其任何附件之中文譯本、本文件（載有認股權證詳情）及其中文譯本由本文件刊發日期至期滿日（定義見下文）期間內逢星期一至星期五（星期六、星期日及公眾假期除外）之一般辦公時間內可於保薦人之辦事處（現時地址為香港皇后大道中 15 號公爵大廈 41 樓）索取。有關擔保人之資料可於擔保人之公司網頁 [www.socgen.com](http://www.socgen.com) 查閱。

Save for the Terms and Conditions of the Warrants where the English version shall prevail, the English and the Chinese versions of this document shall be equally valid.

## License Agreement

HSI Services and Société Générale have entered into a non-exclusive licence agreement providing Société Générale with a licence, in exchange for a fee, giving the right to use the Index owned and published by HSI Services in connection with certain products, including the Warrants, and the Issuer benefits from the same licence as a subsidiary of Société Générale.

The licence agreement between HSI Services and Société Générale provides that the following language must be stated in this document:

“The Hang Seng Index (the "Index") is published and compiled by HSI Services Limited pursuant to a licence from Hang Seng Data Services Limited. The mark and name “Hang Seng Index” is proprietary to Hang Seng Data Services Limited. HSI Services Limited and Hang Seng Data Services Limited have agreed to the use of, and reference to, the Index by SGA Société Générale Acceptance N.V. in connection with the “Issue of Warrants on the Hang Seng Index” (the “Product”) but neither HSI Services Limited nor Hang Seng Data Services Limited warrants or represents or guarantees to any broker or holder of the Product or any other person the accuracy or completeness of the Index and its computation or any information related thereto and no warranty or representation or guarantee of any kind whatsoever relating to the Index is given or may be implied. The process and basis of computation and compilation of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSI Services Limited without notice. No responsibility or liability is accepted by HSI Services Limited or Hang Seng Data Services Limited in respect of the use of and/or reference to the Index by SGA Société Générale Acceptance N.V. in connection with the Product, or for any inaccuracies, omissions, mistakes or errors of HSI Services Limited in the computation of the Index or for any economic or other loss which may be directly or indirectly sustained by any broker or holder of the Product or any other person dealing with the Product as a result thereof and no claims, actions or legal proceedings may be brought against HSI Services Limited and/or Hang Seng Data Services Limited in connection with the Product in any manner whatsoever by any broker, holder or other person dealing with the Product. Any broker, holder or other person dealing with the Product does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSI Services Limited and/or Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSI Services Limited and/or Hang Seng Data Services Limited and must not be construed to have created such relationship.”

## TABLE OF CONTENTS

	<i>Page</i>
<b>Risk Factors</b> .....	5
<b>Summary of the Issue</b> .....	7
<b>Terms and Conditions of the Warrants</b> .....	9
<b>Placement of the Warrants</b> .....	11
<b>Information Relating to the Liquidity Provider</b> .....	11
<b>Information Relating to the Hang Seng Index</b> .....	12
<b>Information Relating to the Guarantee</b> .....	12
<b>Sales Restrictions</b> .....	12
<b>Supplemental Information Relating to the Issuer</b> .....	13
<b>Supplemental Information Relating to the Guarantor</b> .....	23
<b>Supplemental Taxation Information</b> .....	82
<b>Supplemental General Information</b> .....	83

## RISK FACTORS

The following risk factors are relevant to the Warrants:

- (a) the Warrants constitute general and unsecured contractual obligations of the Issuer and of no other person, and the Guarantee constitutes general unsecured contractual obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including the Warrants, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Warrants against any of the companies forming part of any indices to which the warrants relate;
- (b) certain events relating to a share or shares or share index, certain events relating to such shares or the underlying company may cause adverse movements in the value and price of the underlying share or other security, as a result of which, the Warrantheolders may, in certain circumstances, sustain a total loss of their investment if, for call warrants, the price of the underlying share or level of the underlying share or index falls below or is equal to the relevant exercise price or strike level on the relevant expiry date and, for put warrants, the price of the underlying share or level of the underlying index is equal to or higher than the relevant exercise price on the relevant expiry date.
- (c) due to their nature, warrants can be volatile instruments and may be subject to considerable fluctuations in value. The price of the warrants may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price or level of the underlying share or index, dividends and interest rate, the time remaining to expiry and the creditworthiness of the Issuer and Guarantor;
- (d) fluctuations in the price of the underlying share of any of the companies forming part of any indices to which the Warrants relate and other security will affect the price of the warrants but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase warrants to hedge their market risk associated with investing in the underlying share or other security should recognise the complexities of utilising warrants in this manner;
- (e) if, whilst any of the warrants relating to a share or shares remain unexercised, trading in the underlying share is suspended on the Stock Exchange, trading of options or futures relating to the relevant index or any options or futures exchanges is suspended, or options or futures generally on any options and/or future exchanges on which options relating to the relevant index are traded is suspended, or if the relevant index for whatever reason is not calculated, trading in the relevant warrants will be suspended for a similar period;
- (f) as indicated in the Conditions and in this document, a Warrantheolder must tender a specified number of Warrants at any one time in order to exercise. Thus, Warrantheolders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transactions costs in each case, in order to realise their investment.
- (g) investors should note that in the event of there being a Settlement Disruption Event or a Market Disruption Event (each as defined in the Conditions), determination and payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (h) certain events relating to the Index underlying the Warrants permit the Issuer to make certain determinations in respect of the Index;
- (i) in the case of Index the Warrants, the Closing Level of the Index will be the settlement price for settling the relevant index futures and options contracts as determined by the relevant exchange. Thus, if it occurs at a time when one or more shares comprised in the Index are not trading and there is no Market Disruption Event under the terms of the relevant Warrants then the value of such shares will not be included in the closing level of the Index;
- (j) the Warrants are "European Style" and are only exercisable on the Expiry Date (as defined in the Conditions) and may not be exercised by Warrantheolders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero or negative, a Warrantheolder will lose the value of his investment;
- (k) investors should note that there may be an exchange rate risk in the case of warrants where the Cash Settlement Amount will be converted from a foreign currency into Hong Kong dollars;
- (l) there is no assurance that an active trading market for the Warrants will sustain throughout the life of the Warrants, or if it does sustain, it may be due to market making on the part of the Liquidity Provider (as defined herein);
- (m) the Issuer, the Guarantor or its affiliates, may engage in trading or hedging transactions involving the Warrants, options or futures or other contracts relating to the Index or the underlying shares or other derivative products that may affect the value of the Warrants;

- (n) the Issuer, the Guarantor or its affiliates may engage in other business activities such as the introduction of competing products, acting as underwriter and/or financial adviser of other securities offerings which may create conflicts of interest with the Warrants thus affecting the value of the Warrants;
- (o) the Warrants will be represented by a permanent global certificate which will be issued in the name of HKSCC Nominees Limited. Investors should note that no definitive certificate will be issued to them in relation to the Warrants;
- (p) there will be no register of Warrantholders and each person who is for the time being shown in the records of CCASS as entitled to a particular number of Warrants by way of an interest (to the extent of such number) in the permanent global certificate in respect of those Warrants represented thereby shall be treated as the holder of such number of Warrants;
- (q) investors should note that any payment of the relevant Cash Settlement Amount is subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time;
- (r) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Warrants; and
- (s) notices to Warrantholders will be simultaneously published on the web-site of the Stock Exchange and/or released by CCASS to their participants. Investors will need to check the web-site of the Stock Exchange regularly and/or rely on their brokers/custodians to obtain such notices.

## SUMMARY OF THE ISSUE

*The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this summary are defined in the Conditions.*

Issuer:	SGA Société Générale Acceptance N.V., a limited company incorporated in the Netherlands Antilles.
Guarantor:	Société Générale, incorporated in France.
Sponsor, Manager and Liquidity Provider:	SG Securities (HK) Limited (see page 11 and the back page of this document for contact details).
The Warrants:	European Style (Cash Settlement) Put Warrants 2004 relating to the Index.
Index:	Hang Seng Index.
Number:	400,000,000 Warrants.
Launch Date:	12 January, 2004.
Reference Spot:	13,381.00.
Issue Price:	HK\$0.25.
Premium:	8.45%.
Gearing:	9.91x.
Effective Gearing:	5.15x
Implied Volatility:	28.00%.
Entitlement Ratio:	5,400 Warrants for one Index.
Issue Date:	15 January, 2004.
Certificate Despatch Date:	15 January, 2004.
Payment Date:	16 January, 2004.
Portfolio Movement Date:	16 January, 2004.
Form:	The Warrants are issued in permanent global form and represented by a permanent global certificate which will be issued in the name of HKSCC Nominees Limited and deposited into CCASS. The Warrants will be issued with the benefit of, a master instrument by way of deed poll dated 26 August, 2002 (the "Instrument") executed by the Issuer and the Guarantor.
Entitlement on Exercise:	Each Board Lot gives the holder the right to be paid the Cash Settlement Amount, being a payment in Hong Kong dollars equal to, subject as provided otherwise in the Conditions, the amount calculated in accordance with the following formula: $\text{Cash Settlement Amount} = \frac{(\text{Strike Level} - \text{Closing Level}) \times \text{HK\$1.00} \times \text{Board Lot}}{5,400}$
Board Lot:	10,000 Warrants.
Strike Level:	13,600.00.
Closing Level:	The final settlement price for settling the Hang Seng Index July 2004 Futures Contracts on the Hong Kong Futures Exchange Limited (or its successor or assign).
Exercise:	The Warrants may only be exercised automatically in accordance with Condition 4(b) of the Conditions on the Expiry Date in amounts of a Board Lot or integral multiples thereof. Warrant holders shall not be required to deliver an exercise notice in respect of the Warrants.

Expiry Date:	29 July, 2004 or, if such date is not the day on which the Hang Seng Index July 2004 Futures Contracts expire on the Hong Kong Futures Exchange Limited, the day on which the Hang Seng Index July 2004 Futures Contracts will expire on the Hong Kong Futures Exchange Limited or its successor or assign. It should be noted that this provision supersedes the definition of "Expiry Date" set out in the Conditions.
Automatic Exercise and Value at Expiration:	<p>If, on the Expiry Date, the Strike Level is greater than the Closing Level, the Warrants will be automatically exercised (without any exercise notice being delivered by the holders of the Warrants) and the Issuer will pay to the holders of the Warrants the Cash Settlement Amount (less the Exercise Expenses, if any) in accordance with the Conditions.</p> <p><b>If, on the Expiry Date, the Strike Level is less than or equal to the Closing Level, a Warrantholder will lose the value of his investment.</b></p>
Exercise Expenses:	<b>Warrantholders will be required to pay all charges which are incurred in respect of the exercise of the Warrants. An amount equivalent to the Exercise Expenses (if any) will be deducted by the Issuer from the Cash Settlement Amount (if any) upon exercise of the Warrants in accordance with the Conditions or otherwise collected from the Warrantholders through CCASS.</b>
Trading and Settlement Currency:	Hong Kong dollars.
Transfers of Warrants:	The Warrants may only be transferred in amounts of a Board Lot (or integral multiples thereof) within CCASS in accordance with the CCASS Rules.
Listing:	Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Warrants and the Listing Committee of the Stock Exchange has agreed in principle to grant listing of, and permission to deal in, the Warrants. Issue of the Warrants is conditional on such listing being granted. It is expected that dealings in the Warrants on the Stock Exchange will commence on or about 19 January, 2004.
Governing Law:	Save for the terms of the Guarantee which will be governed by and construed in accordance with French law, the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

*The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.*

## TERMS AND CONDITIONS OF THE WARRANTS

The Conditions are set out in the section headed “Terms and Conditions of the European Style Index Put Warrants (Global Form of Certificate)” in the Base Listing Document and shall be endorsed on the reverse of the Global Certificate.

The capitalised terms set out below supplement the Conditions and shall be endorsed on the front of the Global Certificate. For the purposes of the Conditions, the following terms shall have the following meanings:

Warrants:	400,000,000 European Style (Cash Settlement) Put Warrants 2004 relating to the Index.
Index:	Hang Seng Index.
Index Sponsor:	HSI Services Limited.
Guarantee:	a guarantee dated 12 May, 2003 and made by the Guarantor for the purpose of guaranteeing the obligations of the Issuer under, amongst others, the Warrants in accordance with the terms of such guarantee.
Exercise Amount:	10,000 Warrants.
Issue Date:	15 January, 2004.
Maturity Date:	29 July, 2004.
Expiry Date:	the Maturity Date, or if the Maturity Date is not the day on which the Hang Seng Index July 2004 Futures Contracts expire on the Hong Kong Futures Exchange, the day on which the Hang Seng Index July 2004 Futures Contracts will expire on the Hong Kong Futures Exchange. It should be noted that this provision supersedes the definition of “Expiry Date” set out in the Conditions on the reverse of this Certificate.
Hong Kong Futures Exchange:	Hong Kong Futures Exchange Limited (or its successor or assign).
Board Lot:	10,000 Warrants.
Cash Settlement Amount:	means, the amount (if positive) payable in Hong Kong dollars upon the exercise of an Exercise Amount, which amount shall be calculated by the Issuer on the relevant Valuation Date in accordance with the formula below:

$$\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{HK\$}1.00 \times 10,000}{5,400}$$

Valuation Date:	the Expiry Date.
Strike Level:	13,600.00.
Closing Level:	the final settlement price for settling the Hang Seng Index July 2004 Futures Contracts determined pursuant to Regulation 012 of the Regulations for trading Stock Index Futures and the Contract Specifications for Hang Seng Index Futures Contracts (as amended from time to time) of the Hong Kong Futures Exchange.

Regulation 012 currently provides, inter alia, as follows:

“012. The Final Settlement Price of a Stock Index Futures Contract shall be a number determined by the Clearing House in accordance with the Contract Specifications.”

The Contract Specifications for Hang Seng Index Futures Contracts currently provides, inter alia, that:

“The Final Settlement Price for Hang Seng Index Futures Contracts shall be a number rounded down to the nearest whole number, determined by the Clearing House and shall be the average of quotations of the Hang Seng Index taken at five (5) minute intervals during the Last Trading Day and compiled, computed and disseminated by HSI Services Limited. The Chief Executive of the Hong Kong Futures Exchange has the power under the Regulations for trading Stock Index Futures Contracts to determine the Final Settlement Price under certain circumstances.”

(Capitalised terms have the meanings ascribed to those terms in, and shall otherwise be interpreted in accordance with, the Regulations for trading Stock Index Futures and the Contract Specifications for Hang Seng Index Futures Contracts of the Hong Kong Futures Exchange.)

Stock Exchange/Exchange:

The Stock Exchange of Hong Kong Limited.

## PLACEMENT OF THE WARRANTS

The Warrants will be offered by way of placing. Upon launch of the Warrants, the Guarantor will subscribe for the Warrants and the Issuer and the Guarantor will appoint the Manager as placing agent (the "Placing Agent") for the Warrants pursuant to the Placing Agreement as supplemented by the Confirmation under which the Placing Agent undertakes to use its best efforts to procure places for the Warrants.

The Placing Agent may appoint brokers, both electronic brokers and traditional brokers (together, the "Brokers") to distribute the Warrants. The Brokers, and the number thereof, whom the Placing Agent may appoint may vary with each warrant issue, although the Brokers will be persons regulated by the Code of Conduct for Persons Registered with the Securities and Futures Commission.

Placement of the Warrants will be conducted on the basis of this document, the Supplemental Listing Document, the Base Listing Document and the term sheet relating to the Warrants containing all the Conditions of the Warrants and risk factors relating thereto. This document will be made available to the Brokers by the Placing Agent on the Listing Date.

The Placing Agent may pay to each Broker a commission for placement of the Warrants, calculated as a percentage of the Issue Price of the Warrants placed. Depending on the Broker, the brokerage fee payable by the investor to the Broker for the purchase of the Warrants may be for the account of the Placing Agent.

## INFORMATION RELATING TO THE LIQUIDITY PROVIDER

The Issuer and the Guarantor have appointed its affiliate, SG Securities (HK) Limited (Broker ID Number: 9509), as the liquidity provider (the "Liquidity Provider") for the Warrants. Both the Issuer and SG Securities (HK) Limited are wholly owned subsidiaries of the Guarantor. The Liquidity Provider is a Stock Exchange participant and its conduct is therefore regulated by the Stock Exchange and the Securities and Futures Commission.

Liquidity in the Warrants will be provided by the Liquidity Provider, as agent of the Issuer and the Guarantor, by responding to requests for bid and offer quotes. A request for a quote may be obtained by calling the following telephone number – (852) 2166 4270. The Liquidity Provider will respond to such request within two minutes from the request and the information will be displayed on the Stock Exchange Warrant stock page.

Quotes will be provided for a minimum of 10 Board Lots of the Warrants with a maximum of ten tick spread between the bid and offer prices. Quotes will be available during normal Stock Exchange trading hours (applicable from time to time) on each Business Day on which the Warrants are traded on the Stock Exchange except for the first and last five minutes of each trading session (morning and afternoon) on any such Business Day and each of the Valuation Dates (as defined in the Conditions), provided that:

- (i) quotes will be for bid price only if and when the Guarantor and its group of companies cease to hold any proprietary position in the Warrants which, for the avoidance of doubt, shall exclude any Warrants held by the Guarantor and/or its group of companies in a fiduciary or agency capacity; or
- (ii) quotes will not be available once the Warrants cease to be traded on the Stock Exchange prior to the Expiry Date; or
- (iii) there is occurrence or existence of any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Stock Exchange or hoisting by the Hong Kong Observatory of the tropical cyclone warning signal 8 or above or issuing by the Hong Kong Observatory of the "black" rainstorm signal or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Stock Exchange and/or the Index and/or the shares or options on the shares of any companies forming part of the Index and/or the Warrants if that suspension or limitation is, in the determination of the Issuer, material, except in the case where the Stock Exchange opens for trading for the entire afternoon session or where trading on the Stock Exchange opens later than the regular trading hour in the morning but closes prior to the regular hour for close of trading; or
- (iv) if applicable, there is the existence of a Fast Market (as defined below); or
- (v) where the Liquidity Provider faces a technical problem which prevents it from responding to requests in which case the Liquidity Provider undertakes to cure the technical problem as soon as practicable or, failing that, the Issuer and the Guarantor undertake to, as soon as practicable, appoint an alternative liquidity provider to assume the responsibilities of the Liquidity Provider and notify Warrant holders of such appointment in the manner prescribed in the Conditions.

The Issuer may in its absolute discretion declare a "Fast Market" in circumstances including, but not limited to, where the nominal price of the shares of any companies forming part of the Index is highly volatile over a short period of time.

Neither the Issuer, the Guarantor nor the Liquidity Provider will repurchase the Warrants if the value of the Warrants falls below HK\$0.01.

The Warrants will be valued having regard to the Black-Scholes option pricing methodology taking into account time value, intrinsic value, interest rates and volatility.

## **INFORMATION RELATING TO THE HANG SENG INDEX**

Information relating to the Index, including, without limitation, its make-up, method of calculation and changes in its companies, is derived from publicly available information prepared by HSI Services Limited and can be found at the official website of HSI Services Limited ([www.hsi.com.hk](http://www.hsi.com.hk)). Information can also be obtained through consultation with a stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

## **INFORMATION RELATING TO THE GUARANTEE**

The obligations of the Issuer are guaranteed by the Guarantor pursuant to a guarantee dated 12 May, 2003 (the "Guarantee"). The text of the Guarantee is set out in Appendix 1 of the Base Listing Document.

## **SALES RESTRICTIONS**

### **Hong Kong**

No person, unless permitted to do so under the securities laws of Hong Kong, has issued or had in its possession for the purposes of issue, and will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Warrants other than with respect to Warrants intended to be disposed of to persons outside Hong Kong or in Hong Kong only to persons whose business involves the acquisition, disposal, or holding of securities, whether as principal or agent.

### **United Kingdom**

The Warrants falling within Regulation 3(2)(c) of the Public Offers of Securities Regulations 1995 as amended (the "POS Regulations") have not been offered or sold and will not be offered or sold to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the POS Regulations. All applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") must be complied with in respect to anything done by any person in relation to the Warrants in, from or otherwise involving the United Kingdom. Any communication of any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by any person in connection with the issue or sale of the Warrants must be in circumstances in which section 21(1) of the FSMA does not or, in the case of the Guarantor, would not if it was not an authorised person, apply to the Issuer or the Guarantor.

### **United States of America**

The warrants have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, the Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of the warrants, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. As used herein, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "U.S. person" means any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, any estate or trust the income of which is subject to United States Federal income taxation regardless of its source, and any other "U.S. person" as such term is defined in Regulation S under the Securities Act.

## **SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER**

The information set out below is supplemental to, and should be read in conjunction with, the information set out in Appendix 4 of the Base Listing Document.

Set out below is a reproduction of the Issuer's results for the first half of 2003. A copy of these results is available for inspection at the address specified in paragraph 11 of the section headed "Supplemental General Information" of this document.

To the Shareholders  
of Société Générale Acceptance N.V. (SGA),

In compliance with the assignment entrusted to us by your shareholders in their general meeting, we hereby report to you on the audit of the attached interim financial statements of Société Générale Acceptance N.V. (SGA), stated in USD, as of June 30, 2003.

These interim financial statements are the responsibility of the Company's management. Our role is to express an opinion on these interim financial statements based on our audit.

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the interim financial statements give a true and fair view of the company's financial position as of June 30, 2003 and of the results of its operations for the six months period then ended in accordance with accounting principles generally accepted in France.

Without challenging the above expressed opinion, we draw your attention to the notes to the financial statements which present the following changes of accounting principles:

- warrants and options are valued at their mark-to-market value since May 31, 2003,

- private loans, accounted as Euro Medium Term Notes in year 2002, are accounted as Loans to bank at June 30, 2003.

Neuilly-sur-Seine, France,  
July 31, 2003.



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BARBIER FRINAULT & AUTRES  
ERNST & YOUNG  
Represented by Isabelle Santenac

**SOCIETE GENERALE ACCEPTANCE NV**  
**BALANCE SHEET**

( in 000's USD)

ASSETS	31/12/2002	30/06/2003
<b><u>INTERBANK AND MONEY MARKET ASSETS</u></b>	<b>53 400</b>	<b>32 543 508</b>
Due from banks	1 433	1 419
Loans to banks	47 962	32 421 424
Accrued interest on loans to banks	4 005	120 665
<b><u>DEBT SECURITIES</u></b>	<b>26 962 498</b>	<b>15 785</b>
Euro Medium Term Notes	26 767 589	15 785
Accrued interest on debt securities	194 909	0
<b><u>ACCRUALS AND OTHER ACCOUNTS RECEIVABLE</u></b>	<b>8 779 085</b>	<b>2 988 726</b>
<b><u>RECEIVABLES ON DEBT SECURITIES</u></b>	<b>130 885</b>	<b>16 418</b>
Discounts on debt securities	236 222	227 993
Amortization of discounts on debt securities	-107 258	-211 627
Redemption premium	3 622	3 857
Amortization of redemption premium	-1 701	-3 805
<b><u>FINANCIAL INSTRUMENTS BOUGHT</u></b>	<b>8 622 645</b>	<b>2 836 838</b>
Premiums on interest rate options		
Premiums on foreign exchange options	463 774	500 508
Premiums on stock index and equity options	8 052 218	2 323 561
Premiums on commodity options	106 653	12 769
<b><u>OTHER ACCRUALS AND ACCOUNTS RECEIVABLE</u></b>	<b>25 555</b>	<b>135 471</b>
Prepaid expenses		
Accrued income	386	603
Other receivables	25 169	134 868
<b><u>FIXED ASSETS</u></b>	<b>0</b>	<b>0</b>
Intangible assets	8	9
Amortization of intangible assets	-8	-9
<b>TOTAL ASSETS</b>	<b>35 794 983</b>	<b>35 548 019</b>

**SOCIETE GENERALE ACCEPTANCE NV**  
**BALANCE SHEET**

( in 000's USD)

LIABILITIES	31/12/2002	30/06/2003
<b><u>INTERBANK AND MONEY MARKET LIABILITIES</u></b>	<b><u>23</u></b>	<b><u>15 786</u></b>
Due to banks	23	1
Term borrowing		15 785
<b><u>DEBT SECURITIES IN ISSUE</u></b>	<b><u>27 014 464</u></b>	<b><u>32 542 089</u></b>
Euro Medium Term Notes	22 535 471	28 357 331
Bonds	4 280 080	4 064 093
Accrued interest on debt securities in issue	198 913	120 665
<b><u>ACCRUALS AND OTHER ACCOUNTS PAYABLE</u></b>	<b><u>8 779 061</u></b>	<b><u>2 988 709</u></b>
<b><u>PAYABLES ON DEBT SECURITIES</u></b>	<b><u>130 886</u></b>	<b><u>16 418</u></b>
Premiums on debt securities	236 222	227 993
Amortization of discounts on debt securities	-107 257	-211 627
Redemption premium	3 622	3 857
Amortization of redemption premium	-1 701	-3 805
<b><u>FINANCIAL INSTRUMENTS SOLD</u></b>	<b><u>8 622 645</u></b>	<b><u>2 834 068</u></b>
Premiums on foreign exchange warrants	463 774	500 508
Premiums on stock index and equity warrants	8 052 218	2 320 791
Premiums on commodity warrants	106 653	12 769
<b><u>OTHER ACCRUALS AND ACCOUNTS PAYABLE</u></b>	<b><u>25 530</u></b>	<b><u>138 223</u></b>
Deferred income		
Accrued expenses	361	586
Other payables	25 169	137 637
<b><u>SHAREHOLDERS' EQUITY</u></b>	<b><u>1 435</u></b>	<b><u>1 435</u></b>
Share capital	560	560
Retained earnings	875	875
Current year profit	0	0
<b>TOTAL LIABILITIES</b>	<b>35 794 983</b>	<b>35 548 019</b>

**SOCIETE GENERALE ACCEPTANCE NV**  
**PROFIT AND LOSS ACCOUNT**

( in 000's USD)

EXPENSE	30/06/2002	31/12/2002	30/06/2003
<b>EXPENSE</b>	<b><u>17 887 208</u></b>	<b><u>34 352 357</u></b>	<b><u>10 877 057</u></b>
<b>EXPENSE ON INTERBANK TRANSACTIONS</b>	<b><u>11</u></b>	<b><u>46</u></b>	<b><u>995 937</u></b>
Interest paid on current accounts	11	46	2
Interest paid on bank borrowings			995 935
<b>EXPENSE ON DEBT SECURITIES</b>	<b><u>988 346</u></b>	<b><u>3 338 290</u></b>	<b><u>558 101</u></b>
Interest paid on debt securities	335 096	614 715	254 550
Amortization of premiums on debt securities	66 445	159 329	125 204
Losses on proceeds of debt securities	586 636	2 564 020	178 343
Fees paid on debt securities	169	226	4
<b>EXPENSE ON FINANCIAL INSTRUMENTS BOUGHT</b>	<b><u>16 898 851</u></b>	<b><u>31 014 021</u></b>	<b><u>9 323 019</u></b>
Expense on foreign exchange options & warrants	727 075	1 569 821	717 645
Expense on interest rate options & warrants	6 430	7 939	0
Expense on stock index and equity options & warrants	16 083 071	29 196 100	8 487 373
Expense on commodity options & warrants	82 275	240 161	118 001
<b>OTHER EXPENSE</b>	<b><u>169</u></b>	<b><u>363</u></b>	<b><u>224</u></b>
Operating expense	144	304	165
Insurance premiums	3	5	3
Audit fees	9	16	9
Local taxes	1	7	2
Other operating costs	12	31	45
<b>NET INCOME</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>TOTAL EXPENSE</b>	<b><u>17 887 377</u></b>	<b><u>34 352 720</u></b>	<b><u>10 877 281</u></b>

**SOCIETE GENERALE ACCEPTANCE NV**  
**PROFIT AND LOSS ACCOUNT**

( in 000's USD)

<b>INCOME</b>	<b>30/06/2002</b>	<b>31/12/2002</b>	<b>30/06/2003</b>
<b><u>INCOME</u></b>	<b><u>17 887 202</u></b>	<b><u>34 352 342</u></b>	<b><u>10 877 070</u></b>
<b><u>INCOME ON INTERBANK TRANSACTIONS</u></b>	<b><u>3 660</u></b>	<b><u>8 302</u></b>	<b><u>558 107</u></b>
Interest received on current accounts	0	26	12
Interest received on loans to banks	3 660	8 276	254 550
Gains and amortization of discounts on term borrowing			303 545
<b><u>INCOME ON DEBT SECURITIES</u></b>	<b><u>985 666</u></b>	<b><u>3 330 739</u></b>	<b><u>995 944</u></b>
Interest received on debt securities	332 404	607 367	0
Amortization of discounts on debt securities	66 451	159 338	16 325
Gains on proceeds of debt securities	586 642	2 563 814	979 619
Fees received on debt securities	169	220	
<b><u>INCOME ON FINANCIAL INSTRUMENTS SOLD</u></b>	<b><u>16 897 876</u></b>	<b><u>31 013 301</u></b>	<b><u>9 323 019</u></b>
Income on foreign exchange warrants & options	727 075	1 569 821	717 645
Income on interest rate warrants & options	5 455	7 220	
Income on stock index and equity warrants & options	16 083 071	29 196 099	8 487 373
Income on commodity warrants sold	82 275	240 161	118 001
<b><u>OTHER INCOME</u></b>	<b><u>175</u></b>	<b><u>378</u></b>	<b><u>211</u></b>
Operating income	175	378	211
<b>TOTAL INCOME</b>	<b>17 887 377</b>	<b>34 352 720</b>	<b>10 877 281</b>

**SOCIETE GENERALE ACCEPTANCE NV**  
**OFF BALANCE SHEET**

( in 000's USD)

ASSETS	31/12/2002	30/06/2003
<b><u>COMMITMENTS ON FINANCIAL INSTRUMENTS</u></b>		
<b><u>Interest rate swaps</u></b>		
<b><u>Floor contracts bought</u></b>		
<b><u>Call options bought</u></b>	<b><u>67 176 793</u></b>	<b><u>31 352 878</u></b>
Foreign exchange call options bought	11 554 301	6 007 610
Stock index call options bought	16 064 778	8 373 813
Equity call options bought	39 193 714	16 876 955
Commodity call options bought	364 000	94 500
<b><u>Put warrants sold</u></b>	<b><u>28 612 470</u></b>	<b><u>13 815 612</u></b>
Foreign exchange put warrants sold	11 644 308	5 924 007
Stock index put warrants sold	11 177 931	4 689 579
Equity put warrants sold	5 270 231	3 146 026
Commodity options put warrants sold	520 000	56 000
<b>TOTAL</b>	<b>95 789 263</b>	<b>45 168 490</b>

**SOCIETE GENERALE ACCEPTANCE NV**  
**OFF BALANCE SHEET**

( in 000's USD)

LIABILITIES	31/12/2002	30/06/2003
<b><u>GUARANTEES ON DEBT SECURITIES IN ISSUE</u></b>	<b><u>20 204 704</u></b>	<b><u>32 425 281</u></b>
<b><u>COMMITMENTS ON FINANCIAL INSTRUMENTS</u></b>		
<b><u>Put options bought</u></b>	<b><u>28 612 470</u></b>	<b><u>13 815 631</u></b>
Foreign exchange put options bought	11 644 309	5 924 007
Stock index put options bought	11 177 930	4 689 579
Equity put options bought	5 270 231	3 146 045
Commodity put options bought	520 000	56 000
<b><u>Call warrants sold</u></b>	<b><u>67 176 793</u></b>	<b><u>31 355 629</u></b>
Foreign exchange call warrants sold	11 554 301	6 007 610
Stock index call warrants sold	16 064 778	8 373 813
Equity call warrants sold	39 193 714	16 876 936
Commodity options call warrants sold	364 000	94 500
Premiums on stock index and equity warrants to be delivered		2 770
<b>TOTAL</b>	<b>115 993 967</b>	<b>77 596 541</b>

# **SOCIETE GENERALE ACCEPTANCE N.V.**

## **Notes to the financial statements**

### **1- General**

Société Générale Acceptance N.V. was incorporated on October 7<sup>th</sup>, 1986 as a limited liability company under the laws of the Netherlands Antilles.

The company's principal activities are to issue notes, bonds and warrants, and to invest its funds in securities, options and other financial instruments.

It is a wholly owned subsidiary of Société Générale, which is incorporated in France.

### **2- Accounting policies**

#### **Accounting convention**

The accounts have been prepared under the historical cost convention (debt securities in issue / loans) or the mark to market convention (warrants / options) .They are prepared in accordance with the French accounting standards applicable to financial institutions.

#### **Loans ( previously recorded on stocks)**

Loans are stated at cost. Premiums and discounts on debt securities are amortised over the life of the securities.

#### **Debt securities in issue**

These liabilities represent Euro Medium Term Notes and bonds issued by the company. They are stated at cost. Premiums and discounts on debt securities in issue are amortised over the life of the securities.

#### **Derivative financial instruments**

Derivative financial instruments include warrants, options, interest rate swaps and floors, are stated at mark to market value since 2003. Commitments relating to such transactions are recorded as off-balance sheet items on the basis of nominal contract values.

#### **Foreign currencies**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from such transactions are recognised in the profit and loss account.

## **SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR**

The information set out below is supplemental to, and should be read in conjunction with, the information set out in Appendix 5 of the Base Listing Document.

Set out below are reproductions of the Guarantor's results for the first half of 2003 and the press release dated 6 November, 2003 of the Guarantor's third quarter results. Copies of these results are available for inspection at the address specified in paragraph 11 of the section headed "Supplemental General Information" of this document.

**DELOITTE TOUCHE TOHMATSU**  
Commissaire aux Comptes  
Membre de la Compagnie de Versailles  
185, avenue Charles-de-Gaulle  
92200 Neuilly-sur-Seine

**ERNST-YOUNG AUDIT**  
Commissaire aux Comptes  
Membre de la Compagnie de Paris  
4, rue Auber  
75009 PARIS

**Société Générale, S.A.**  
**Six months ended June 30, 2003**

**Review Report of the Statutory Auditors on the Consolidated Interim Financial Statements**  
(Free translation of the French original)

In our capacity as statutory auditors of Société Générale, and in accordance with Article L.232-7 of French Company Law (Code de Commerce), we have performed the following procedures:

- a review of the accompanying summary of operations and income statement as they appear in the consolidated interim financial statements of Société for the six-month period ended June 30, 2003,
- an examination of the information provided in the Company's interim report.

These interim consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with French professional standards. These standards require that we plan and perform the review to obtain moderate assurance, lesser than that which would result from an audit, as to whether the consolidated interim financial statements are free from material misstatement. The review excluded certain audit procedures and was limited to performing analytical procedures and to obtaining information from Company management and other appropriate sources.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Group and the results of its operations for the period then ended in conformity with French accounting principles.

However, we draw your attention to the following matters disclosed in Note 1 with respect to the changes in the accounting principles and their related application starting January 1, 2003 coming from:

- regulation CRC-2002-03 related to the accounting and classification of doubtful receivables and restructured loans,
- regulation CRC-2002-10 related to asset amortization and depreciation.

We have also examined, in accordance with French professional standards, the information contained in the interim report on the consolidated interim financial statements that were the subject of our review.

We have nothing to report with respect to the fairness of such information and its consistency with the consolidated interim financial statements.

Neuilly-sur-Seine and Paris

September 1, 2003

The Auditors

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**DELOITTE TOUCHE TOHMATSU**  
José-Luis GARCIA

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**ERNST & YOUNG AUDIT**  
Christian MOUILLON

## FINANCIAL STATEMENTS (unaudited)

### CONSOLIDATED BALANCE SHEET AT JUNE 30, 2003

#### ASSETS

<i>(in millions of euros)</i>	June 30		December 31
	2003	2002	2002
Cash, due from central banks and post office accounts.....	8,069	7,690	5,090
Due from banks (Note 3) .....	65,729	69,285	54,354
Customer loans ( Note 4).....	186,208	189,852 *	184,818 *
Lease financing and similar agreements (Note 5) .....	17,771	16,995 *	17,351
Treasury notes and similar securities (Note 6) .....	30,329	35,651	28,010
Bonds and other debt securities (Note 6) .....	68,279	56,264	65,295
Shares and other equity securities (Note 6) .....	37,535	51,182	34,852
Treasury Stock (Short term investment portfolio) (Note 6) .....	166	168	167
Investments of insurance companies (Note 7) .....	39,613	36,461	37,257
Investments in non consolidated subsidiaries and affiliates and other long term equity investments (Note 8) .....	5,882	6,613	6,267
Investments in subsidiaries and affiliates accounted for by the equity method	534	698	591
Tangible and intangible fixed assets (Note 9).....	7,409	5,787 *	5,740
Goodwill (Note 10) .....	2,138	2,334	2,154
Accruals, other accounts receivable and other assets (Note 11) .....	57,902	51,979	59,495
<b>Total</b>	<b>527,564</b>	<b>530,959</b>	<b>501,441</b>

#### OFF-BALANCE SHEET ITEMS

Loan commitments granted (Note 19).....	84,827	88,844	82,154
Guarantee commitments granted (Note 19).....	52,556	33,611	48,046
Commitments granted on securities .....	31,264	20,700	7,206
Foreign exchange transactions (Note 20) .....	403,859	382,412	349,409
Forward financial instrument commitments (Note 21) .....	6,684,408	5,313,733	5,187,753
Insurance commitments granted .....	322	372	342

*(The accompanying notes are an integral part of the consolidated financial statements).*

*(\*) Amounts restated in relation to those given in 2002 half-yearly and annual reports.*

## LIABILITIES AND SHAREHOLDERS' EQUITY

<i>(in millions of euros)</i>	June 30		December 31
	2003	2002	2002
Due to central banks and post office accounts .....	1,871	1,123	1,478
Due to banks (Note 12) .....	73,147	88,657	69,239
Customer deposits (Note 13) .....	195,933	195,363	196,085
Securitized debt payable (Note 14) .....	89,044	71,171	77,877
Underwriting reserves of insurance companies (Note 15) .....	38,271	35,213	35,760
Accruals, other accounts payable and other liabilities (Note 16) .....	95,395	106,968	87,767
Provisions for general risks and commitments (Note 17) .....	2,716	2,276	2,523 *
Subordinated debt (Note 18) .....	11,597	10,602	11,199
General Reserve for Banking Risks.....	331	246	207
Preferred shares .....	1,572	1,728	1,668
Minority interests .....	1,825	1,907	1,904
<b>SHAREHOLDERS' EQUITY</b>			
Common stock .....	547	537	538
Additional paid-in capital .....	4,105	3,812	3,819
Treasury stock .....	(1,037)	(787)	(924)
Retained earnings .....	11,069	11,256	10,904
Net income .....	1,178	887	1,397
<b>Sub-total.....</b>	<b>15,862</b>	<b>15,705</b>	<b>15,734</b>
<b>Total</b>	<b>527,564</b>	<b>530,959</b>	<b>501,441</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
Loan commitments received .....	4,130	4,815	3,739
Guarantee commitments received .....	31,958	30,550	33,723
Commitments received on securities .....	33,938	23,316	7,185
Foreign exchange transactions (Note 20) .....	405,808	383,249	351,801
3 Insurance commitments received .....	162	122	140

*(The accompanying notes are an integral part of the consolidated financial statements).*

<sup>(\*)</sup> Amounts restated in relation to those given in 2002 annual report.

**CONSOLIDATED INCOME STATEMENT**

<i>(in millions of euros)</i>	June 30		December 31
	2003	2002	2002
<b>Net interest income from :</b>			
Transactions with banks (Note 23) .....	34	(237)	(1,224)
Transactions with customers (Note 24) .....	2,019	2,078	4,224
Bonds and other debt securities.....	894	710	1,291
Other interest and similar revenues.....	87	97	102
Net income from lease financing and similar agreements .....	724	693	1,374
<b>Sub-total .....</b>	<b>3,758</b>	<b>3,341</b>	<b>5,767</b>
Dividend income.....	192	155	291
Dividends paid on preferred shares .....	(58)	(69)	(131)
<b>Net interest and similar income.....</b>	<b>3,892</b>	<b>3,427</b>	<b>5,927</b>
<b>Net fee income (Note 25) .....</b>	<b>2,386</b>	<b>2,627 *</b>	<b>4,993 *</b>
<b>Net income from financial transactions.....</b>	<b>1,247</b>	<b>1,308</b>	<b>3,263</b>
<b>Other net operating income .....</b>	<b>330</b>	<b>194</b>	<b>390</b>
<b>Net banking income.....</b>	<b>7,855</b>	<b>7,556</b>	<b>14,573</b>
Personnel expenses (Note 26) .....	(3,149)	(3,256) *	(6,179) *
Other operating expenses.....	(1,707)	(1,807)	(3,669)
Depreciation and amortization.....	(315)	(322)	(678)
<b>Total operating expenses.....</b>	<b>(5,171)</b>	<b>(5,385)</b>	<b>(10,526)</b>
<b>Gross operating income.....</b>	<b>2,684</b>	<b>2,171</b>	<b>4,047</b>
Cost of risk (Note 27) .....	(707)	(573)	(1,301)
<b>Operating income.....</b>	<b>1,977</b>	<b>1,598</b>	<b>2,746</b>
Net income from companies of accounted for by the equity method (Note 28) .....	22	2	48
Net income from long-term investments (Note 29) .....	127	(64)	(299)
<b>Earnings before exceptional items and tax.....</b>	<b>2,126</b>	<b>1,536</b>	<b>2,495</b>
Exceptional items (Note 30).....	(26)	(124)	(170)
Income tax (Note 31) .....	(577)	(404)	(649)
Amortization of goodwill.....	(100)	(101)	(184)
Allowance/Reversal from the General Reserve for Banking Risks.....	(124)	120	159
<b>Net income before minority interests.....</b>	<b>1,299</b>	<b>1,027</b>	<b>1,651</b>
Minority interests.....	(121)	(140)	(254)
<b>Net income.....</b>	<b>1,178</b>	<b>887</b>	<b>1,397</b>
<b>Earnings per share in euros<sup>(1)</sup>.....</b>	<b>2.88</b>	<b>2.16</b>	<b>3.41</b>
<b>Diluted earning per share in euros<sup>(1)</sup>.....</b>	<b>2.86</b>	<b>2.16</b>	<b>3.41</b>

*(The accompanying notes are an integral part of consolidated financial statements).*

<sup>(1)</sup> Amounts restated in relation to those given in 2002 half-yearly and annual reports

<sup>(1)</sup> Earnings per share (EPS) are calculated on the basis of the average number of outstanding shares over the financial year, after deducting treasury stock from shareholders' equity.

Diluted EPS also takes into account the existence of stock options that have been awarded but not yet exercised.

## CHANGES IN SHAREHOLDERS' EQUITY

<i>(in millions of euros)</i>	Common stock and additional paid-in capital (1)	Treasury stock & assimilated (2)	Retained earnings	Revaluation and reassessment reserves	Shareholders' equity
<b>Balance at June 30, 2002</b>	<b>4,349</b>	<b>(787)</b>	<b>11,750</b>	<b>393</b>	<b>15,705</b>
Increase in common stock (1).....	7				7
Net income for the period.....			510		510
Dividends paid.....					-
Revaluation and reassessment reserves .....				(11)	(11)
Treasury stock (2).....		(161)	(11)		(172)
Société Générale shares in escrow account (2).....		24			24
Translation differences and other (4).....			(268)		(268)
Restatement of underwriting reserves of insurance companies .....			(61)		(61)
Goodwill charged (1).....					-
<b>Balance at December 31, 2002</b>	<b>4,356</b>	<b>(924)</b>	<b>11,920</b>	<b>382</b>	<b>15,734</b>
Increase in common stock (1).....	296				296
Net income for the period.....			1,178		1,178
Dividends paid.....			(864)		(864)
Revaluation and reassessment reserves .....				(95)	(95)
Treasury stock (2).....		(113)	18		(95)
Translation differences and other (4).....			(292)		(292)
Restatement of underwriting reserves of insurance companies .....					-
Goodwill charged (1).....					-
<b>Balance at June 30, 2003</b>	<b>4,652</b>	<b>(1,037)</b>	<b>11,960</b>	<b>287</b>	<b>15,862</b>
<i>(in millions of euros)</i>	Shareholders' equity	General reserve for banking risks	Minority interests	Preferred shares (3)	Total equity
<b>Balance at June 30, 2002</b>	<b>15,705</b>	<b>246</b>	<b>1,907</b>	<b>1,728</b>	<b>19,586</b>
Increase in common stock (1).....	7				7
Net income for the period.....	510		114		624
Dividends paid.....			(3)		(3)
Revaluation and reassessment reserves .....	(11)				(11)
Treasury stock (2).....	(172)				(172)
Société Générale shares in escrow account (2).....	24				24
Translation differences and other (4).....	(268)	(39)	(114)	(60)	(481)
Restatement of underwriting reserves of insurance companies .....	(61)				(61)
Goodwill charged (1).....	-				-
<b>Balance at December 31, 2002</b>	<b>15,734</b>	<b>207</b>	<b>1,904</b>	<b>1,668</b>	<b>19,513</b>
Increase in common stock (1).....	296				296
Net income for the period.....	1,178		121		1,299
Dividends paid.....	(864)		(126)		(990)
Revaluation and reassessment reserves .....	(95)				(95)
Treasury stock (2).....	(95)				(95)
Translation differences and other (4).....	(292)	124	(74)	(96)	(338)
Restatement of underwriting reserves of insurance companies .....	-				-
Goodwill charged (1).....	-				-
<b>Balance at June 30, 2003</b>	<b>15,862</b>	<b>331</b>	<b>1,825</b>	<b>1,572</b>	<b>19,590</b>

(1) At June 30, 2003 Société Générale's fully paid-up common stock amounted to EUR 547,086,336 and was made up of 437, 669,069 shares with a nominal value of EUR 1.25.

During the first half of 2003, Société Générale increased its common stock by EUR 9.4 million, with EUR 286.1 million of additional paid-in capital, as follows:

- EUR 9.2 million, with EUR 283.1 million of additional paid-in capital, was the result of employees subscribing for shares under the Employee Share Ownership Plan;
- EUR 0.2 million, with EUR 3 million of additional paid-in capital, resulted from the exercise by employees of options granted by the Board of Directors.

Goodwill on acquisitions that were financed by the conversion into shares of the convertible bonds issued in May 1993 was charged in 1998 against the additional capital arising on this capital increase, in proportion to the part of the total acquisition cost covered by the capital increase. If the goodwill relating to these transactions had not been charged against shareholders' equity, it would have given rise to an amortization expense of EUR 14 million and to an extraordinary amortization expense of EUR 86 million for the first half of 2003. It would have been booked on the assets side of the consolidated balance sheet for a net amount of EUR 66 million at June 30, 2003.

(2) Treasury stock held by Group companies at June 30, 2003 (24,994,542 shares, EUR 1,037 million) represented 5.71% of Société Générale's common stock.

Société Générale bought back shares for a net amount (after deduction of disposals) of EUR 109 million.

Moreover, the 2,116,427 Société Générale shares deposited in an escrow account to enable possible adjustments to the acquisition price paid for TCW were returned to Société Générale. These shares were deducted from shareholder's equity for an amount of EUR 117 million. They were then booked under treasury stock at their market value on the day of recovery (EUR 121 million).

Net capital losses on the disposal of treasury stock were charged against shareholder's equity for an amount of EUR 1.2 million.

Dividend income on these shares (EUR 18.9 million) has been eliminated from consolidated income.

(3) In 1997, Société Générale issued USD 800 million of preferred shares in the United States through its subsidiary SocGen Real Estate Company LLC.

Société Générale repeated this operation in 2000 by issuing a further EUR 500 million of preferred shares through its subsidiary SG Capital Trust, and in 2001 by issuing USD 425 million through SG Americas.

These preferred shares are included in Tier-one capital for the purpose of determining Société Générale's capital adequacy ratios.

(4) At June 30, 2003 currency translation differences relating to foreign branches of Group banks and consolidated companies within the euro zone amounted to EUR -4 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1

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### ACCOUNTING PRINCIPLES

The consolidated financial statements of the Société Générale Group for the first half of 2003 have been drawn up on the basis of an evaluation of Group assets and liabilities at June 30, 2003 using standard accounting methods. In particular, the revenues and expenses for the period have been determined in compliance with the time period principle.

The presentation of the financial statements complies with the provisions of Regulation 2000-04 of the French Accounting Regulation Committee (*Comité de la Réglementation Comptable*) concerning consolidated financial statements produced by companies that come under the French Banking and Finance Regulation Committee (*Comité de la Réglementation Bancaire et Financière*).

The results at June 30, 2003 have been determined using the same accounting principles as for the financial statements of June 30, 2002 and December 31, 2002, except for the differences outlined below. These accounting principles are described in detail in the Group's annual report.

Regulation No. 2002-03 of the French Accounting Regulation Committee concerning the accounting treatment of credit risk for companies that come under the French Banking and Finance Regulation Committee, was published on December 12, 2002 and is applicable as of January 1, 2003. It specifies the rules for the classification of doubtful receivables in the balance sheet and the accounting treatment of doubtful loans and receivables that have been restructured under conditions different from those prevailing on the market. These receivables are discounted, with the corresponding expense booked under the cost of risk at the time of the restructuring and subsequently written back to net interest

income over the term to maturity of the loan. The volume of receivables restructured over the first half of 2003 and previous accounting periods is not material and has no impact on the opening balance and consolidated net income for the first half of 2003.

Regulation No. 2002-10 of the French Accounting Regulation Committee (*Comité de la Réglementation Comptable*) on asset amortization and depreciation, as published on December 12, 2002 is applicable as of January 1, 2003. It sets out the conditions for recognizing amortization and depreciation expenses on tangible and intangible fixed assets, together with the methods for evaluating the same. The procedures for applying this regulation within the Group are currently being studied with a view to adopting them in the annual accounts for the 2003 financial year. The preliminary work carried out by the Group suggests that this new accounting treatment will not have any substantive impact on the accounts.

The Insurance Code governing the use and accounting treatment of financial futures by French insurance companies and the accounting treatment of index-linked French government bonds was amended by a series of decrees published in the first half of 2002. These new laws have been treated as a change in accounting methods, resulting in a reduction in the opening balance of EUR 5 million.

## NOTE 2

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### CONSOLIDATION SCOPE

The consolidation scope included 663 companies at June 30, 2003:

- ♦ 574 fully consolidated companies,
- ♦ 42 proportionately consolidated companies
- ♦ 47 companies accounted for by the equity method.

In accordance with the consolidation rules defined in Regulation No. 99-07 of the French Accounting Regulation Committee, none of the special purpose vehicles created in the course of Société Générale's client-related securitisation activities are controlled by the Group.

Any commitments granted to these entities, notably in the form of liquidity lines or letters of guarantee, are recognized and valued in accordance with the generally accepted accounting principles applicable to these instruments.

The main changes made to the consolidation scope at June 30, 2003 compared with the scope applicable for the accounts at December 31, 2002 and June 30, 2002, are as follows:

- ♦ During the first half of 2003:
  - The Group acquired a 47.66% stake in the capital of SSB Bank Ghana, which is fully consolidated.
  - Société Générale bought the car leasing group Axus International from the Ford Group.
  - Boursorama, which is 67%-owned by the Société Générale Group, acquired 100% of the online broker Selftrade.
  - The Group raised its stake in TCW to 60.90%, a 1.15% increase against December 31, 2002.

The agreements signed at the time of the acquisition of TCW include deferred put and call options for 14.25% of TCW's capital, broken down into annual tranches of 4.75% over the period 2004-2006. The strike price of

these options depends on the company's future performance.

The balance of shares held by employees is subject to deferred call and put options, exercisable from 2008, at strike prices which are dependent on future performance.

- Société Générale Group acquired 15% of C.G.L., raising its total holding to 99.57%.

- The Group increased its stake in La Marocaine Vie from 52.70% at December 31, 2002 to 70.15% at June 30, 2003.

- The US arbitrage vehicle, PACE, is fully consolidated.

- ♦ During the second half of 2002:

- The group took a 52% stake in the capital of Union Internationale de Banques in Tunisia.

- The Group exchanged its stake in SIFA for 100% of the capital of Fonvalor 2, which is fully consolidated.

- AMBER, a dedicated fund owned by the Group, was fully consolidated.

- Société Générale raised its stake in TCW to 59.75%, which represents an increase of 7.42% against January 1, 2002.

- Two US arbitrage vehicles, TRIDENT and TOBP, were fully consolidated.

**NOTE 3****DUE FROM BANKS***(in millions of euros)*

	June 30		December 31
	2003	2002	2002
<b>Deposits and loans</b>			
<b><i>Demand</i></b>			
Current accounts.....	8,985	9,142	8,583
Overnight deposits and loans .....	782	627	267
Loans secured by overnight notes .....	743	26	385
<b><i>Term</i></b> <sup>(1)</sup>			
Term deposits and loans.....	11,698	11,685	12,928
Subordinated and participating loans.....	617	462	539
Loans secured by notes and securities .....	141	199	187
Related receivables .....	188	349	270
<b>Gross amount</b>	<b>23,154</b>	<b>22,490</b>	<b>23,159</b>
Provisions for possible losses.....	(110)	(98)	(114)
<b>Net amount</b>	<b>23,044</b>	<b>22,392</b>	<b>23,045</b>
Securities purchased under resale agreements.....	42,685	46,893	31,309
<b>TOTAL</b>	<b>65,729</b>	<b>69,285</b>	<b>54,354</b>

<sup>(1)</sup> Including doubtful loans of EUR 140 million at June 30, 2003 versus EUR 139 million at June 30, 2002 and EUR 117 million at December 31, 2002.

**NOTE 4**

**CUSTOMER LOANS**

*(in millions of euros)*

	June 30	December 31	
	2003	2002	2002
Trade notes .....	7,084	7,827	7,903
Other loans <sup>(1)</sup> :			
Short-term loans .....	41,805	42,404	43,610
Export loans .....	4,490	4,496	4,649
Equipment loans .....	28,813	25,733	27,506
Mortgage loans .....	37,674	33,454	35,233
Other loans .....	28,039	29,135 *	31,105
<b>Sub-total</b> .....	<b>140,821</b>	<b>135,222</b>	<b>142,103</b>
Overdrafts.....	13,978	12,621	12,361
Related Receivables.....	1,384	1,223 *	1,386
<b>Gross Amount</b> .....	<b>163,267</b>	<b>156,893</b>	<b>163,753</b>
Allowances for possible losses .....	(6,642)	(6,624) *	(6,845) *
<b>Net amount</b>	<b>156,625</b>	<b>150,269</b>	<b>156,908</b>
Loans secured by notes and securities.....	272	271	227
Securities purchased under resale agreements .....	29,311	39,312	27,683
<b>TOTAL</b>	<b>186,208</b>	<b>189,852</b>	<b>184,818</b>

<sup>(1)</sup> Including doubtful loans at June 30, 2003 for EUR 10,131 million versus June 30, 2002 for EUR 8,985 million and December 31, 2002 for EUR 10,064 million.

(\*) Amounts restated in relation to those given in 2002 half-yearly and annual reports.

## NOTE 5

### LEASE FINANCING AND SIMILAR AGREEMENTS

(in millions of euros)

	June 30		December 31
	2003	2002	2002
Real estate lease financing agreements.....	5,492	5,207	5,452
Equipment lease financing agreements.....	9,262	7,010	7,224
Lease-purchase and similar agreements.....	3,042	4,705 *	4,669
Related receivables.....	208	250 *	188
<b>Gross amount <sup>(1)</sup></b>	<b>18,004</b>	<b>17,172</b>	<b>17,533</b>
Provisions for possible losses.....	(233)	(177) *	(182)
<b>NET AMOUNT</b>	<b>17,771</b>	<b>16,995</b>	<b>17,351</b>

<sup>(1)</sup> Including doubtful loans at June 30, 2003 for EUR 355 million versus at June 30, 2002 for EUR 258 million and December 31, 2002 for EUR 284 million.

(\*) Amounts restated in relation to those given in 2002 half-yearly report.

## NOTE 6

## TREASURY NOTES, BONDS AND OTHER DEBT SECURITIES, SHARES AND OTHER EQUITY SECURITIES

*(in millions of euros)*

	June 30, 2003				June 30, 2002			December 31, 2002	
	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities	Total	Treasury notes and similar securities	Shares and other equity securities	Bonds and other debt securities	Total	Total
Trading securities .....	21,645	31,128	31,955	84,728	23,412	45,128	29,867	98,407	76,637
Short-term investment securities:									
Gross book value.....	4,903	6,663	14,403	25,969	3,802	6,415	10,635	20,852	24,533
Provisions.....	(22)	(284)	(237)	(543)	(23)	(323)	(203)	(549)	(530)
Net book value.....	4,881	6,379 <sup>(1)</sup>	14,166	25,426	3,779	6,092 <sup>(1)</sup>	10,432	20,303	24,003 <sup>(1)</sup>
Long-term investment securities:									
Gross book value.....	3,668	-	21,683	25,351	8,289	-	15,464	23,753	26,906
Provisions.....	-	-	(1)	(1)	-	-	(4)	(4)	-
Net book value.....	3,668	-	21,682	25,350	8,289	-	15,460	23,749	26,906
Related receivables.....	135	194	476	805	171	130	505	806	778
<b>TOTAL</b>	<b>30,329</b>	<b>37,701</b>	<b>68,279</b>	<b>136,309</b>	<b>35,651</b>	<b>51,350</b>	<b>56,264</b>	<b>143,265</b>	<b>128,324</b>

<sup>(1)</sup> Of which Société Générale shares assigned to cover stock options awarded to employees : EUR 165.6 million (compared with EUR 167.6 million at June 30, 2002 and EUR 167.3 million at December 31, 2002).

	June 30, 2003
Number of shares	3,433,450
Nominal value per share (in euros)	1.25
Market value per share (in euros)	55.20
Book value per share (in euros)	48.224

## ADDITIONAL INFORMATION ON SECURITIES

<i>(in millions of euros)</i>	June 30, 2003	June 30, 2002
Estimated market value of short-term investment securities :		
Unrealized capital gains (*).....	244	52
Estimated value of long-term investment securities <sup>(1)</sup> .....	(166)	26
Investment securities reclassified in the short-term investment portfolio.....	624	327

(\*) Not including unrealized gains or losses on any forward financial instruments used to hedge short-term investment securities.

(1) Including unrealized gain or loss on instruments used to hedge long-term investment securities.

## NOTE 7

### INVESTMENTS OF INSURANCE COMPANIES

*(in millions of euros)*

	June 30	December 31
	2003	2002
Real estate investments.....	239	223
Bonds and other debt securities.....	23,143	21,222
Investments held to guarantee unit-linked policies.....	13,473	13,384
Other investments.....	973	867
Shares and other equity securities.....	1,785	1,561
<b>Total</b>	<b>39,613</b>	<b>37,257</b>

## NOTE 8

### Investments in non-consolidated subsidiaries and affiliates, and other long-term equity investments

(in millions of euros)

	June 30 2003	June 30 2002
<b>Principal companies</b> <sup>(1)</sup>		
<b>0 à 5 %</b> .....	<b>4,731</b>	<b>4,868</b>
Accor, Adecco Nom, Alcatel, Alstom, Altadis, Arcelor, Aviva, Business Objects, Cap Gemini ernst & Young, Carrefour, Danone, Dexia, Havas, Michelin, ONA, Orange, Pernod Ricard, Peugeot SA, Renault, Sanofi, SCH, Schneider Electric, Sodexho, Suez, TF1, Total, Vinci, Veolia Environnement, Vivendi Universal, Zodiac		
<b>5 à 10 %</b> .....	<b>556</b>	<b>632</b>
SFL, Cologne Re Managers, Hornby Lane		
<b>10 à 20 %</b> .....	<b>384</b>	<b>318</b>
Crédit Logement, Sopra, SCI Secovalde, Sommer SA		
<b>Sub-total</b> .....	<b>5,671</b>	<b>5,818</b>
<b>Other companies</b> .....	<b>1,408</b>	<b>1,565</b>
<b>Gross book value</b> <sup>(2)</sup>	<b>7,079</b>	<b>7,383</b>
Provisions for possible losses.....	(1,461)	(892)
Advances to non-consolidated companies.....	264	122
<b>NET BOOK VALUE</b> <sup>(3)</sup>	<b>5,882</b>	<b>6,613</b>

<sup>(1)</sup> Only investments with a book value over EUR 30 million at June 30, 2003 are mentioned.

<sup>(2)</sup> Movements over the 2003 first half fiscal year: EUR (256.6) million, of which: acquisitions = EUR 103 million, disposals = EUR (537.4) million, changes in consolidation scope and other movements = EUR 177.8 million.

<sup>(3)</sup> Of which listed companies :  
net book value = EUR 4,075 million; market value = EUR 3,974 million.

## NOTE 9

### TANGIBLE AND INTANGIBLE FIXED ASSETS

(in millions of euros)

	Net book value		
	June 30 2003	2002	December 31 2002
<b>OPERATING ASSETS</b>			
<i>Intangible assets</i>			
Start-up costs .....	6	8	7
Software, EDP development costs .....	469	374	455
Other.....	378	420	383
<b>Sub-total .....</b>	<b>853</b>	<b>802</b>	<b>845</b>
<i>Tangible assets</i>			
Land and buildings .....	2,035	2,071	2,055
Other .....	1,185	1,277	1,231
<b>Sub-total.....</b>	<b>3,220</b>	<b>3,348</b>	<b>3,286</b>
<b>NON-OPERATING ASSETS <sup>(1)</sup></b>			
<i>Tangible assets</i>			
Land and buildings.....	86	289	276
Pure rental transactions and other .....	3,250	1,348 *	1,333
<b>Sub-total.....</b>	<b>3,336</b>	<b>1,637</b>	<b>1,609</b>
<b>Total</b>	<b>7,409</b>	<b>5,787</b>	<b>5,740</b>

<sup>(1)</sup> Not including the proprietary real estate investment portfolio held by specialized financing companies.

The acquisitions made between June 30, 2002 and June 30, 2003 had an impact of EUR 2,019 million on the Group's net fixed assets (gross fixed assets : EUR 2,823 million ). The Group of automobile leasing AXUS International contributes for EUR 1,973 million in net value (gross value : EUR 2,740 million ).

<sup>(\*)</sup> Amount restated in relation to those given in 2002 half-yearly report.

## NOTE 10

## GOODWILL (\*)

(in millions of euros)

	June 30, 2003			June 30, 2002			December 31, 2002
	Gross book value	Accumulated amortization	Net book value	Gross book value	Accumulated amortization	Net book value	Net book value
<b>Goodwill</b>							
<b>RETAIL BANKING</b>	<b>1,596</b>	<b>(224)</b>	<b>1,372</b>	<b>1,629</b>	<b>(145)</b>	<b>1,484</b>	<b>1,344</b>
French Retail Banking network.....	115	(59)	56	113	(54)	59	56
Retail Banking network outside France <sup>(1)</sup> .....	1,059	(111)	948	1,178	(64)	1,114	978
Specialized subsidiaries and other <sup>(2)</sup> .....	422	(54)	368	338	(27)	311	310
<b>CORPORATE AND INVESTMENT BANKING</b>	<b>252</b>	<b>(167)</b>	<b>85</b>	<b>246</b>	<b>(156)</b>	<b>90</b>	<b>76</b>
Corporate Banking <sup>(3)</sup> .....	94	(34)	60	54	(27)	27	23
Investment Banking.....	158	(133)	25	192	(129)	63	53
<b>ASSET MANAGEMENT &amp; PRIVATE BANKING</b>	<b>806</b>	<b>(126)</b>	<b>680</b>	<b>839</b>	<b>(80)</b>	<b>759</b>	<b>733</b>
Asset Management.....	653	(85)	568	676	(47)	629	609
Private Banking.....	153	(41)	112	163	(33)	130	124
<b>CORPORATE CENTER</b>	<b>3</b>	<b>(2)</b>	<b>1</b>	<b>3</b>	<b>(2)</b>	<b>1</b>	<b>1</b>
<b>Sub-total</b>	<b>2,657</b>	<b>(519)</b>	<b>2,138</b>	<b>2,717</b>	<b>(383)</b>	<b>2,334</b>	<b>2,154</b>
<b>Negative Goodwill</b>							
<b>CORPORATE AND INVESTMENT BANKING</b>							
Corporate Banking.....	-	-	-	(42)	42	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42)</b>	<b>42</b>	<b>-</b>	<b>-</b>
<b>NET TOTAL</b>	<b>2,657</b>	<b>(519)</b>	<b>2,138</b>	<b>2,675</b>	<b>(341)</b>	<b>2,334</b>	<b>2,154</b>

(\*) Current and exceptional amortizations expenses are assigned to the Corporate Center.

(1) The change in total gross goodwill over the first half of 2003 is due to:

- The downward revision of goodwill on companies acquired in 2001 for the period up to December 2002
- The acquisition of UNION INTERNATIONALE DE BANQUES in Tunisia in the fourth quarter of 2002
- The acquisition of SSB BANK in Ghana in the second quarter of 2003.

(2) In the first half of 2003, the Group acquired the Group of automobile leasing AXUS International

(3) During the first quarter of 2003, the Group acquired Selftrade.

## NOTE 11

### ACCRUALS, OTHER ACCOUNTS RECEIVABLE AND OTHER ASSETS

(in millions of euros)

	June 30	December 31	
	2003	2002	2002
<b>Other assets</b>			
Miscellaneous receivables.....	15,357	12,818	12,607
Premiums on options purchased.....	22,112	22,305	21,481
Settlement accounts on securities transactions.....	4,420	4,193	2,192
Other assets.....	994	1,106	1,148
Other insurance assets .....	262	205	212
<b>Sub-total.....</b>	<b>43,145</b>	<b>40,627</b>	<b>37,640</b>
<b>Accruals and similar</b>			
Prepaid expenses.....	528	537	400
Accrued income <sup>(1)</sup> .....	2,086	4,030	2,724
Other .....	12,331	6,973	18,952
<b>Sub-total.....</b>	<b>14,945</b>	<b>11,540</b>	<b>22,076</b>
<b>Gross amount</b>	<b>58,090</b>	<b>52,167</b>	<b>59,716</b>
Allowances for possible losses.....	(188)	(188)	(221)
<b>NET AMOUNT</b>	<b>57,902</b>	<b>51,979</b>	<b>59,495</b>

<sup>(1)</sup> At June 30, 2003 this item includes the guarantee valued at EUR 127 million granted by the Czech government to cover non-performing loans from Komerční Banka.

## NOTE 12

### DUE TO BANKS

(in millions of euros)

	June 30	December 31
	2003	2002
<b>Demand deposits</b>		
Demand deposits and current accounts.....	12,439	15,637
Borrowings secured by overnight notes.....	-	14
<b>Sub-total.....</b>	<b>12,439</b>	<b>15,651</b>
<b>Term deposits</b>		
Term deposits and borrowings.....	37,047	42,825
Borrowings secured by notes and securities .....	228	807
<b>Sub-total .....</b>	<b>37,275</b>	<b>43,632</b>
Related payables .....	354	455
Securities sold under repurchase agreements.....	23,079	28,919
<b>TOTAL</b>	<b>73,147</b>	<b>88,657</b>

## NOTE 13

### CUSTOMER DEPOSITS

(in millions of euros)

	June 30		December 31
	2003	2002	2002
<b>Special savings accounts</b>			
Demand.....	20,791	17,390	18,287
Term.....	21,485	21,317	21,775
<b>Sub-total.....</b>	<b>42,276</b>	<b>38,707</b>	<b>40,062</b>
<b>Other demand deposits</b>			
Businesses and sole proprietors.....	24,754	22,921	24,866
Individual customers .....	22,761	21,352	21,594
Financial institutions .....	10,104	6,571	5,753
Other.....	4,705	3,257	5,303
<b>Sub-total.....</b>	<b>62,324</b>	<b>54,101</b>	<b>57,516</b>
<b>Other term deposits</b>			
Businesses and sole proprietors.....	18,535	17,926	25,051
Individual customers .....	10,068	11,789	10,988
Financial institutions .....	13,424	8,416	12,309
Other.....	5,521	5,247	5,902
<b>Sub-total.....</b>	<b>47,548</b>	<b>43,378</b>	<b>54,250</b>
Related payables.....	1,059	1,042	949
<b>Total customer deposits</b>	<b>153,207</b>	<b>137,228</b>	<b>152,777</b>
Borrowings secured by notes and securities.....	3,221	3,265	2,210
Securities sold to customers under repurchase agreements...	39,505	54,870	41,098
<b>TOTAL</b>	<b>195,933</b>	<b>195,363</b>	<b>196,085</b>

**NOTE 14****SECURITIZED DEBT PAYABLES***(in millions of euros)*

	June 30		December 31
	2003	2002	2002
Term savings certificates.....	887	873	881
Bond borrowings .....	4,758	6,931	5,253
Related payables. ....	105	275	185
<b>Sub-total .....</b>	<b>5,750</b>	<b>8,079</b>	<b>6,319</b>
Interbank certificates and negotiable debt instruments .....	82,983	62,722	71,104
Related payables.....	311	370	454
<b>TOTAL <sup>(1)</sup></b>	<b>89,044</b>	<b>71,171</b>	<b>77,877</b>

(1) The entities newly consolidated since June 30, 2002 have an impact of EUR 6,451 million at June 30, 2003 on the Group's securitized debt payables.

## NOTE 15

### UNDERWRITING RESERVES OF INSURANCE COMPANIES

*(in millions of euros)*

	June 30		December 31
	2003	2002	2002
Unit-linked policy underwriting reserves.....	13,541	14,601	13,400
Life insurance underwriting reserves.....	24,613	20,496	22,262
Non-life insurance underwriting reserves.....	117	116	98
<b>Total</b>	<b>38,271</b>	<b>35,213</b>	<b>35,760</b>

## NOTE 16

### ACCRUALS, OTHER ACCOUNTS PAYABLE AND OTHER LIABILITIES

(in millions of euros)

	June 30		December 31
	2003	2002	2002
<b>Transactions on securities</b>			
Amounts payable for borrowed securities.....	9,820	8,911	6,640
Other amounts due for securities .....	26,906	35,291	24,272
<b>Sub-total .....</b>	<b>36,726</b>	<b>44,202</b>	<b>30,912</b>
<b>Other liabilities</b>			
Miscellaneous payables .....	13,417	19,435	12,627
Premiums on sold options.....	23,251	22,536	21,700
Settlement accounts on securities transactions .....	5,953	4,460	2,975
Other securities transactions.....	82	84	51
Related payables.....	214	188	180
Other insurance liabilities.....	111	93	84
<b>Sub-total .....</b>	<b>43,028</b>	<b>46,796</b>	<b>37,617</b>
<b>Accruals and similar</b>			
Accrued expenses .....	3,232	4,257	4,148
Deferred taxes.....	46	95	89
Deferred income .....	2,108	2,402	2,358
Other .....	10,255	9,216	12,643
<b>Sub-total.....</b>	<b>15,641</b>	<b>15,970</b>	<b>19,238</b>
<b>TOTAL</b>	<b>95,395</b>	<b>106,968</b>	<b>87,767</b>

#### Breakdown of deferred tax by categories

(in million of euros)

	Deferred income tax assets	Deferred income tax liabilities
<b>Timing differences related to :</b>		
Inner reserve arising from lease financing transactions	(26)	615
Results of partnerships	-	194
Reassessment reserves	-	30
Others (principally relating to other reserves)	(1,198)	431
<b>Total</b>	<b>(1,224)</b>	<b>1,270</b>

## NOTE 17

## PROVISIONS AND RESERVES

(in millions of euros)

	June 30		December 31
	2003	2002	2002
<b>Provisions for possible losses charged against assets</b>			
Banks.....	110	98	114
Customer loans.....	6,642	6,624 *	6,845 *
Lease financing agreements.....	233	177 *	182
Other.....	275	251 *	263
<b>Sub-total.....</b>	<b>7,260</b>	<b>7,150</b>	<b>7,404</b>
<b>Provisions for general risks and commitments booked as a liability</b>			
Prudential general country risk reserve.....	459	504	465
Commitments made to banks.....	6	4	4
Commitments made to customers.....	430	344	376 *
Sectorial provisions and other <sup>(2)</sup> .....	425	-	277 *
Provisions for other risks and commitments.....	1,396	1,424	1,401 *
<b>Sub-total.....</b>	<b>2,716</b>	<b>2,276</b>	<b>2,523</b>
<b>Total provisions (excluding securities) <sup>(1)</sup></b>	<b>9,976</b>	<b>9,426</b>	<b>9,927</b>
Allowances on securities.....	2,005	1,445	1,862
Allowances investments of insurance companies.....	9	6	10
<b>Total provisions</b>	<b>11,990</b>	<b>10,877</b>	<b>11,799</b>

<sup>(1)</sup> Amounts restated in relation to those given in 2002 half-yearly and annual reports

<sup>(2)</sup> The risk reserves breaks down as follows :

(in millions of euros)

	June 30		December 31
	2003	2002	2002
<b>Prudential country risk reserve</b>	<b>459</b>	<b>504</b>	<b>465</b>
<b>Provisions for identified risks</b>	<b>8,121</b>	<b>7,498</b>	<b>8,031</b>
<b>Provisions for general risks and commitments :</b>	<b>1,396</b>	<b>1,424</b>	<b>1,431</b>
Provisions for pensions and other post-retirement benefits	272	241	261
Allowances for restructuring costs and litigations expenses	168	168	182
Allowances for tax adjustments	200	127	131
Allowances on forward financial instruments	42	40	39
Other provisions for risks and litigation	714	848	818
<b>Total</b>	<b>9,976</b>	<b>9,426</b>	<b>9,927</b>

As regards the Group's Argentine risk, total provisions booked at June 30, 2003 stood at EUR 307 million, this represents a fair estimate of the Group's Argentine exposure in perspective of whether it keeps open or shuts down its subsidiary in Argentina.

(2) As of January 1st, 2003, all sectorial provisions that cannot be assigned to a single non-performing loan have been grouped in a specific account. These provisions were previously booked according to the type of risks covered. They were charged against the assets side on the balance sheet in the amount of EUR 176 millions or were carried on the liabilities side of the balance sheet in the amount of EUR 101 millions (EUR 71 millions on off-balance sheet items for commitments with customers and EUR 30 millions on provisions for risks and commitments). The financial statements as of December 31, 2002 were restated accordingly for the purpose of comparison.

Risks and litigations

The main change compared to December 31, 2002 regards the HRO litigation:

On 19th January, 2000, High Risk Opportunities Hub Fund Ltd, a hedge fund in receivership, represented by its receivers, brought legal action against Societe Generale (and another bank), before the Supreme Court of the State of New York. This fund claimed compensation up to an amount of USD 1 billion for direct and indirect damages resulting from its liquidation alleging that the liquidation was caused by the non-execution of undelivered forward USD/RUB contracts. Societe Generale considered this allegation to be unjustified. In April 2003, SG and HRO entered into a settlement agreement, subject to the approval of the Grand Court of the Cayman Islands, which is presiding over HRO's bankruptcy proceedings. In July 2003, the Grand Court refused to approve the settlement with the understanding that it would reconsider the settlement if additional supporting evidence were presented. HRO has sought to appeal that ruling and, at the suggestion of the Grand Court, is simultaneously gathering additional evidence in further support of its application for approval of the settlement with SG.

## NOTE 18

### SUBORDINATED DEBT

(in millions of euros)

	June 30	December 31	
	2003	2002	2002
Subordinated capital notes.....	11,294	10,333	10,884
Dated subordinated debt.....	41	71	67
<b>Sub-total</b>	<b>11,335</b>	<b>10,404</b>	<b>10,951</b>
Related payables.....	262	198	248
<b>TOTAL</b>	<b>11,597</b>	<b>10,602</b>	<b>11,199</b>

## NOTE 19

### COMMITMENTS GRANTED

*(in millions of euros)*

	June 30		December 31
	2003	2002	2002
<b>Loan commitments</b>			
to banks.....	4,822	1,104	5,163
to customers <sup>(1)</sup> .....	80,006	87,741	76,991
<b>Total</b>	<b>84,828</b>	<b>88,845</b>	<b>82,154</b>
<b>Guarantee commitments</b>			
on behalf of banks.....	5,016	3,442	4,999
on behalf of customers <sup>(1)</sup> .....	47,540	30,169	43,047
<b>TOTAL</b>	<b>52,556</b>	<b>33,611</b>	<b>48,046</b>

<sup>(1)</sup> As at June 30, 2003, credit lines and guarantee commitments granted to securitization vehicles amounted to EUR 18.6 billion and EUR 0.7 billion respectively.

### Securitization transactions

The Société Générale Group carries out securitization transactions on behalf of customers or investors, and provide as such credit enhancement and liquidity facilities to the securitization vehicles.

These vehicles are not consolidated in the Group's financial statements, in accordance with current accounting regulations.

As at June 30, 2003, there were five non-consolidated vehicles (Barton, Antalis, Asset One, Homes, ACE) 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 12,889 million on this date.

The default risk on these assets is borne in the first place by the transferors of the underlying receivables or by third parties. The Société Générale Group provides an additional guarantee as a credit enhancement through the issuance of letters of credit in the amount of EUR 678 million. Furthermore, the Group has granted these vehicles liquidity lines in the amount of EUR 18,581 million on this date.

## NOTE 20

## FOREIGN EXCHANGE TRANSACTIONS

*(in millions of euros)*

	June 30, 2003				June 30, 2002			
	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.....	320,711	310,847	75,062	93,098	317,317	303,031	68,867	85,690
USD.....	129,675	146,578	187,435	170,728	137,095	155,278	176,147	160,630
GBP.....	18,194	18,440	34,680	33,634	15,647	15,273	38,180	37,066
JPY.....	9,635	4,785	34,755	37,527	13,081	8,881	31,547	34,066
Other currencies.....	49,349	46,914	71,927	70,821	47,819	48,496	67,671	65,797
<b>TOTAL</b>	<b>527,564</b>	<b>527,564</b>	<b>403,859</b>	<b>405,808</b>	<b>530,959</b>	<b>530,959</b>	<b>382,412</b>	<b>383,249</b>

	December 31, 2002			
	Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered
EUR.....	302,891	288,099	60,921	86,421
USD.....	124,273	143,038	166,817	143,769
GBP.....	16,147	16,295	28,503	26,865
JPY.....	12,894	8,285	23,719	28,070
Other currencies.....	45,236	45,724	69,449	66,676
<b>TOTAL</b>	<b>501,441</b>	<b>501,441</b>	<b>349,409</b>	<b>351,801</b>

**NOTE 21**

**FORWARD FINANCIAL INSTRUMENT COMMITMENTS**

(in millions of euros)

	Trading transactions	Hedging transactions	Total		December 31 2002
			June 30 2003	2002	
<b>Firm transactions</b>					
Transactions on organized markets					
- Interest rate futures	517,061	49,057	566,118	459,811	416,207
- Currency futures	2,418	2,301	4,719	3,099	3,166
- Other forward contracts	86,114	4,509	90,623	58,008	71,456
OTC agreements					
- Interest rate swaps	2,617,738	138,900	2,756,638	2,780,882	2,831,911
- Currency financing swaps	114,746	3,245	117,991	94,803	101,782
- Forward Rate Agreements (FRA)	373,456	749	374,205	388,009	303,146
- Other	20,916	25,992	46,908	46,007	41,725
<b>Options</b>					
- Interest rate options	1,298,819	4,356	1,303,175	987,472	1,021,073
- Currency options	90,581	2,336	92,917	125,712	94,424
- Options on stock exchange indices and equities	395,593	13,724	409,317	316,770	255,386
- Other	921,797	-	921,797	53,160	47,477
<b>TOTAL</b>	<b>6,439,239</b>	<b>245,169</b>	<b>6,684,408</b>	<b>5,313,733</b>	<b>5,187,753</b>

**Credit risk equivalent** (in millions of euros)

At June 30, 2003, the credit risk equivalent on these transactions determined in accordance with the methods recommended by the Basle Committee for the calculation of the international solvency ratio, breaks down as follows :

	June 30		December 31
	2003	2002	2002
- OECD member governments and central banks	502	391	369
- OECD member banks and local authorities	16,232	17,040	16,414
- Customers	8 200	8,010	8,535
- Non-OECD member banks and central banks	486	310	420
<b>Total (including netting agreements)</b>	<b>25,420</b>	<b>25,751</b>	<b>25,738</b>

Bilateral netting agreements reduced the credit risk equivalent by EUR 70,513 million at June 30, 2003 versus EUR 50,423 million at June 30, 2002 and EUR 66,701 million at December 31, 2002.

**NOTE 22****BREAKDOWN OF ASSETS AND LIABILITIES BY TERM TO MATURITY***(in millions of euros at June 30, 2003)*

	0-3 months	3 months - 1 year	1-5 years	over 5 years	Inter companies eliminations	Total
<b>ASSETS</b>						
<b>Transactions with banks</b>						
Due from banks	185,373	31,107	37,904	30,240	(218,895)	<b>65,729</b>
<b>Transactions with customers</b>						
Customer loans	84,621	24,351	67,817	36,818	(27,399)	<b>186,208</b>
Lease financing and similar agreements	1,622	2,703	9,039	4,407	-	<b>17,771</b>
<b>Bonds and other debt securities</b>						
Trading securities	11,548	36,689	,702	316	(17,300)	<b>31,955</b>
Short-term investment securities	4,224	5,026	13,118	6,312	(14,222)	<b>14,458</b>
Long-term investment securities	805	1,499	6,687	14,797	(1,922)	<b>21,866</b>
<b>LIABILITIES</b>						
<b>Transactions with banks</b>						
Due to banks	188,989	33,290	42,901	24,587	(216,620)	<b>73,147</b>
<b>Transactions with customers</b>						
Customer deposits	165,995	11,611	20,823	24,736	(27,232)	<b>195,933</b>
<b>Securitized debt payables</b>	<b>51,681</b>	<b>22,209</b>	<b>28,755</b>	<b>19,485</b>	<b>(33,086)</b>	<b>89,044</b>

**NOTE 23****INTEREST INCOME AND EXPENSES FROM TRANSACTIONS  
WITH BANKS***(in millions of euros)*

	June 30		December 31
	2003	2002	2002
Transactions with central banks, post office accounts and banks .....	1,316	848	2,090
Net premiums and discounts .....	22	32	77
<b>Total interest income</b>	<b>1,338</b>	<b>880</b>	<b>2,167</b>
Transactions with central banks, post office accounts and banks .....	(1,049)	(1,119)	(3,382)
<b>Total interest expense</b>	<b>(1,049)</b>	<b>(1,119)</b>	<b>(3,382)</b>
Securities purchased under resale agreements and loans secured by notes and securities	885	1,068	2,112
Securities sold under repurchase agreements and borrowings secured by notes and securities .....	(1,140)	(1,066)	(2,121)
<b>Net interest income from transactions with banks</b>	<b>34</b>	<b>(237)</b>	<b>(1,224)</b>

**NOTE 24**

**INTEREST INCOME AND EXPENSE FROM TRANSACTIONS WITH CUSTOMERS**

(in millions of euros)

	June 30		December 31
	2003	2002	2002
Trade notes .....	338	341	693
Other customer loans			
- short-term loans.....	1,131	1,291	2,583
- export loans.....	140	240	524
- equipment loans.....	735	703	1,489
- mortgage loans.....	993	954	1,918
- other loans.....	529	564	1,079
<b>Sub-total.....</b>	<b>3,528</b>	<b>3,752</b>	<b>7,593</b>
Overdrafts .....	364	388	779
Net premiums and discounts.....	(5)	(10)	(22)
<b>Total interest income</b>	<b>4,225</b>	<b>4,471</b>	<b>9,043</b>
Special savings accounts .....	(663)	(647)	(1,298)
Other deposits.....	(1,010)	(1,294)	(2,510)
<b>Total interest expense</b>	<b>(1,673)</b>	<b>(1,941)</b>	<b>(3,808)</b>
Securities purchased under resale agreements and loans secured by notes and securities.....	809	685	1,593
Securities sold under repurchase agreements and borrowings secured by notes and securities .....	(1342)	(1,137)	(2,604)
<b>Net interest income from transactions with customers</b>	<b>2,019</b>	<b>2,078</b>	<b>4,224</b>

NOTE 25

**NET FEE INCOME**

(in millions of euros)

	June 30		December 31
	2003	2002	2002
<b>Fee income from :</b>			
Transactions with banks.....	50	55	93
Transactions with customers.....	719	707	1,353
Securities transactions.....	1,023	1,194	2,513
Primary market transactions .....	84	123	171
Foreign exchange transactions and forward financial instruments.....	203	311	520
Loan and guarantee commitments.....	229	239	454
Services and other .....	747	659	1,374
<b>Sub-total .....</b>	<b>3,055</b>	<b>3,288</b>	<b>6,478</b>
<b>Fee expense on :</b>			
Transactions with banks.....	(78)	(66)	(153)
Securities transactions.....	(138)	(101) *	(368) *
Foreign exchange transactions and forward financial instruments.....	(155)	(244)	(411)
Loan and guarantee commitments.....	(77)	(61)	(125)
Other .....	(221)	(189)	(428)
<b>Sub-total .....</b>	<b>(669)</b>	<b>(661)</b>	<b>(1,485)</b>
<b>TOTAL NET <sup>(1)</sup></b>	<b>2,386</b>	<b>2,627</b>	<b>4,993</b>

<sup>(1)</sup> As of January 1st, 2003, commissions paid to brokers who are considered to have the same status as salaried employees which were previously booked as fees and commissions directly charged against Net Banking Income are recognised under personnel expenses. The commissions have been restated in the financial statements as of June 30, 2002 and December 31, 2002 respectively in the amount of EUR 59 and 119 millions.

<sup>(1)</sup> Net fee income breaks down per type of service, as follows.

	June 30		December 31
	2003	2002	2002
- banking services and advisory.....	1,110	1,052	2,078
- guarantees and endorsements .....	152	179	330
- issuance .....	85	123	171
- asset management and life insurance .....	832	934	1,770
- brokerage and other.....	207	339	644

**NOTE 26****PERSONNEL EXPENSES***(in millions of euros)*

	<b>June 30</b>		<b>December 31</b>
	<b>2003</b>	<b>2002</b>	<b>2002</b>
Employee compensation <sup>(1)</sup> .....	2,222	2,343 *	4,428 *
Social security benefits and payroll taxes <sup>(1)</sup> .....	813	793	1,537
Employee profit sharing and incentives .....	114	120	214
<b>Total</b>	<b>3,149</b>	<b>3,256</b>	<b>6,179</b>
<b>Average staff (2)</b>	<b>89,560</b>	<b>88,044</b>	<b>88,278</b>
In France	50,460	51,037	50,689
Outside France	39,100	37,007	37,589

The average headcount of the newly acquired subsidiaries is not adjusted in proportion to the length of time that the subsidiaries have been owned.

*(1) Of which EUR 775 million for bonuses at June 30, 2003 (EUR 830 million at June 30, 2002 and EUR 1,429 million at December 31, 2002).*

*(2) Including temporary staff*

*(\*) As of January 1st, 2003, commissions paid to brokers who are considered to have the same status as salaried employees which were previously booked as fees and commissions directly charged against Net Banking Income are recognised under personnel expenses. The personnel expenses have been restated in the financial statements as of June 30, 2002 and December 31, 2002 respectively in the amount of EUR 59 and 119 millions.*

## NOTE 27

## COST OF RISK

*(in millions of euros)*

	June 30		December 31
	2003	2002	2002
<b>Net allocation to provisions for identified risks</b>			
- Provisions for identified risks.....	(603)	(601)	(1,243)
- Provisions for identified risks .....	(35)	11	(18)
- Losses not covered by provisions and amounts recovered on write-offs.....	(44)	(26)	(101)
<b>Sub-total</b>	<b>(682)</b>	<b>(616)</b>	<b>(1,362)</b>
Net allocation to general country risk reserves.....	(25)	43	61
<b>Net allocation to provisions for receivables and commitments</b>	<b>(707)</b>	<b>(573)</b>	<b>(1,301)</b>

**NOTE 28**

**COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD**

(in millions of euros)

	% voting interest	Activity	Société Générale's equity contribution (*)	June 30		December 31
				2003	2002	2002
				Société Générale's share in net income (loss)		
<b>Non-financial companies</b>						
Chesapeake Holding (CHC)	36.35	Financing.....	(43)	5	6	12
Sifa <sup>(1)</sup>	-	Portfolio management.....	-	-	4	4
Géodis <sup>(2)</sup>	27.17	Industrial and commercial company	(34)	(1)	(26)	(13)
Property companies of the Sogéprom group		Property companies.....	9	2	1	7
Other.....			1	1		-
<b>Sub-total.....</b>			<b>(67)</b>	<b>7</b>	<b>(15)</b>	<b>10</b>
<b>Financial companies</b>						
ACL	36.05	Bank.....	(273)	-	-	-
SOPHIA	27.40	Property company.....	(30)	7	7	24
United Arab Bank	20.00	Bank.....	11	2	2	4
Other <sup>(3)</sup> .....			22	6	8	10
<b>Sub-total.....</b>			<b>(270)</b>	<b>15</b>	<b>17</b>	<b>38</b>
<b>Total.....</b>			<b>(337)</b>	<b>22</b>	<b>2</b>	<b>48</b>

(\*) Including the Group's earnings as of June 30, 2003.

(1) Share exchange transaction that took place in the second half of 2002, involving the exchange of the entire holding for 100% of the capital in Fonvalor II, which is now fully consolidated.

(2) Company that was consolidated for the first time in the second half of 2001. The contribution for the first half of 2002 corresponded to an adjustment concerning the definitive result for the 2001 financial year and an estimate of the first-half results of Géodis for 2002.

(3) Including entities subconsolidated by Komerčni Banka and by Crédit du Nord

**NOTE 29**

**NET INCOME FROM LONG-TERM INVESTMENTS**

(in millions of euros)

	June 30		December 31
	2003	2002	2002
<b>Long-term investment securities</b>			
Net capital gains (or losses) on sale .....	-	-	47
Net allocation to provisions.....	-	(4)	-
<b>Sub-total.....</b>	<b>-</b>	<b>(4)</b>	<b>47</b>
<b>Investments in non-consolidated subsidiaries and affiliates</b>			
Gains on sale.....	264	265	484
Losses on sale.....	(15)	(44)	(125)
Net allocation to provisions.....	(124)	(290)	(710)
<b>Sub-total <sup>(1)</sup>.....</b>	<b>125</b>	<b>(69)</b>	<b>(351)</b>
<b>Operating fixed assets</b>			
Gains on sale.....	8	10	33
Losses on sale.....	(6)	(1)	(28)
<b>Sub-total.....</b>	<b>2</b>	<b>9</b>	<b>5</b>
<b>TOTAL NET</b>	<b>127</b>	<b>(64)</b>	<b>(299)</b>

<sup>(1)</sup> Income from investments in non-consolidated subsidiaries and affiliates at June 30, 2003 includes EUR 242 million from the disposal of banking equity holdings, and EUR 111 million of provisions on the industrial equity portfolio (EUR 304 million at June 30, 2002).

## NOTE 30

### EXCEPTIONAL ITEMS

(in millions of euros)

	June 30	December 31	
	2003	2002	2002
Exceptional income .....	1	3	13
Exceptional losses .....	(27)	(127)	(183)
<b>NET TOTAL</b>	<b>(26)</b>	<b>(124)</b>	<b>(170)</b>
<b>Breakdown of exceptional items</b>			
- Provisions for costs linked to introduction of the single European currency and Y2K .....	-	(2)	(9)
- Contribution by French banks to the Compensation Fund and to "Fondation du Souvenir des victimes de la Shoah" .....	-	(2)	(2)
- Provision booked to cover the fraud affecting Cowen's former private client brokerage division (*) .....	(26)	(120)	(159)

(\*) cf Note 1 in 2002 annual report. A reversal for an equivalent amount from the General Reserve for Banking Risks was recognized in the accounts at June 30, 2003 and December 31, 2002.

**NOTE 31****INCOME TAX***(in millions of euros)*

	June 30		December 31
	2003	2002	2002
Current taxes .....	(524)	(520)	(767)
Deferred taxes .....	(53)	116	118
<b>TOTAL <sup>(1)</sup></b>	<b>(577)</b>	<b>(404)</b>	<b>(649)</b>

<sup>(1)</sup> The reconciliation of the difference between the Group's normative tax rate and its effective tax rate breaks down as follows :

Income before tax, amortization of goodwill and net income from companies accounted for by the equity method	2,104	1,530	2,436
Normal tax rate applicable to French companies (including 3% and 3.3% tax surcharges)	35.4%	35,4%	35.4%
Permanent differences	-2.6%	-5,2%	-5.6%
Differential on items taxed at reduced rate	-1.0%	1,3%	2.7%
Tax rate differential on profits taxed outside France	-3.2%	-5,5%	-5.2%
Impact of non-deductible losses for the period and use of losses carried forward	-1.2%	0,4%	-0.6%
<b>EFFECTIVE TAX RATE</b>	<b>27.4%</b>	<b>26,4%</b>	<b>26.7%</b>

## NOTE 32

## INCOME STATEMENT BY CORE BUSINESS

*In millions of euros*

	Retail Banking			Asset management & private Banking			Corporate & Investment Banking			Corporate Center			Group		
	June 30 2003	2002	Dec,31 2002	June 30 2003	2002	Dec,31 2002	June 30 2003	2002	Dec,31 2002	June 30 2003	2002	Dec,31 2002	June 30 2003	2002	Dec, 31 2002
Net banking income	4,475	4,292	8,684	563	666	1,304	2,662	2,637	4,769	155	(39)	(184)	7,855	7,556	14,573
Operating expenses	(3,056)	(2,952)	(5,873)	(403)	(465)	(905)	(1,625)	(1,832)	(3,487)	(87)	(136)	(261)	(5,171)	(5,385)	(10,526)
Gross operating income	1,419	1,340	2,811	160	201	399	1,037	805	1,282	68	(175)	(445)	2,684	2,171	4,047
Cost of risk	(291)	(316)	(653)	0	0	(14)	(391)	(320)	(717)	(25)	63	83	(707)	(573)	(1,301)
Net income from companies accounted for by the equity method	8	10	14	0	0	0	7	6	18	7	(14)	16	22	2	48
Net income from long-term investments	1	(6)	21	(1)	(1)	(10)	1	(26)	24	126	(31)	(334)	127	(64)	(299)
Earnings before exceptional items and tax	1,137	1,028	2,193	159	200	375	654	465	607	176	(157)	(680)	2,126	1,536	2,495
Extraordinary items	0	0	0	0	0	0	0	0	0	(26)	(124)	(170)	(26)	(124)	(170)
Income tax	(385)	(348)	(741)	(50)	(63)	(120)	(139)	(104)	(78)	(3)	111	290	(577)	(404)	(649)
Amortization of goodwill	0	0	0	0	0	0	0	0	0	(100)	(101)	(184)	(100)	(101)	(184)
Net reversal from General Reserve for Banking Risks	0	0	0	0	0	0	0	0	0	(124)	120	159	(124)	120	159
Net income before minority interests	752	680	1,452	109	137	255	515	361	529	(77)	(151)	(585)	1,299	1,027	1,651
Minority interests	(91)	(82)	(175)	(6)	(11)	(15)	(4)	(9)	(20)	(20)	(38)	(44)	(121)	(140)	(254)
Net income	661	598	1,277	103	126	240	511	352	509	(97)	(189)	(629)	1,178	887	1,397

The principles and methodology for determining results by core business are detailed in the Management Report of the 2002 annual report.

Results by core business have been restated in relation to those given in 2002 half-yearly and annual reports due notably to internal business transfer.

**NOTE 33****GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME (\*)***(in millions of euros at June 30, 2003)*

	<b>France</b>	<b>Rest of Europe</b>	<b>Americas</b>	<b>Asia</b>	<b>Africa</b>	<b>Oceania</b>	<b>Total</b>
Net interest and similar income <sup>(1)</sup> .....	1,707	1,278	623	37	204	43	3,892
Net fee income.....	1,491	341	412	55	76	11	2,386
Net income from financial transactions.....	1,087	(120)	129	129	10	12	1,247
Other net operating income.....	274	44	4	-	9	(1)	330
<b>Net banking income</b>	<b>4,559</b>	<b>1,543</b>	<b>1,168</b>	<b>221</b>	<b>299</b>	<b>65</b>	<b>7,855</b>

(\*) Geographical regions in which companies recording income are located.

<sup>(1)</sup> Including dividend income and net income from lease financing and similar agreements.

## NOTE 34

## COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

	Country	Method FULL : full consolidation PROP : proportionate consolidation EQUITY : equity method	Group ownership interest		Group voting interest	
			juin 2003	décembre 2002	juin 2003	décembre 2002
			FRANCE			
<b>BANQUES</b>						
. Banque de Polynésie	France	FULL	80,00	80,00	80,00	80,00
. Barep	France	FULL	100,00	100,00	100,00	100,00
. Calif	France	FULL	100,00	100,00	100,00	100,00
. Crédit du Nord (1)	France	FULL	80,00	80,00	80,00	80,00
. Génébanque	France	FULL	100,00	100,00	100,00	100,00
. SG Calédonienne de Banque	France	FULL	100,00	100,00	100,00	100,00
. SG de Banque aux Antilles	France	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES FINANCIERES</b>						
. Barep Gestion	France	FULL	100,00	100,00	100,00	100,00
. IEC	France	FULL	100,00	100,00	100,00	100,00
. Euro VL (1)	France	FULL	100,00	100,00	100,00	100,00
. Lyxor Asset Management	France	FULL	100,00	100,00	100,00	100,00
. Lyxor International Asset Management	France	FULL	100,00	100,00	100,00	100,00
. Lyxor Stratégium N°3 (2)	France	FULL	100,00	-	100,00	-
. Nofirec (1)	France	FULL	100,00	100,00	100,00	100,00
. Pargesfonds	France	FULL	100,00	100,00	100,00	100,00
. SG Asset Management	France	FULL	100,00	100,00	100,00	100,00
. SG Structured Asset Management	France	FULL	100,00	100,00	100,00	100,00
. SGAM Finance	France	FULL	100,00	100,00	100,00	100,00
. SGOP	France	FULL	100,00	100,00	100,00	100,00
<b>FINANCEMENTS SPECIALISES</b>						
. Aitball	France	FULL	100,00	100,00	100,00	100,00
. Bull Finance	France	FULL	51,35	51,35	51,35	51,35
. Cafirec	France	FULL	100,00	100,00	100,00	100,00
. Cofranteq	France	FULL	100,00	100,00	100,00	100,00
. Compagnie Générale de Location d'Equipements (1)	France	FULL	99,57	84,57	99,57	84,57
. Dalarec	France	FULL	100,00	100,00	100,00	100,00
. Diebold Computer Leasing	France	FULL	100,00	100,00	100,00	100,00
. FCC ELECC	France	FULL	100,00	100,00	100,00	100,00
. Fenwick Lease	France	PROP	49,41	49,41	49,41	49,41
. Franfinance (1)	France	FULL	99,99	99,99	99,99	99,99
. Franfinance Location	France	FULL	99,99	99,99	100,00	100,00
. Génécal	France	FULL	65,05	65,05	65,05	65,05
. Génecom	France	FULL	72,43	72,43	72,43	72,43
. Locaplan S.A. (2)	France	FULL	98,20	-	100,00	-
. Orpavimob SA	France	FULL	100,00	100,00	100,00	100,00
. Promopart	France	FULL	100,00	100,00	100,00	100,00
. SCP Clémence	France	FULL	100,00	100,00	100,00	100,00
. SCP Cygne	France	FULL	100,00	100,00	100,00	100,00
. SCP de la Prose	France	FULL	100,00	100,00	100,00	100,00
. SCP Muscade	France	FULL	100,00	100,00	100,00	100,00
. SCP Philibert	France	FULL	100,00	100,00	100,00	100,00
. SCP Salomé	France	FULL	100,00	100,00	100,00	100,00
. SG Services	France	FULL	100,00	100,00	100,00	100,00
. SNC Cofininvest	France	FULL	100,00	100,00	100,00	100,00
. SNC Distinvest	France	FULL	100,00	100,00	100,00	100,00
. SNC Finovadis	France	FULL	100,00	100,00	100,00	100,00
. SNC Finirva	France	FULL	100,00	100,00	100,00	100,00
. SNC Paris Strasbourg	France	FULL	100,00	100,00	100,00	100,00
. SNC Financières Valmy Investissements	France	FULL	100,00	100,00	100,00	100,00
. Sofinabail	France	FULL	100,00	100,00	100,00	100,00
. SAS IPF	France	FULL	100,00	100,00	100,00	100,00
. Sofom	France	FULL	100,00	100,00	100,00	100,00
. Sofrafi	France	FULL	100,00	100,00	100,00	100,00
. Sogéfinur	France	FULL	100,00	100,00	100,00	100,00
. Sogéfinancement	France	FULL	100,00	100,00	100,00	100,00
. Sogéfinerg	France	FULL	100,00	100,00	100,00	100,00
. Sogéga PME	France	FULL	100,00	100,00	100,00	100,00
. Sogélease France	France	FULL	100,00	100,00	100,00	100,00
. Solocvi	France	FULL	100,00	100,00	100,00	100,00
. Temsys (1)	France	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES DE PORTEFEUILLE</b>						
. Aurelec	France	FULL	100,00	100,00	100,00	100,00
. Finareg	France	FULL	100,00	100,00	100,00	100,00
. Finecorp	France	FULL	100,00	100,00	100,00	100,00
. Fonvalor2	France	FULL	100,00	100,00	100,00	100,00
. Geforpat	France	FULL	100,00	100,00	100,00	100,00
. Géné Act 1	France	FULL	100,00	100,00	100,00	100,00
. Généfinance	France	FULL	100,00	100,00	100,00	100,00
. Généfitec	France	FULL	100,00	100,00	100,00	100,00
. Généinvestissement	France	FULL	100,00	100,00	100,00	100,00
. Généplus	France	FULL	100,00	100,00	100,00	100,00
. Généval	France	FULL	100,00	100,00	100,00	100,00
. Geninfo	France	FULL	100,00	100,00	100,00	100,00
. Libécap	France	FULL	100,00	100,00	100,00	100,00
. Megaval	France	FULL	100,00	100,00	100,00	100,00
. Salvépar (1)	France	FULL	51,42	51,42	51,42	51,42
. SCI Foncière Défense	France	FULL	99,99	99,99	100,00	100,00
. SG Capital Développement	France	FULL	100,00	100,00	100,00	100,00
. SGOP Holding	France	FULL	100,00	100,00	100,00	100,00
. SHTV Holding	France	FULL	100,00	100,00	100,00	100,00
. Shivalparts	France	FULL	100,00	100,00	100,00	100,00
. Sogéfim	France	FULL	100,00	100,00	100,00	100,00
. Sogéfin Participations	France	FULL	100,00	100,00	100,00	100,00
. Sogéparts	France	FULL	100,00	100,00	100,00	100,00
. Sogéparticipations (ex-Sogéfin) (1)	France	FULL	100,00	100,00	100,00	100,00
. Sogéplus	France	FULL	100,00	100,00	100,00	100,00
. Soginnove	France	FULL	100,00	100,00	100,00	100,00
. Sté Rue Edouard- VII	France	FULL	99,91	99,91	99,91	99,91
. Valminco	France	FULL	100,00	100,00	100,00	100,00
. Vouric	France	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES DE COURTAGE</b>						
. Fimat Banque	France	FULL	100,00	100,00	100,00	100,00
. Fimat SNC	France	FULL	100,00	100,00	100,00	100,00
. Boursorama (1) (5) (9)	France	FULL	66,78	67,04	66,78	67,04
. SG Énergie (1)	France	FULL	100,00	100,00	100,00	100,00
. Gaselys	France	PROP	49,00	49,00	49,00	49,00
. Nabab (3)	France	FULL	-	100,00	-	100,00
. Clickoptions	France	FULL	100,00	100,00	100,00	100,00
. SG Euro CT	France	FULL	100,00	100,00	100,00	100,00
. SG Options Europe	France	FULL	100,00	100,00	100,00	100,00
. SG Securities Paris	France	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES FONCIERES ET DE FINANCEMENT IMMOBILIER</b>						
. Coprim (1)	France	FULL	100,00	100,00	100,00	100,00
. Crédit Immobilier Général (3)	France	FULL	-	100,00	-	100,00
. Galybet	France	FULL	100,00	100,00	100,00	100,00
. Généfim (1)	France	FULL	100,00	100,00	100,00	100,00
. Généfimmo (1)	France	FULL	100,00	100,00	100,00	100,00
. Patriges Grace Church	France	FULL	100,00	100,00	100,00	100,00
. SCA Paris- Trocadéro	France	FULL	100,00	100,00	100,00	100,00
. SFCC	France	FULL	99,99	99,99	99,99	99,99
. Sogéball	France	FULL	45,02	45,22	53,22	40,67
. Sogéprom (1)	France	FULL	68,21	68,21	69,99	69,99
. Sophia (1)	France	EQUITY	27,41	27,41	29,45	29,45
. Sophia-bail	France	FULL	64,43	64,43	51,00	51,00

	Country	Method FULL : full consolidation PROP : proportionate consolidation EQUITY : equity method	Group ownership interest		Group voting interest	
			juin 2003	décembre 2002	juin 2003	décembre 2002
			<b>SOCIETES DE SERVICE</b>			
. CGA	France	FULL	100,00	100,00	100,00	100,00
. ECS (1)	France	FULL	100,00	100,00	100,00	100,00
. Parel	France	FULL	100,00	100,00	100,00	100,00
. Socogéfi	France	FULL	100,00	100,00	100,00	100,00
<b>IMMOBILIER D'EXPLOITATION</b>						
. CFM (1)	France	FULL	100,00	100,00	100,00	100,00
. Eleaparts	France	FULL	100,00	100,00	100,00	100,00
. Génégis 1	France	FULL	100,00	100,00	100,00	100,00
. Génégis 2	France	FULL	100,00	100,00	100,00	100,00
. Généalvmy	France	FULL	100,00	100,00	100,00	100,00
. SC Alicante 2000	France	FULL	71,52	71,52	100,00	100,00
. SC Chassagne 2000	France	FULL	71,52	71,52	100,00	100,00
. SCI Opéra 72	France	FULL	99,99	99,99	100,00	100,00
. SI 29 Hausmann	France	FULL	100,00	100,00	100,00	100,00
. Société Immobilière de Strasbourg	France	FULL	100,00	100,00	100,00	100,00
. Sogé Colline Sud	France	FULL	100,00	100,00	100,00	100,00
. Sogé Périval 1	France	FULL	100,00	100,00	100,00	100,00
. Sogé Périval 2	France	FULL	100,00	100,00	100,00	100,00
. Sogé Périval 3	France	FULL	100,00	100,00	100,00	100,00
. Sogé Périval 4	France	FULL	100,00	100,00	100,00	100,00
. Sogéfontenay	France	FULL	100,00	100,00	100,00	100,00
. Soginfo (1)	France	FULL	100,00	100,00	100,00	100,00
. STIP	France	FULL	99,99	99,99	100,00	100,00
. Valminvest	France	FULL	100,00	100,00	100,00	100,00
<b>ASSURANCE</b>						
. Génécar	France	FULL	100,00	100,00	100,00	100,00
. Sogécap	France	FULL	100,00	100,00	100,00	100,00
. Sogessur	France	FULL	65,00	65,00	65,00	65,00
<b>EUROPE</b>						
<b>BANQUES</b>						
. Banca Romana Pentru Devzvoltare (1)	Roumanie	FULL	51,00	51,00	51,00	51,00
. Komerční Banka (1) (4)	République tchèque	FULL	60,35	60,35	60,35	60,35
. Ruegg Bank	Suisse	FULL	100,00	100,00	100,00	100,00
. SG Bank Nederland NV	Pays-Bas	FULL	100,00	100,00	100,00	100,00
. SG Express Bank	Bulgarie	FULL	97,95	97,95	97,95	97,95
. SG Hambros Bank Limited (1)	Grande-Bretagne	FULL	100,00	100,00	100,00	100,00
. SG Vostok	Russie	FULL	100,00	100,00	100,00	100,00
. SGBT Luxembourg (1)	Luxembourg	FULL	100,00	100,00	100,00	100,00
. SGBT Monaco	Monaco	FULL	100,00	100,00	100,00	100,00
. SKB Banka (1)	Slovénie	FULL	99,58	97,82	99,58	97,82
. Société Générale Cyprus Ltd	Chypre	FULL	51,00	51,00	51,00	51,00
. Sogéparticipations Belgique (1)	Belgique	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES FINANCIERES</b>						
. SG Wertpapierhandelsgesellschaft Mbh (ex BSI Beteiligung)	Allemagne	FULL	100,00	100,00	100,00	100,00
. Horizon Equity Sarl (1)	Luxembourg	FULL	100,00	100,00	100,00	100,00
. Intersoge	Suisse	FULL	100,00	100,00	100,00	100,00
. Lyxor Master Funds	Jersey	FULL	100,00	100,00	100,00	100,00
. SG Acceptance	Pays-Bas	FULL	100,00	100,00	100,00	100,00
. SG Asset Management Group Ltd (1)	Grande-Bretagne	FULL	100,00	100,00	100,00	100,00
. SGAM Iberia	Espagne	FULL	100,00	100,00	100,00	100,00
. SG Effekten	Allemagne	FULL	100,00	100,00	100,00	100,00
. SG Finance Ireland	Irlande	FULL	100,00	100,00	100,00	100,00
. SG Financial Product Cyprus	Chypre	FULL	100,00	100,00	100,00	100,00
. SG Investment UK Ltd (1)	Grande-Bretagne	FULL	100,00	100,00	100,00	100,00
. SG Russel Asset Management	Irlande	PROP	50,00	50,00	50,00	50,00
. SG Securities London	Grande-Bretagne	FULL	100,00	100,00	100,00	100,00
<b>FINANCEMENTS SPECIALISES</b>						
. Axus Belgium (1) (2)	Belgique	FULL	98,20	-	98,20	-
. Axus Danmark A/S (2)	Danemark	FULL	100,00	-	100,00	-
. Axus Finland Oy (2)	Finlande	FULL	100,00	-	100,00	-
. Axus Italiana S.R.L. (2)	Italie	FULL	98,73	-	100,00	-
. Axus Nederland B.V. (2)	Pays Bas	FULL	98,20	-	100,00	-
. Axus Norge S.A. (2)	Norvège	FULL	100,00	-	100,00	-
. Axus Sverige AB (2)	Suède	FULL	100,00	-	100,00	-
. Axus UK Limited (2)	Grande-Bretagne	FULL	100,00	-	100,00	-
. Hertz Lease de Espana S.A. (2)	Espagne	FULL	100,00	-	100,00	-
. Promopart Senc	Luxembourg	FULL	100,00	100,00	100,00	100,00
. Sogega Pme Senc	Luxembourg	FULL	100,00	100,00	100,00	100,00
. Adria Leasing Spa (groupe GEFA-ALD)	Italie	FULL	100,00	100,00	100,00	100,00
. ALD Autoleasing Gmbh (groupe GEFA-ALD)	Allemagne	FULL	92,59	92,59	92,59	92,59
. ALD Automotive Group PLC (ex-Group BCH) (groupe GEFA-ALD) (1 Grande-Bretagne)	Grande-Bretagne	FULL	100,00	100,00	100,00	100,00
. ALD International Gmbh	Allemagne	FULL	100,00	100,00	100,00	100,00
. ALD International S.A.	Grande-Bretagne	FULL	100,00	100,00	100,00	100,00
. Amber	Espagne	FULL	100,00	100,00	100,00	100,00
. DB Carplan (groupe GEFA-ALD)	Italie	FULL	100,00	100,00	100,00	100,00
. DB Factoring Spa (groupe GEFA-ALD)	Italie	FULL	100,00	100,00	100,00	100,00
. Franfinance Leasing Italia Spa (ex-DB Leasing Spa) (groupe GEFA-ALD)	Italie	FULL	100,00	100,00	100,00	100,00
. Deufin Beteiligungsgesellschaft Mbh (groupe GEFA-ALD)	Allemagne	FULL	100,00	100,00	100,00	100,00
. DFS Czech Republik Sro (groupe GEFA-ALD)	Tchéquie	FULL	100,00	100,00	100,00	100,00
. Franfinance Polska Sp zoo (groupe GEFA-ALD)	Pologne	FULL	99,01	99,01	99,01	99,01
. Fiditalia Spa	Italie	FULL	100,00	100,00	100,00	100,00
. Finer Leasing Spa (groupe GEFA-ALD)	Italie	FULL	67,75	67,75	67,75	67,75
. Gefa Gesellschaft Abstatzfinanzierung (groupe GEFA-ALD)	Allemagne	FULL	100,00	100,00	100,00	100,00
. Gefa Leasing Gmbh (groupe GEFA-ALD)	Allemagne	FULL	100,00	100,00	100,00	100,00
. SG Holding de Valores y Participaciones (2)	Espagne	FULL	100,00	-	100,00	-
. Sogelease BV Nederland	Pays-Bas	FULL	100,00	100,00	100,00	100,00
. Sogelease Italia (6)	Italie	FULL	-	100,00	-	100,00
<b>SOCIETES DE COURTAGE</b>						
. Fimat Switzerland AG	Suisse	FULL	100,00	100,00	100,00	100,00
. Succursale Fimat Londres (7)	Grande-Bretagne	FULL	100,00	100,00	100,00	100,00
. Succursale Fimat Francfort (7)	Allemagne	FULL	100,00	100,00	100,00	100,00
. Succursale Fimat Madrid (7)	Espagne	FULL	100,00	100,00	100,00	100,00
<b>ASSURANCES</b>						
. Généras	Luxembourg	FULL	100,00	100,00	100,00	100,00
. Inora Life	Irlande	FULL	100,00	100,00	100,00	100,00
. Komerční Pojistovna (4)	République tchèque	FULL	60,35	-	100,00	-
. Meteo Transformer	Jersey	PROP	50,00	50,00	50,00	50,00
. Sogelife	Luxembourg	FULL	100,00	100,00	100,00	100,00
<b>AFRIQUE ET MOYEN-ORIENT</b>						
<b>BANQUES</b>						
. BFV-SG (Madagascar)	Madagascar	FULL	70,00	70,00	70,00	70,00
. National SG Bank SAE	Egypte	FULL	54,33	54,33	54,33	54,33
. SG Banque au Liban (1)	Liban	FULL	50,00	50,00	50,00	50,00
. SG Banque en Guinée	Guinée	FULL	52,94	52,94	52,94	52,94
. SG Banques au Sénégal	Sénégal	FULL	57,73	57,73	57,73	57,73
. SG Banques en Côte-d'Ivoire (1)	Côte d'Ivoire	FULL	56,63	56,63	56,63	56,63
. SG Marocaine de Banques (1)	Maroc	FULL	51,91	51,91	51,91	51,91
. SGB Cameroun	Cameroun	FULL	58,08	58,08	58,08	58,08
. SSB Bank Ghana (2)	Ghana	FULL	47,66	-	47,66	-
. United Arab Bank	Emirats Arabes Unis	EQUITY	20,00	20,00	20,00	20,00
. Union International de Banque	Tunisie	FULL	52,00	52,00	52,00	52,00
<b>FINANCEMENTS SPECIALISES</b>						
. Sogelease Maroc	Maroc	FULL	71,15	71,15	100,00	100,00
. Eqdom	Maroc	FULL	44,64	44,64	53,61	53,61
<b>ASSURANCES</b>						
. La Marocaine Vie	Maroc	FULL	70,15	52,70	82,83	61,19

	Country	Method FULL : full consolidation PROP : proportionate consolidation EQUITY : equity method	Group ownership interest		Group voting interest	
			juin 2003	décembre 2002	juin 2003	décembre 2002
<b>AMERIQUE</b>						
<b>BANQUES</b>						
. Banco Société Générale SA	Argentine	FULL	99,53	99,53	99,54	99,54
. Banco Société Générale Brazil SA (1)	Brésil	FULL	100,00	100,00	100,00	100,00
. SG Canada (1)	Canada	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES FINANCIERES</b>						
. SG Americas Inc (1)	Etats-Unis	FULL	100,00	100,00	100,00	100,00
. SG Capital Trust (1)	Etats-Unis	FULL	-	-	100,00	100,00
. SG Cowen Asset Management	Etats-Unis	FULL	100,00	100,00	100,00	100,00
. SG Warrants Limited	Etats-Unis	FULL	100,00	100,00	100,00	100,00
. SocGen Real Estate Company L.L.C.	Etats-Unis	FULL	50,31	50,31	100,00	100,00
. Societe General North America Inc	Etats-Unis	FULL	100,00	100,00	100,00	100,00
. TCW Group (1)	Etats-Unis	FULL	60,90	59,75	60,90	59,86
<b>SOCIETES DE COURTAGE</b>						
. Fimat Derivatives Canada Inc.	Canada	FULL	100,00	100,00	100,00	100,00
. Fimat USA Inc.	Etats-Unis	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES DE SERVICE</b>						
. Fimat Facilities Management	Etats-Unis	FULL	100,00	100,00	100,00	100,00
<b>FINANCEMENTS SPECIALISES</b>						
. Makatea JV Inc	Etats-Unis	FULL	100,00	100,00	60,00	60,00
. Mehetia Inc	Etats-Unis	FULL	100,00	100,00	51,00	51,00
. SG Arki Inc (1)	Etats-Unis	FULL	100,00	100,00	100,00	100,00
. SG Finance Inc	Etats-Unis	FULL	100,00	100,00	100,00	100,00
. Sorbier Investment Corp (2)	Etats-Unis	FULL	100,00	-	100,00	-
. Surzur Overseas Ltd	Iles Caiman	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES DE PORTEFEUILLE</b>						
. Sofital	Argentine	FULL	99,90	99,90	100,00	100,00
<b>ASIE ET OCEANIE</b>						
<b>BANQUES</b>						
. Bank SG Indonesia	Indonésie	FULL	100,00	100,00	100,00	100,00
. SG Australia Holdings (1)	Australie	FULL	100,00	100,00	100,00	100,00
. SG Private Banking (Japan) Limited (acquisition de Chase Trust Bar	Japon	FULL	100,00	100,00	100,00	100,00
. SG Securities North Pacific	Japon	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES FINANCIERES</b>						
. Asia Credit Ltd (1)	Thaïlande	EQUITY	36,05	36,05	36,05	36,05
. SG Asia (Singapore) Ltd	Singapour	FULL	100,00	100,00	100,00	100,00
. SG Yamachi Asset Management Singapore	Singapour	FULL	95,75	95,75	100,00	100,00
. SG Yamachi Asset Management Tokyo	Japon	FULL	95,00	95,00	95,00	95,00
. Société Générale Asia Ltd (Hong-Kong)	Hong-Kong	FULL	100,00	100,00	100,00	100,00
. Sogeko	Corée du Sud	PROP	41,35	41,35	42,15	42,15
<b>FINANCEMENTS SPECIALISES</b>						
. Sogelease Malaysia (1)	Malaisie	FULL	50,00	50,00	50,00	50,00
<b>SOCIETES DE PORTEFEUILLE</b>						
. S.G. Asset Management North Pacific	Japon	FULL	100,00	100,00	100,00	100,00
<b>SOCIETES DE COURTAGE</b>						
. Fimat Asia Pte Limited	Singapour	FULL	100,00	100,00	100,00	100,00
. Fimat Futures Hong-Kong	Hong-Kong	FULL	100,00	100,00	100,00	100,00
. SG Securities Asia Int. Holdings (1)	Singapour	FULL	100,00	100,00	100,00	100,00
. Succursale Fimat Sydney (8)	Australie	FULL	100,00	100,00	100,00	100,00
<p>(1) And its subsidiaries  (2) Consolidated in 2003  (3) Absorbed by SGPM in 2003  (4) Komerčni Pojistovna was formerly sub-consolidated by Komerčni Banka  (5) Merger between Fimatex Sa , Finance Net et Fimatex SG  (6) Sogelease Italia was absorbed by Frantfinance Leasing Italia  (7) These branches were formerly sub-consolidated within Fimat Bank  (8) This branch was formerly sub-consolidated within Fimat SNC  (9) Subconsolidates 100% of the broker on line Selftrade</p>						
<b>VEHICULES AD HOC</b>						
CLARIS LTD (2)	Véhicule d' arbitrage	Jersey	FULL			
CLARIS 2 LTD (2)	Véhicule d' arbitrage	Jersey	FULL			
NOUVO CAYMAN LIMITED (2)	Véhicule d' arbitrage	Iles Cayman	FULL			
PACE (2)	Véhicule d' arbitrage	Etats-Unis	FULL			
SESAME CAYMAN LIMITED (2)	Véhicule d' arbitrage	Iles Cayman	FULL			
TOBP	Véhicule d' arbitrage	Etats-Unis	FULL			
TRIDENT	Véhicule d' arbitrage	Etats-Unis	FULL			

## Third-quarter results: Strong performances

**Net income: EUR 670 million**  
**Group ROE after tax: 17.3%**

- Robust growth in net banking income (+16%)
- Significant reduction in cost/income ratio
- Drop in specific provisioning for identified risks and reinforcement of general credit risk reserve
- Positive contribution by industrial equity portfolio
- Solid capital base: Tier-one ratio of 8.1% at September 30th 2003

### Over 9 months:

- EPS: EUR 4.51 (EUR 2.52 over 9M 02)
- Group ROE after tax: 16.2% (9.1% over 9M 02)

<i>In EUR million</i>	Q3 03	Change vs. Q3 02	9M 03	Change vs. 9M 02
<b>Net banking income</b>	3,862	+16%	11,717	+8%
<i>On a like-for-like basis &amp; at constant exchange rates</i>		+18%		+10%
<b>Operating expenses</b>	(2,596)	+6%	(7,767)	-1%
<i>On a like-for-like basis &amp; at constant exchange rates</i>		+7%		+2%
<b>Gross operating income</b>	1,266	+44%	3,950	+30%
<i>On a like-for-like basis &amp; at constant exchange rates</i>		+50%		+30%
<b>Operating income</b>	928	+68%	2,905	+35%
<i>On a like-for-like basis &amp; at constant exchange rates</i>		+77%		+33%
<b>Net income</b>	670	x 4.6	1,848	+79%
	<b>Q3 03</b>	<b>Q3 02</b>	<b>9M 03</b>	<b>9M 02</b>
<b>Group ROE after tax</b>	17.3%	3.8%	16.2%	9.1%
<b>Business line ROE after tax</b>	24.5%	16.8%	23.1%	18.7%

**CONTACTS****SOCIETE GENERALE**

Jérôme FOURRE  
+33 (0)1 42 14 25 00  
Joëlle ROSELLO  
+33 (0)1 42 14 58 39  
Stéphanie  
CARSON-PARKER  
+33 (0)1 42 14 95 17  
Sophie PEQUIGNET  
+33 (0)1 41 45 97 13

**COMM/PRS**

Tour Société Générale  
92972 Paris-La Défense  
cedex  
France

Fax +33 (0)1 42 14 28

At the meeting of the Board of Directors of Société Générale on November 5th 2003, chaired by Daniel Bouton, the Board closed the Group's consolidated accounts for the third quarter of the 2003 financial year. Commenting on these results, Daniel Bouton said:

*"The Société Générale Group pursued its profitable development strategy by once again turning in strong performances in the third quarter. These performances were fuelled by dynamic growth in all the Group's core businesses – Retail Banking and Financial Services, Global Investment Management, Corporate and Investment Banking – coupled with continued strict cost control. They were achieved against a backdrop of reduced provisioning for identified risks, while at the same time including an additional allocation to the general credit risk reserve. For its part, the industrial equity portfolio made a positive contribution to Group earnings over the period.*

*Over the first nine months of 2003, Group net income exceeded EUR 1.8 billion and earnings per share stood at over EUR 4.50."*

## **1. GROUP CONSOLIDATED RESULTS**

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Against a backdrop of uncertainty hanging over the economic environment in Europe and a hike in long-term interest rates, notably in the United States, net income in the third quarter was very high at EUR 670 million, up from EUR 146 million in the third quarter of 2002.

Over nine months, net income rose by 79% to stand at EUR 1.848 billion, while operating income was up by 35% over this period on the back of robust revenue growth and continued cost control.

### **Net banking income**

Over the third quarter, the Group generated high net banking income of EUR 3.9 billion, up 18% on the third quarter of 2002 when adjusted for changes in Group structure and at constant exchange rates.

Revenues booked by the Retail Banking and Financial Services arm rose by over 6% when adjusted for changes in Group structure and at constant exchange rates.

The Global Investment Management business, which groups the Asset Management and Private Banking activities, confirmed its recovery capacity against a backdrop of firmer markets.

The Group's Corporate and Investment Banking arm produced a sharp increase in net banking income (+34%), with satisfactory performances seen across the board.

### **Operating expenses**

Strict cost control combined with sustained top-line growth to produce a cost/income ratio of 67.2% over the quarter, representing a sharp improvement on the third quarter of 2002 (73.6%). As a 12-month moving average, the cost/income ratio stood at 68%.

A tight rein was kept on costs in all the Group's core businesses. When adjusted for changes in Group structure and at constant exchange rates, the increase in operating expenses in relation to the third quarter of 2002 was limited to 3.3% in Retail Banking and Financial Services and to 1.5% in Global Investment Management.

The cost/income ratio of the Corporate and Investment Banking business showed a marked drop at 62.4% in the third quarter of 2003. The change in the business's costs over the period (+8.7% in relation to the third quarter of 2002) reflects the increase in performance-linked pay on the back of the strong results realised over the period.

### **Operating income**

Group gross operating income amounted to EUR 1.266 billion in the third quarter, up sharply on the third quarter of 2002 (+44%). Over the first nine months of the year, gross operating income showed a rise of 30%.

The net allocation to provisions was stable in relation to the third quarter of 2002 at EUR 338 million. It included a further allocation of EUR 100 million to the general credit risk reserve on the Corporate and Investment Banking side. The level of specific provisioning for identified risks was particularly low in Corporate Banking and was in line with the mean under average economic and market conditions in the French Networks.

Operating income was up by 68% on the third quarter of 2002. Over nine months, it showed an increase of 35% (+33% when adjusted for changes in Group structure and at constant exchange rates).

### **Net income**

The slight pick-up in the stock markets between the second and third quarters led the Group to write back a provision for depreciation previously booked on the industrial equity portfolio, in accordance with the Group's provisioning policy. As such, the portfolio made a positive contribution of EUR 120 million to earnings over the quarter.

Overall, after goodwill amortisation, corporate income tax and minority interests, attributable net income stood at EUR 670 million in the third quarter, compared with EUR 146 million over the same period in 2002. Over nine months, net income amounted to EUR 1.848 billion, up 79% on the same period in 2002.

The Group's ROE after tax was 17.3% over the quarter and 16.2% over nine months.

## 2. CAPITAL BASE

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Group shareholders' equity stood at EUR 16.4 billion at September 30th 2003, representing a book value per share of EUR 39.9. The Tier-one ratio held steady at 8.1%<sup>1</sup> at this date, while the increase in risk-weighted assets of 4% year-on-year reflected the dynamic growth in activity.

The Group's ratings (Moody's: Aa3, Standard & Poor's: AA-, Fitch: AA-) rank the Group among the highest rated banking groups in the euro zone. It should be noted that Moody's raised its outlook for the Group's rating from "stable" to "positive" on November 3rd 2003.

At September 30th 2003, Société Générale held 29.5 million of its own shares in buy-backs and treasury stock (excluding trading), representing 6.75% of the capital. Over the quarter, the Group bought back 1.1 million of its own shares.

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<sup>1</sup> Excluding EUR 650 million of preferred shares (hybrid Tier-one capital) issued in October 2003.

### 3. RETAIL BANKING AND FINANCIAL SERVICES

#### French Networks

<i>In EUR million</i>	Q3 03	Change vs. Q3 02	9M 03	Change vs. 9M 02
<b>Net banking income</b>	<b>1,419</b>	<b>+6.3%</b>	<b>4,181</b>	<b>+4.2%</b>
<b>Operating expenses</b>	<b>(972)</b>	<b>+3.1%</b>	<b>(2,925)</b>	<b>+2.6%</b>
<b>Gross operating income</b>	<b>447</b>	<b>+14.0%</b>	<b>1,256</b>	<b>+8.0%</b>
<b>Net allocation to provisions</b>	<b>(89)</b>	<b>+23.6%</b>	<b>(231)</b>	<b>+10.5%</b>
<b>Operating income</b>	<b>358</b>	<b>+11.9%</b>	<b>1,025</b>	<b>+7.4%</b>
<b>Net income</b>	<b>225</b>	<b>+7.1%</b>	<b>642</b>	<b>+6.8%</b>
	<b>Q3 03</b>	<b>Q3 02</b>	<b>9M 03</b>	<b>9M 02</b>
<b>ROE after tax</b>	<b>19.8%</b>	<b>19.7%</b>	<b>19.3%</b>	<b>18.7%</b>

The Société Générale and Crédit du Nord networks once again produced remarkable performances, thus confirming their position as the leading non-mutual retail banking group in France.

The development strategy of these two networks, which places the accent on the customer relationship, combines effectiveness with productivity. In particular, it is underpinned by the development of the multi-channel banking platform. A further increase was seen in the average number of products per current account, which stood at 7.4 in the third quarter of 2003 compared with 7.0 in the third quarter of 2002. At the same time, steady growth continued to be seen in the customer base, with the number of current accounts rising by 2.6% year-on-year.

Net banking income rose by 6.3% in relation to the third quarter of 2002. This performance was notably fuelled by robust growth in service commissions (+10.9%), with nearly 10% due to a volume effect. For their part, financial commissions are in the process of stabilising after the dips seen in previous quarters. Fee and commission income accounted for 40% of revenues in the third quarter of 2003, stable against the same period in 2002.

The increase in net interest income (up 5.5% on the third quarter of 2002) reflected the both strong growth in customer deposits and loans – notably personal loans – and the stability of margins.

Over nine months, net banking income was up by 4.2%.

The French networks continued to implement their productivity enhancement programmes. Thus, despite including costs linked to the development of the multi-channel banking platform, the change in operating expenses was in line with previous quarters (up 3.1% on the third quarter of 2002 and up 2.6% over the first nine months of 2003).

Over the quarter, the cost/income ratio of the French networks came out at 68.5%, down 2 points on the third quarter of 2002; over first nine months, the ratio showed a drop of 1 point in relation to the same period in 2002 (70% versus 71%).

The cost of risk of the French networks was on a par with the mean under average economic and market conditions (40 bp over the quarter). Over the first nine months of the year, the cost of risk stood at 35 bp, unchanged on the first nine months of 2002.

Operating income amounted to EUR 358 million over the quarter, up 11.9% on the same period in 2002. Over nine months, the rise stood at 7.4%.

### **Retail Banking outside France**

<i>In EUR million</i>	Q3 03	Change vs. Q3 02	9M 03	Change vs. 9M 02
<b>Net banking income</b>	<b>431</b>	<b>+5%</b>	<b>1.252</b>	<b>+1%</b>
<i>On a like-for-like basis &amp; at constant exchange rates</i>		<b>+8%</b>		<b>+3%</b>
<b>Gross operating income</b>	<b>176</b>	<b>+5%</b>	<b>488</b>	<b>-1%</b>
<i>On a like-for-like basis &amp; at constant exchange rates</i>		<b>+4%</b>		<b>+3%</b>
<b>Net allocation to provisions</b>	<b>(43)</b>	<b>-9%</b>	<b>(120)</b>	<b>-24%</b>
<b>Operating income</b>	<b>133</b>	<b>+11%</b>	<b>368</b>	<b>+10%</b>
<b>Net income</b>	<b>57</b>	<b>+24%</b>	<b>159</b>	<b>+11%</b>
	<b>Q3 03</b>	<b>Q3 02</b>	<b>9M 03</b>	<b>9M 02</b>
<b>ROE after tax</b>	<b>34.9%</b>	<b>29.6%</b>	<b>31.7%</b>	<b>30.2%</b>

The retail banking networks outside France, which cover 25 countries in targeted regions, continued their rapid development.

The networks' franchises confirmed their strong growth, attracting 961,000 new customers over 12 months (+475,000 individual customers through organic growth and +486,000 through acquisitions).

Net banking income in the third quarter was up by 8% when adjusted for changes in Group structure and at constant exchange rates on the same quarter in 2002.

The 4% increase in operating expenses year-on-year, when adjusted for changes in Group structure and at constant exchange rates, reflected efforts on two fronts: first, the commitment to restructuring measures where these prove necessary following an acquisition, notably at Komerční Banka in the Czech Republic; second, significant investment in the development of the distribution networks in order to promote the development of a local retail customer base – thus, 30 new branches have been opened over the past 12 months.

Thanks to a tight rein on the cost of risk, the business line's net income rose by 24% between the third quarter of 2002 and the third quarter of 2003. On a cumulative basis over nine months, it amounted to EUR 159 million and represented nearly 9% of Group earnings.

The ROE after tax stood at 34.9% for the third quarter and 31.7% for the first nine months of 2003.

## **Financial Services**

<i>In EUR million</i>	Q3 03	Change vs. Q3 02	9M 03	Change vs. 9M 02
<b>Net banking income</b>	<b>450</b>	<b>+12%</b>	<b>1,342</b>	<b>+14%</b>
<i>On a like-for-like basis &amp; at constant exchange rates</i>		<i>+3%</i>		<i>+4%</i>
<b>Gross operating income</b>	<b>163</b>	<b>+10%</b>	<b>461</b>	<b>+18%</b>
<i>On a like-for-like basis &amp; at constant exchange rates</i>		<i>+1%</i>		<i>+5%</i>
<b>Net allocation to provisions</b>	<b>(39)</b>	<b>+26%</b>	<b>(111)</b>	<b>+11%</b>
<b>Operating income</b>	<b>124</b>	<b>+6%</b>	<b>350</b>	<b>+20%</b>
<b>Net income</b>	<b>80</b>	<b>-7%</b>	<b>222</b>	<b>+13%</b>
	<b>Q3 03</b>	<b>Q3 02</b>	<b>9M 03</b>	<b>9M 02</b>
<b>ROE after tax</b>	<b>14.0%</b>	<b>17.4%</b>	<b>13.2%</b>	<b>13.5%</b>

Financial Services encompasses the Group's Specialised Financing, Life Insurance, and Securities and Banking Services activities. Total revenues generated by Financial Services were up by 3% between the third quarter of 2002 and the third quarter of 2003 when adjusted for changes in Group structure and at constant exchange rates, while operating income rose by 6% in relation to the third quarter of 2002. The business line accounted for 13% of Group operating income both in the third quarter of 2003 and over the first nine months of the year.

## **Specialised Financing**

The Specialised Financing businesses produced mixed performances, with sound resilience shown by those activities working with business customers in a persistently sluggish European environment and dynamic growth on the consumer credit side.

The outstanding managed by SG Vendor Services, the European leader in equipment finance and vendor finance, continued to rise (+6%), while the interest margin on new loans held steady. The number of vehicles managed by the operational leasing and fleet management business (ALD Automotive) was stable at 502,000 vehicles. New lease contracts at ECS, the European leader in IT asset leasing and management, dipped in relation to the third quarter of 2002 but the subsidiary maintained its level of revenues.

In contrast, strong growth was seen in new consumer loans (+12% between the third quarter of 2002 and the third quarter of 2003), together with an improvement in interest margins.

With a tight rein kept on the cost of risk, the ROE after tax of the Group's Specialised Financing activities stood at 16.9% in the third quarter and 17% over the first nine months of the year.

### **Life Insurance**

The Life Insurance business turned in a solid sales performance, with written premiums in France rising by 46% in relation to the third quarter of 2002 and by 10% over the first nine months of the year, compared with 7% growth for the bancassurance market as a whole, enabling Sogecap to once again gain market share.

### **Securities and Banking Services**

Operating income generated by this activity in the third quarter was stable against the same period in 2002, despite the negative impact of the decline in interest rates on net interest income.

Net income booked by these activities was down sharply on the third quarter of 2002, which included exceptional capital gains of EUR 19 million essentially realised on Clearstream.

## 4. GLOBAL INVESTMENT MANAGEMENT

<i>In EUR million</i>	Q3 03	Change vs. Q3 02	9M 03	Change vs. 9M 02
<b>Net banking income</b>	321	+8%	884	-8%
<i>On a like-for-like basis &amp; at constant exchange rates</i>		+7%		-4%
<b>Operating expenses</b>	(216)	0%	(619)	-9%
<i>On a like-for-like basis &amp; at constant exchange rates</i>		+1%		-3%
<b>Gross operating income</b>	105	+30%	265	-6%
<i>On a like-for-like basis &amp; at constant exchange rates</i>		+20%		-6%
<b>Net income</b>	67	+40%	170	-2%
<i>of which Asset Management</i>	47	+9%	127	-12%
<i>Private Banking</i>	20	+300%	43	+48%
	<b>Q3 03</b>	<b>Q3 02</b>	<b>9M 03</b>	<b>9M 02</b>
<b>Net new money over period</b>	3.5	-1.9	8.1	17.1
<i>In EUR bn</i>				
<b>Assets under management (end of period)</b>	281.5	271.5	281.5	271.5
<i>In EUR bn</i>				

At September 30th 2003, total assets under management stood at EUR 281.5 billion<sup>2</sup>, up by EUR 9 billion on end-June 2003. The net inflow of new money amounted to EUR 3.5 billion over the quarter and EUR 8.1 billion over the first nine months of the year, representing 3% of assets under management.

Global Investment Management booked net income of EUR 67 million in the third quarter of 2003. Excluding the impact of Compagnie Bancaire Genève acquired in July 2003, net income was up by 29% on the third quarter of 2002, with this performance confirming the recovery begun in the previous quarter.

### Asset Management

A net inflow of EUR 1.9 billion was registered over the quarter, with asset gathering proving particularly strong on the alternative investment and equity segments. This inflow of new money, coupled with firmer markets, led to an improvement in the product mix, with a shift towards more value-added investments. At the same time, the third quarter saw TCW, SG Asset Management's American subsidiary, close down its low-margin activities as part of the rationalisation of its platform, thus triggering an outflow of EUR 4.6 billion.

<sup>2</sup> Excluding assets managed by Lyxor Asset Management (EUR 25.3 billion at September 30th 2003), which is consolidated in the Equity and Advisory business line, and assets of customers managed directly by the French networks (EUR 63 billion held by customers with investible assets exceeding EUR 150,000).

Against this backdrop, net banking income was up by 6% on the third quarter of 2002 when adjusted for changes in Group structure and at constant exchange rates and by 5% on the second quarter of 2003.

Despite restructuring costs in the United Kingdom, the rise in operating expenses was limited to 2% at constant exchange rates in relation to the third quarter of 2002 and gross operating income came out at EUR 79 million, up 14% on the third quarter of 2002.

### **Private Banking**

Private Banking registered 8% growth in net banking income over the third quarter when adjusted for changes in Group structure and at constant exchange rates. These figures incorporate the results of Compagnie Bancaire Genève, which was acquired in July 2003.

The acquisition of Compagnie Bancaire Genève enabled the business line to consolidate its platform in Europe, where it now boasts a significant presence through five main entities (France, United Kingdom, Belgium, Luxembourg, Switzerland). The deal brought with it some EUR 8 billion of assets under management,

Moreover, the business line continued to register solid performances on the sales front, with a net inflow of EUR 1.6 billion over the quarter in Europe and Asia. Over the first nine months of the year, net inflows totalled EUR 3.3 billion, representing 7% of total assets under management at September 30th 2003 (EUR 44.5 billion)<sup>3</sup>.

Including Compagnie Bancaire Genève, the business line booked a net income of EUR 20 million over the quarter.

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<sup>3</sup> Excluding EUR 63 billion of assets held by customers managed directly by the French networks (customers with investible assets exceeding EUR 150,000).

## 5. CORPORATE AND INVESTMENT BANKING

<i>In EUR million</i>	Q3 03	Change vs. Q3 02	9M 03	Change vs. 9M 02
<b>Net banking income</b>	<b>1,318</b>	<b>+34%</b>	<b>3,980</b>	<b>+10%</b>
<i>On a like-for-like basis &amp; at constant exchange rates</i>		<i>+41%</i>		<i>+18%</i>
<b>Operating expenses</b>	<b>(823)</b>	<b>+9%</b>	<b>(2,448)</b>	<b>-5%</b>
<i>On a like-for-like basis &amp; at constant exchange rates</i>		<i>+16%</i>		<i>+4%</i>
<b>Gross operating income</b>	<b>495</b>	<b>x 2.2</b>	<b>1,532</b>	<b>+48%</b>
<i>On a like-for-like basis &amp; at constant exchange rates</i>		<i>x 2.2</i>		<i>+53%</i>
<b>Net allocation to provisions</b>	<b>(139)</b>	<b>-25%</b>	<b>(530)</b>	<b>+5%</b>
<b>Operating income</b>	<b>356</b>	<b>x 8.1</b>	<b>1,002</b>	<b>+89%</b>
<b>Net income</b>	<b>281</b>	<b>x 3.9</b>	<b>792</b>	<b>+87%</b>
	<b>Q3 03</b>	<b>Q3 02</b>	<b>9M 03</b>	<b>9M 02</b>
<b>ROE after tax</b>	<b>30.3%</b>	<b>7.7%</b>	<b>28.6%</b>	<b>15.1%</b>

The Corporate and Investment Banking arm (SG CIB) once again achieved an exceptional level of profitability in the third quarter, generating net income of EUR 281 million and an ROE after tax of 30.3%.

This performance was notably driven by the persistently high revenues booked by Corporate Banking and Fixed Income, despite a less favourable environment than in the previous quarter, and by the performance of the Equity and Advisory businesses, which registered a record quarter in some activities.

Over nine months, the quality of the revenue mix reflected the effectiveness of the selective development strategy put in place by the business, with client-driven revenues accounting for two-thirds of total net banking income. Focused on three centres of excellence offering strong potential (euro capital markets, derivatives and structured finance), SG CIB is continuing to move up the rankings on its target client segments, notably in Europe.

The platform's productivity, which is underpinned by rigorous cost control, has been reinforced through the restructuring measures taken in 2001 and 2002. Against this backdrop, and in light of the exceptional level of revenues, the cost/income ratio came out at 61.5% over the first nine months of 2003, down by 10 points on the same period in 2002.

The net allocation to provisions in the third quarter was down sharply, despite including an allocation of EUR 100 million to the general credit risk reserve. Specific provisioning for identified risks was particularly low. Market risks were stable against the level seen in the previous quarter.

Overall, with an ROE after tax over nine months of 28.6%, Société Générale confirmed its position as one of the most profitable corporate and investment banking platforms in Europe.

## **Corporate Banking and Fixed Income**

While reinforcing its general credit risk reserve, the Corporate Banking and Fixed Income arm posted an ROE after tax of 19.9% over the quarter, compared with 12.5% in the third quarter of 2002.

After an exceptional second quarter, revenues remained at a high level (+13% in relation to the third quarter of 2002 when adjusted for changes in Group structure and at constant exchange rates). SG CIB continued its commercial development, notably achieving a market share of over 5% on the corporate primary bond market in Europe over the first nine months of the year. On the Structured Finance side, a pick-up was seen in asset finance volumes during the third quarter.

The cost base, excluding performance-linked pay, held stable in relation to the third quarter of 2002 (-1% when adjusted for changes in Group structure and at constant exchange rates).

## **Equity and Advisory**

With net income totalling EUR 117 million over the quarter, the Equity and Advisory business line turned in its second-best quarterly performance in the past three years.

The Equity Derivatives business produced its second-highest quarterly results since 2001. Sales of structured and listed products reached record levels in Europe and Asia, confirming the excellent performance seen since the start of the year. The arbitrage and volatility trading activities also produced robust revenues, without increasing market risk exposure. In addition, the third-quarter accounts include the contribution of Constellation Financial Management, which was acquired in the second quarter.

Against the backdrop of a gradual pick-up in the markets, the Cash Equity and Advisory arm registered an increase in the level of activity compared with the start of the year, achieving a market share of 5% on the European primary equity market (over nine months) and ranking number one on Euronext (over nine months).

## **6. CORPORATE CENTRE**

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Over the quarter, the Corporate Centre booked a net loss of EUR 40 million, compared with a loss of EUR 316 million in the third quarter of 2002.

This improvement principally reflects the positive contribution of the industrial equity portfolio (EUR 120 million), which is essentially due to the write-back of provisions booked in previous quarters. At September 30th 2003, the net book value of the industrial equity portfolio stood at EUR 2.6 billion, representing an unrealised capital gain of EUR 0.3 billion in relation to its market value.

The Group's effective tax rate in the third quarter was 27.6%.

CONSOLIDATED INCOME STATEMENT (in millions of euros)	Third Quarter		Change			Nine months		Change	
	2003	2002	Q3/Q2	Q3/Q3		2003	2002		
Net banking income	3,862	3,321	-5.9%	16.3%	18.0% (*)	11,717	10,877	7.7%	9.5% (*)
Operating expenses	(2,596)	(2,443)	-2.1%	6.3%	6.9% (*)	(7,767)	(7,828)	-0.8%	1.5% (*)
<b>Gross operating income</b>	<b>1,266</b>	<b>878</b>	<b>-12.9%</b>	<b>44.2%</b>	<b>49.8% (*)</b>	<b>3,950</b>	<b>3,049</b>	<b>29.6%</b>	<b>29.6% (*)</b>
Net allocation to provisions	(338)	(325)	-10.3%	4.0%	6.0% (*)	(1,045)	(898)	16.4%	22.2% (*)
<b>Operating income</b>	<b>928</b>	<b>553</b>	<b>-13.8%</b>	<b>67.8%</b>	<b>76.6% (*)</b>	<b>2,905</b>	<b>2,151</b>	<b>35.1%</b>	<b>32.5% (*)</b>
Net income from long-term investments	145	(237)	-39.3%	-161.2%		272	(301)	-190.4%	
Net income from companies accounted for by the equity method	6	23	-50.0%	-73.9%		28	25	12.0%	
Exceptional items and General Reserve for Banking Risks	0	(4)	-100.0%	-100.0%		(150)	(8)	1775.0%	
Amortisation of goodwill	(45)	(45)	-25.0%	0.0%		(145)	(146)	-0.7%	
Income tax	(296)	(88)	-17.3%	236.4%		(873)	(492)	77.4%	
<b>Net income before minority interests</b>	<b>738</b>	<b>202</b>	<b>-2.9%</b>	<b>265.3%</b>		<b>2,037</b>	<b>1,229</b>	<b>65.7%</b>	
Minority interests	(68)	(56)	4.6%	21.4%		(189)	(196)	-3.6%	
<b>Net income</b>	<b>670</b>	<b>146</b>	<b>-3.6%</b>	<b>358.9%</b>		<b>1,848</b>	<b>1,033</b>	<b>78.9%</b>	
Annualised Group ROE after tax (%)	17.3%	3.8%				16.2%	9.1%		
Tier-one ratio at end of period	8.1%	8.1%				8.1%	8.1%		

(\*) When adjusted for changes in Group structure and at constant exchange rates.

NET INCOME AFTER TAX BY CORE BUSINESS (in millions of euros)	Third Quarter		Change			Nine months		Change	
	2003	2002	Q3/Q2	Q3/Q3		2003	2002		
<b>Retail Banking &amp; Financial Services</b>	<b>362</b>	<b>342</b>	<b>0.8%</b>	<b>5.8%</b>		<b>1,023</b>	<b>940</b>	<b>8.8%</b>	
o.w. French Networks	225	210	0.9%	7.1%		642	601	6.8%	
o.w. Financial Services	80	86	3.9%	-7.0%		222	196	13.3%	
o.w. Retail Banking outside France	57	46	-3.4%	23.9%		159	143	11.2%	
<b>Global Investment Management</b>	<b>67</b>	<b>48</b>	<b>26.4%</b>	<b>39.6%</b>		<b>170</b>	<b>174</b>	<b>-2.3%</b>	
o.w. Asset Management	47	43	11.9%	9.3%		127	145	-12.4%	
o.w. Private Banking	20	5	81.8%	300.0%		43	29	48.3%	
<b>Corporate &amp; Investment Banking</b>	<b>281</b>	<b>72</b>	<b>-10.2%</b>	<b>290.3%</b>		<b>792</b>	<b>424</b>	<b>86.8%</b>	
o.w. Equity & Advisory	117	(30)	-22.5%	-490.0%		338	89	279.8%	
o.w. Corporate Banking & Fixed Income	164	102	1.2%	60.8%		454	335	35.5%	
<b>CORE BUSINESSES</b>	<b>710</b>	<b>462</b>	<b>-2.1%</b>	<b>53.7%</b>		<b>1,985</b>	<b>1,538</b>	<b>29.1%</b>	
<b>Corporate Centre</b>	<b>(40)</b>	<b>(316)</b>	<b>33.3%</b>	<b>-87.3%</b>		<b>(137)</b>	<b>(505)</b>	<b>-72.9%</b>	
<b>GROUP</b>	<b>670</b>	<b>146</b>	<b>-3.6%</b>	<b>358.9%</b>		<b>1,848</b>	<b>1,033</b>	<b>78.9%</b>	

## QUARTERLY RESULTS BY CORE BUSINESS

(in millions of euros)	2001	2002				2003		
	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Retail Banking &amp; Financial Services</b>								
Net banking income	1,871	2,174	2,118	2,145	2,247	2,169	2,306	2,300
Operating expenses	(1,286)	(1,482)	(1,470)	(1,438)	(1,483)	(1,517)	(1,539)	(1,514)
<i>Gross operating income</i>	<i>585</i>	<i>692</i>	<i>648</i>	<i>707</i>	<i>764</i>	<i>652</i>	<i>767</i>	<i>786</i>
Net allocation to provisions	(103)	(165)	(151)	(150)	(187)	(133)	(158)	(171)
<i>Operating income</i>	<i>482</i>	<i>527</i>	<i>497</i>	<i>557</i>	<i>577</i>	<i>519</i>	<i>609</i>	<i>615</i>
Net income from long-term investments	13	1	(7)	29	(2)	(2)	3	2
Net income from companies accounted for by the equity method	(1)	3	7	4	0	4	4	3
Income tax	(176)	(180)	(168)	(196)	(197)	(176)	(209)	(210)
<i>Net income before minority interests</i>	<i>318</i>	<i>351</i>	<i>329</i>	<i>394</i>	<i>378</i>	<i>345</i>	<i>407</i>	<i>410</i>
Minority interests	(28)	(42)	(40)	(52)	(41)	(43)	(48)	(48)
<i>Net income</i>	<i>290</i>	<i>309</i>	<i>289</i>	<i>342</i>	<i>337</i>	<i>302</i>	<i>359</i>	<i>362</i>
<b>o.w. French Networks</b>								
Net banking income	1,296	1,321	1,358	1,335	1,400	1,349	1,413	1,419
Operating expenses	(915)	(947)	(961)	(943)	(955)	(971)	(982)	(972)
<i>Gross operating income</i>	<i>381</i>	<i>374</i>	<i>397</i>	<i>392</i>	<i>445</i>	<i>378</i>	<i>431</i>	<i>447</i>
Net allocation to provisions	(61)	(64)	(73)	(72)	(88)	(66)	(76)	(89)
<i>Operating income</i>	<i>320</i>	<i>310</i>	<i>324</i>	<i>320</i>	<i>357</i>	<i>312</i>	<i>355</i>	<i>358</i>
Net income from long-term investments	13	0	0	7	5	1	4	0
Net income from companies accounted for by the equity method	0	0	1	1	0	1	1	0
Income tax	(121)	(107)	(115)	(109)	(127)	(109)	(126)	(125)
<i>Net income before minority interests</i>	<i>212</i>	<i>203</i>	<i>210</i>	<i>219</i>	<i>235</i>	<i>205</i>	<i>234</i>	<i>233</i>
Minority interests	(9)	(12)	(10)	(9)	(9)	(11)	(11)	(8)
<i>Net income</i>	<i>203</i>	<i>191</i>	<i>200</i>	<i>210</i>	<i>226</i>	<i>194</i>	<i>223</i>	<i>225</i>
<b>Global Investment Management</b>								
Net banking income	297	334	332	296	342	276	287	321
Operating expenses	(212)	(230)	(235)	(215)	(225)	(201)	(202)	(216)
<i>Gross operating income</i>	<i>85</i>	<i>104</i>	<i>97</i>	<i>81</i>	<i>117</i>	<i>75</i>	<i>85</i>	<i>105</i>
Net allocation to provisions	(8)	0	0	(5)	(9)	0	0	0
<i>Operating income</i>	<i>77</i>	<i>104</i>	<i>97</i>	<i>76</i>	<i>108</i>	<i>75</i>	<i>85</i>	<i>105</i>
Net income from long-term investments	2	(1)	0	(1)	(8)	(1)	0	(1)
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0
Income tax	(28)	(33)	(30)	(25)	(32)	(23)	(27)	(30)
<i>Net income before minority interests</i>	<i>51</i>	<i>70</i>	<i>67</i>	<i>50</i>	<i>68</i>	<i>51</i>	<i>58</i>	<i>74</i>
Minority interests	(3)	(6)	(5)	(2)	(2)	(1)	(5)	(7)
<i>Net income</i>	<i>48</i>	<i>64</i>	<i>62</i>	<i>48</i>	<i>66</i>	<i>50</i>	<i>53</i>	<i>67</i>
<b>Corporate &amp; Investment Banking</b>								
Net banking income	1,305	1,272	1,365	987	1,145	1,191	1,471	1,318
Operating expenses	(957)	(899)	(933)	(757)	(898)	(766)	(859)	(823)
<i>Gross operating income</i>	<i>348</i>	<i>373</i>	<i>432</i>	<i>230</i>	<i>247</i>	<i>425</i>	<i>612</i>	<i>495</i>
Net allocation to provisions	(126)	(155)	(165)	(186)	(211)	(185)	(206)	(139)
<i>Operating income</i>	<i>222</i>	<i>218</i>	<i>267</i>	<i>44</i>	<i>36</i>	<i>240</i>	<i>406</i>	<i>356</i>
Net income from long-term investments	(7)	(1)	(25)	2	48	0	1	2
Net income from companies accounted for by the equity method	0	0	6	0	12	1	6	2
Income tax	(12)	(47)	(57)	32	(6)	(42)	(97)	(77)
<i>Net income before minority interests</i>	<i>203</i>	<i>170</i>	<i>191</i>	<i>78</i>	<i>90</i>	<i>199</i>	<i>316</i>	<i>283</i>
Minority interests	(2)	(3)	(6)	(6)	(5)	(1)	(3)	(2)
<i>Net income</i>	<i>201</i>	<i>167</i>	<i>185</i>	<i>72</i>	<i>85</i>	<i>198</i>	<i>313</i>	<i>281</i>

## QUARTERLY RESULTS BY CORE BUSINESS (continued)

	2001	2002				2003		
	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>o.w. Equity &amp; Advisory</b>								
Net banking income	400	491	524	226	341	369	562	505
Operating expenses	(442)	(411)	(422)	(288)	(397)	(281)	(342)	(358)
<i>Gross operating income</i>	<i>(42)</i>	<i>80</i>	<i>102</i>	<i>(62)</i>	<i>(56)</i>	<i>88</i>	<i>220</i>	<i>147</i>
Net allocation to provisions	(3)	0	0	(5)	(13)	0	(10)	0
<i>Operating income</i>	<i>(45)</i>	<i>80</i>	<i>102</i>	<i>(67)</i>	<i>(69)</i>	<i>88</i>	<i>210</i>	<i>147</i>
Net income from long-term investments	0	0	(12)	0	(4)	(2)	0	0
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0
Income tax	24	(24)	(27)	37	47	(16)	(59)	(30)
<i>Net income before minority interests</i>	<i>(21)</i>	<i>56</i>	<i>63</i>	<i>(30)</i>	<i>(26)</i>	<i>70</i>	<i>151</i>	<i>117</i>
Minority interests	0	0	0	0	0	0	0	0
<i>Net income</i>	<i>(21)</i>	<i>56</i>	<i>63</i>	<i>(30)</i>	<i>(26)</i>	<i>70</i>	<i>151</i>	<i>117</i>
<b>o.w. Corporate Banking &amp; Fixed Income</b>								
Net banking income	905	781	841	761	804	822	909	813
Operating expenses	(515)	(488)	(511)	(469)	(501)	(485)	(517)	(465)
<i>Gross operating income</i>	<i>390</i>	<i>293</i>	<i>330</i>	<i>292</i>	<i>303</i>	<i>337</i>	<i>392</i>	<i>348</i>
Net allocation to provisions	(123)	(155)	(165)	(181)	(198)	(185)	(196)	(139)
<i>Operating income</i>	<i>267</i>	<i>138</i>	<i>165</i>	<i>111</i>	<i>105</i>	<i>152</i>	<i>196</i>	<i>209</i>
Net income from long-term investments	(7)	(1)	(13)	2	52	2	1	2
Net income from companies accounted for by the equity method	0	0	6	0	12	1	6	2
Income tax	(36)	(23)	(30)	(5)	(53)	(26)	(38)	(47)
<i>Net income before minority interests</i>	<i>224</i>	<i>114</i>	<i>128</i>	<i>108</i>	<i>116</i>	<i>129</i>	<i>165</i>	<i>166</i>
Minority interests	(2)	(3)	(6)	(6)	(5)	(1)	(3)	(2)
<i>Net income</i>	<i>222</i>	<i>111</i>	<i>122</i>	<i>102</i>	<i>111</i>	<i>128</i>	<i>162</i>	<i>164</i>
<b>Corporate Centre</b>								
Net banking income	(58)	(76)	37	(107)	(38)	113	42	(77)
Operating expenses	(112)	(55)	(81)	(33)	(92)	(35)	(52)	(43)
<i>Gross operating income</i>	<i>(170)</i>	<i>(131)</i>	<i>(44)</i>	<i>(140)</i>	<i>(130)</i>	<i>78</i>	<i>(10)</i>	<i>(120)</i>
Net allocation to provisions	(20)	34	29	16	4	(12)	(13)	(28)
<i>Operating income</i>	<i>(190)</i>	<i>(97)</i>	<i>(15)</i>	<i>(124)</i>	<i>(126)</i>	<i>66</i>	<i>(23)</i>	<i>(148)</i>
Net income from long-term investments	(12)	68	(99)	(267)	(36)	(109)	235	142
Net income from companies accounted for by the equity method	(10)	(4)	(10)	19	11	5	2	1
Exceptional items and GRBR	0	(2)	(2)	(4)	(3)	0	(150)	0
Amortisation of goodwill	(26)	(39)	(62)	(45)	(38)	(40)	(60)	(45)
Income tax	97	54	57	101	78	22	(25)	21
<i>Net income before minority interests</i>	<i>(141)</i>	<i>(20)</i>	<i>(131)</i>	<i>(320)</i>	<i>(114)</i>	<i>(56)</i>	<i>(21)</i>	<i>(29)</i>
Minority interests	(4)	(9)	(29)	4	(10)	(11)	(9)	(11)
<i>Net income</i>	<i>(145)</i>	<i>(29)</i>	<i>(160)</i>	<i>(316)</i>	<i>(124)</i>	<i>(67)</i>	<i>(30)</i>	<i>(40)</i>
<b>GROUP</b>								
Net banking income	3,415	3,704	3,852	3,321	3,696	3,749	4,106	3,862
Operating expenses	(2,567)	(2,666)	(2,719)	(2,443)	(2,698)	(2,519)	(2,652)	(2,596)
<i>Gross operating income</i>	<i>848</i>	<i>1,038</i>	<i>1,133</i>	<i>878</i>	<i>998</i>	<i>1,230</i>	<i>1,454</i>	<i>1,266</i>
Net allocation to provisions	(257)	(286)	(287)	(325)	(403)	(330)	(377)	(338)
<i>Operating income</i>	<i>591</i>	<i>752</i>	<i>846</i>	<i>553</i>	<i>595</i>	<i>900</i>	<i>1,077</i>	<i>928</i>
Net income from long-term investments	(4)	67	(131)	(237)	2	(112)	239	145
Net income from companies accounted for by the equity method	(11)	(1)	3	23	23	10	12	6
Exceptional items and GRBR	0	(2)	(2)	(4)	(3)	0	(150)	0
Amortisation of goodwill	(26)	(39)	(62)	(45)	(38)	(40)	(60)	(45)
Income tax	(119)	(206)	(198)	(88)	(157)	(219)	(358)	(296)
<i>Net income before minority interests</i>	<i>431</i>	<i>571</i>	<i>456</i>	<i>202</i>	<i>422</i>	<i>539</i>	<i>760</i>	<i>738</i>
Minority interests	(37)	(60)	(80)	(56)	(58)	(56)	(65)	(68)
<i>Net income</i>	<i>394</i>	<i>511</i>	<i>376</i>	<i>146</i>	<i>364</i>	<i>483</i>	<i>695</i>	<i>670</i>

## QUARTERLY NET INCOME BY CORE BUSINESS

<i>(in millions of euros)</i>	2001	2002				2003		
	3rd Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
<b>Retail Banking &amp; Financial Services</b>	<b>290</b>	<b>309</b>	<b>289</b>	<b>342</b>	<b>337</b>	<b>302</b>	<b>359</b>	<b>362</b>
French Networks	203	191	200	210	226	194	223	225
Financial Services	55	68	42	86	64	65	77	80
Retail Banking outside France	32	50	47	46	47	43	59	57
<b>Global Investment Management</b>	<b>48</b>	<b>64</b>	<b>62</b>	<b>48</b>	<b>66</b>	<b>50</b>	<b>53</b>	<b>67</b>
Asset Management	42	51	51	43	56	38	42	47
Private Banking	6	13	11	5	10	12	11	20
<b>Corporate &amp; Investment Banking</b>	<b>201</b>	<b>167</b>	<b>185</b>	<b>72</b>	<b>85</b>	<b>198</b>	<b>313</b>	<b>281</b>
Equity & Advisory	(21)	56	63	(30)	(26)	70	151	117
Corporate Banking & Fixed Income	222	111	122	102	111	128	162	164
<b>CORE BUSINESSES</b>	<b>539</b>	<b>540</b>	<b>536</b>	<b>462</b>	<b>488</b>	<b>550</b>	<b>725</b>	<b>710</b>
<b>Corporate Centre</b>	<b>(145)</b>	<b>(29)</b>	<b>(160)</b>	<b>(316)</b>	<b>(124)</b>	<b>(67)</b>	<b>(30)</b>	<b>(40)</b>
<b>GROUP</b>	<b>394</b>	<b>511</b>	<b>376</b>	<b>146</b>	<b>364</b>	<b>483</b>	<b>695</b>	<b>670</b>

## QUARTERLY ROE BY CORE BUSINESS

<i>(%)</i>	2001	2002				2003		
	3rd Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
<b>Retail Banking &amp; Financial Services</b>	<b>18.0%</b>	<b>18.0%</b>	<b>16.9%</b>	<b>19.9%</b>	<b>19.6%</b>	<b>16.7%</b>	<b>19.5%</b>	<b>19.4%</b>
French Networks	19.3%	17.8%	18.7%	19.7%	21.1%	17.8%	20.0%	19.8%
Financial Services	12.6%	14.1%	8.6%	17.4%	12.9%	11.9%	13.7%	14.0%
Retail Banking outside France	26.3%	31.1%	30.0%	29.6%	30.1%	25.8%	36.4%	34.9%
<b>Global Investment Management</b>	<b>61.0%</b>	<b>75.7%</b>	<b>65.6%</b>	<b>51.3%</b>	<b>71.0%</b>	<b>53.5%</b>	<b>55.4%</b>	<b>63.4%</b>
Asset Management	95.1%	104.6%	87.2%	75.8%	98.7%	67.9%	74.3%	75.8%
Private Banking	17.4%	36.4%	30.6%	13.6%	27.6%	32.0%	28.0%	45.7%
<b>Corporate &amp; Investment Banking</b>	<b>18.8%</b>	<b>18.0%</b>	<b>20.1%</b>	<b>7.7%</b>	<b>9.0%</b>	<b>21.5%</b>	<b>33.8%</b>	<b>30.3%</b>
Equity & Advisory	-11.7%	45.5%	52.2%	-25.8%	-24.4%	68.8%	148.4%	116.1%
Corporate Banking & Fixed Income	24.9%	13.8%	15.3%	12.5%	13.2%	15.6%	19.6%	19.9%
<b>CORE BUSINESSES</b>	<b>19.5%</b>	<b>19.8%</b>	<b>19.7%</b>	<b>16.8%</b>	<b>17.7%</b>	<b>19.5%</b>	<b>25.3%</b>	<b>24.5%</b>
<b>GROUP</b>	<b>10.9%</b>	<b>13.6%</b>	<b>9.8%</b>	<b>3.8%</b>	<b>9.7%</b>	<b>13.1%</b>	<b>18.5%</b>	<b>17.3%</b>

## SUPPLEMENTAL TAXATION INFORMATION

The comments below are of a general nature and are only a summary of the law and practice currently applicable in Hong Kong. The comments relate to the position of persons who are the absolute beneficial owners of the Warrants and may not apply equally to all persons. Potential purchasers of the Warrants who are in any doubt as to their tax position on the purchase, ownership, transfer or exercise of any Warrant should consult their own tax advisers.

### **General**

Purchasers of Warrants may be required to pay stamp duties, taxes or other charges in accordance with the laws and practice of the country of purchase in addition to the issue price of each Warrant.

### **Taxation in Hong Kong**

#### *Profits Tax*

No tax is payable in Hong Kong by withholding or otherwise in respect of settlement amounts payable in respect of the Warrants or in respect of any capital gains arising on the sale of Warrants, except that Hong Kong profits tax may be chargeable on any such gains in the case of certain persons carrying on a trade, profession or business in Hong Kong.

#### *Stamp Duty*

Hong Kong stamp duty is not chargeable upon the transfer of a Warrant whether pursuant to dealings on the Stock Exchange or otherwise.

#### *Estate Duty*

Warrants are Hong Kong property for the purpose of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong, as amended) and accordingly Hong Kong estate duty may be payable in respect thereof on the death of the owner of Warrants, irrespective of the nationality, residence, domicile or citizenship of the deceased.

## SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on pages 190 and 191 of the Base Listing Document.

1. Paragraph 8 of the "General Information" section in the Base Listing Document is deleted and replaced by the following:

The Issuer is not involved in any litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of any issue of Structured Products nor, to the best of the knowledge and belief of the Issuer, are there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of any issue of Structured Products which would in either case jeopardize their ability to discharge its obligations in respect of any issue of Structured Products.

At the present time, there are no extraordinary circumstances or disputes that are liable to materially affect the Group's results and financial position, and whose consequences, estimated at September 30, 2003, have not been taken into account in the Group's financial statements.

Adequate provision was set up at the closing of the 2002 Group's financial statement for the consequences of the notifications of tax adjustments which could affect until 31st December 2002 the results of both the Guarantor and its subsidiaries included in the consolidated financial statements. Adequate provision was set up as well for the tax adjustments concerning VAT, which were notified in December 2002.

On 19th January, 2000, High Risk Opportunities Hub Fund Ltd. (HRO), a hedge fund in receivership, represented by its receivers, commenced a lawsuit against the Guarantor (and another bank), before the Supreme Court of the State of New York asserting two claims for breach of contract relating to a series of non-deliverable USD/Russian ruble foreign exchange transactions. On one cause of action, which has been dismissed by the court and potentially could be appealed, HRO seeks consequential damages of at least \$1 billion. On the second cause of action, with respect to which both HRO and the Guarantor have moved for summary judgment, HRO seeks compensatory damages of more than \$190 million. In April 2003, the Guarantor and HRO entered into a settlement agreement that is subject to the approval of the Grand Court of the Cayman Islands, which is presiding over HRO's bankruptcy proceedings. In July 2003, the Grand Court refused to approve the settlement with the understanding that it would reconsider the propriety of the settlement if additional supporting evidence were subsequently presented. HRO has sought to appeal that ruling and simultaneously is gathering additional evidence in support of another application for approval of the settlement. The settlement agreement between the Guarantor and HRO remains in effect while HRO pursues its appeal. The Guarantor has established provisions for this matter.

On November 27, 2000, a lawsuit was filed against SG Cowen Securities Corporation (SG Cowen) before the United States Court for the District of Massachusetts by the New England Teamsters and Trucking Industry Pension Fund, alleging that SG Cowen breached its fiduciary duties owed to the Fund. In September 2003, the parties reached a settlement that will resolve the case. The full amount of the settlement will be paid for by SG Cowen's insurance carriers. The parties expect to finalize the settlement agreement in the near future, and once SG Cowen makes the payments due under the agreement, the case will be dismissed.

At the end of 2001 and in the early 2002, a number of the Guarantor managers and executives and the company itself, were placed under investigation in relation to a money laundering case under investigation in Paris.

Like other banks working in France, the Guarantor is implicated either because some checks drawn on the Guarantor and considered by investigators as corresponding to money laundering transactions were paid by the bank or because they were presented by the Guarantor for payment to other French banks, in its capacity as correspondent bank for some foreign banks.

The investigators contest the absence of systematic verification of checks processed, as they have done for other banks previously placed under investigation. However, no evidence suggests that a the Guarantor employee or department was knowingly involved in money laundering.

Moreover, no civil action for damages has been brought against either the Guarantor or its employees.

By an order dated 2 October 2003, the investigating magistrate decided to bring the case for trial. However, the Paris Prosecutor has filed an appeal against this order. Therefore, the court of appeal will rule on the existence of charges of money laundering against the Guarantor sufficient to justify arraignment of the Guarantor before the "tribunal correctionnel".

The question of the duties of banks with respect to verifying checks concerns all banking institutions in France, as well as the regulatory authorities. At the request of the French Banking Federation, a new regulation was adopted on April 26, 2002 by the Banking and Financial Regulation Committee. This regulation now imposes diligence duties to the banks regarding checks to fight against money laundering and terrorism financing.

In January 2002, the Guarantor was informed that Frank Gruttadauria (Gruttadauria), a former employee of SG Cowen's retail brokerage business that was sold in October 2000, had defrauded numerous customers and misappropriated their assets at various firms that had employed him, including SG Cowen. Gruttadauria has been convicted and sentenced in federal court in Ohio to a seven-year term of imprisonment for his crimes. Numerous former customers of SG Cowen have commenced or threatened to commence lawsuits and arbitrations against the Guarantor and SG Cowen arising out of Gruttadauria's fraudulent conduct. The Guarantor and SG Cowen have reached settlements with many former customers and are attempting to resolve the remaining disputes with their former customers, but many lawsuits and arbitrations filed by former customers are ongoing. SG Cowen has reimbursed former customers for the out-of-pocket losses they incurred resulting from Gruttadauria's misconduct.

In August 2003 SG Cowen entered into consent orders with the New York Stock Exchange ("NYSE") and the U.S. Securities and Exchange Commission ("SEC"), under which SG Cowen was charged with failure to supervise Gruttadauria during the 27-month period he was employed by SG Cowen, and violations of the federal securities laws arising out of SG Cowen's failure to maintain accurate and complete books and records during the same time period. Pursuant to the orders, SG Cowen agreed, among other things: to a censure imposed by the SEC; to pay a total of \$5 million in fines to the NYSE and the SEC; to undertake a review of certain firm policies, procedures, practices, and supervisory systems; and to participate in an expedited arbitration procedure to resolve the claims of former customers who choose to take advantage of the procedure.

In September 2003, SG Cowen was informed by the county prosecutor of Cuyahoga County, Ohio that the prosecutor is conducting an investigation into the Frank Gruttadauria matter, and evaluating whether SG Cowen and others have violated Ohio state laws. SG Cowen is cooperating with the investigation. The Guarantor has established provisions for the matters arising out of Gruttadauria's fraudulent conduct.

SG Cowen is one of several defendants named in lawsuits arising out of the accounting fraud that caused the collapse of Lernout & Hauspie Speech Products, N.V. ("L&H), a former client of SG Cowen. In one lawsuit pending in federal court in Boston, the former owners of Dragon Systems, Inc. allege that SG Cowen violated federal securities and state laws by making material misrepresentations to the plaintiffs while SG Cowen was advising L&H in connection with its acquisition of Dragon and published materially misleading research on L&H. Discovery is under way in that case. In another lawsuit pending in the same court, the Trustee of the Dictaphone Litigation Trust alleges that SG Cowen made material misrepresentations to Dictaphone while SG Cowen was a financial advisor to L&H on its acquisition of Dictaphone, and published materially misleading research on L&H, in violation of various federal and state laws. SG Cowen has not yet responded to the amended complaint filed in that lawsuit. In another L&H lawsuit pending in federal court in New Jersey, short-sellers of L&H stock allege that SG Cowen participated in a scheme to artificially inflate L&H's stock price through allegedly false and misleading research reports published by SG Cowen, in violation of federal securities laws and state laws. SG Cowen's motion to dismiss the complaint is pending. The Guarantor has established reserves for these matters.

2. Dealings in securities on the Stock Exchange are required to be settled within two trading days from the transaction date. Settlement of dealings in the Warrants shall be conducted through CCASS. No certificates, other than the Global Certificate (which shall be deposited with CCASS, shall be issued in respect of the Warrants and no registrar will be appointed nor shall a register be maintained for the Warrants. Dealings in the Warrants will take place in board lots of 10,000 Warrants in Hong Kong dollars.
3. The Securities and Futures Commission charges a transaction levy at the aggregate rate of 0.007 per cent. (rounded to the nearest cent) (or such other rate or rates as specified from time to time in the Securities and Futures (Levy) Order and the Securities and Futures (Investor Compensation - Levy) Rules) in respect of each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the total consideration for the relevant securities. The Stock Exchange charges a trading fee of 0.005 per cent. (or such other rate as determined by the Stock Exchange from time to time) payable by each of the seller and the buyer and calculated on the value of the consideration for the relevant securities. In addition, Stock Exchange participants may, with effect from 1 April, 2003, freely agree on the amount of brokerage chargeable to both buyers and sellers based on a percentage of the value of the purchase or sale (calculated on the value of the relevant securities).

4. It is not the current intention of the Issuer to apply for a listing of the Warrants on any stock exchange other than the Stock Exchange.
5. The expenses in connection with the issue of the Warrants, including printing and legal charges, are estimated to be approximately HK\$150,000 and are payable by the Issuer.
6. Save as disclosed herein, there has been no adverse change, material in the context of the issue of the Warrants, in the financial position of the Issuer since 31 December, 2002 and of the Guarantor and its consolidated subsidiaries (taken as a whole) since 31 December, 2002.
7. The following contracts, relating to the issue of the Warrants, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Warrants:
  - (a) a Placing Agreement as supplemented by the Confirmation pursuant to which the Issuer and the Guarantor have appointed SG Securities (HK) Limited as placing agent for the Warrants;
  - (b) an Instrument made by the Issuer and the Guarantor which constitute the Warrants; and
  - (c) a Guarantee pursuant to which the Guarantor guarantees the obligations of the Issuer in respect of any warrants issued by the Issuer between 12 May, 2003 and 11 May, 2004 listed on the Stock Exchange.

None of the directors of the Issuer or the directors of the Guarantor has any direct or indirect interest in any of the above contracts.

8. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of their reports, included in the Base Listing Document, in the form and context in which they are included. Their reports were not prepared exclusively for incorporation in the Base Listing Document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

9. The Issuer has no present intention to issue Warrants on the same terms and conditions in respect of the Index.
10. The issue of the Warrants by the Issuer was authorised by a resolution of the Board of Directors of the Issuer passed on 12 January, 2004 and the giving of the Guarantee has been duly authorised by the Guarantor.
11. The Sponsor or any of its affiliates may from time to time implement promotional programmes with a selected number of brokers within a selected period of time for certain warrants issued by the Issuer.
12. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of the Sponsor, currently at 41st Floor, Edinburgh Tower, 15 Queen's Road Central, Hong Kong, from the date of this document to the Expiry Date:
  - (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
  - (b) the audited financial statements of the Issuer for the two years ended 31 December, 2002 and the results for the first half of 2003;
  - (c) the audited financial statements of the Guarantor for the two years ended 31 December, 2002, the results for the first half of 2003 and the press release dated 6 November, 2003 of the Guarantor's third quarter results;
  - (d) marketing material (if any) relating to the Warrants;
  - (e) the term sheet of the Warrants;

- (f) the launch announcement relating to the Warrants;
  - (g) the Placing Agreement and the Confirmation;
  - (h) the Instrument;
  - (i) the Global Certificate;
  - (j) the Guarantee; and
  - (k) the Base Listing Document.
13. SG Securities (HK) Limited of 41st Floor, Edinburgh Tower, 15 Queen's Road Central, Hong Kong has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Mr. Raphael Blot of SG Securities (HK) Limited is authorised to accept service of process and notices on behalf of the Issuer and the Guarantor.

**REGISTERED OFFICE OF THE ISSUER**

Landhuis Joonchi, Kaya Richard J. Beaujon z/n  
Curaçao  
Netherlands Antilles

**REGISTERED OFFICE OF THE GUARANTOR**

29 Boulevard Haussmann  
75009 Paris  
France

**ISSUER'S AUDITORS**

**Barbier Frinault & Autres**  
Ernst & Young Network  
41, rue Ybry  
92576 Neuilly-sur-Seine Cedex  
France

**GUARANTOR'S AUDITORS**

**Barbier Frinault & Autres**  
(Statutory Auditor until 22 April, 2003)  
Ernst & Young Network  
41, rue Ybry  
92576 Neuilly-sur-Seine Cedex  
France

**Ernst & Young**

4, rue Auber  
75009 Paris  
France

**Deloitte Touche Tohmatsu**

(Statutory Auditor from 22 April, 2003)  
185, avenue Charles de Gaulle  
92200 Neuilly-sur-Seine  
France

**MANAGER AND SPONSOR AND LIQUIDITY PROVIDER****SG Securities (HK) Limited**

41st Floor  
Edinburgh Tower  
15 Queen's Road Central  
Hong Kong