



Global Employee Share Ownership Program for SG employees

*EFES Annual Meeting
Dec 14, 2006*



Agenda

1. Employee ownership at SG

- Stakes for SG Group
- Characteristics of the offer
- 2006 Results
- Organisation

2. Introduction to the French Saving schemes at SG : Participation, Intéressement and PEE



- Since its privatisation in 1987, SG offers **once a year** to its employees to become SG shareholders under preferential conditions.
- From 2003, in consideration to the strong international development of SG Group, this operation is also offered to all French and International branches.

As of December 14, 2006 :

- **54 countries representing 189 entities and in excess of 100 000 employees** are involved in Gesop
- More than **60 000 employees** and former employees have become SG shareholder
- **7.5 % of SG capital** is held by employees and former employees



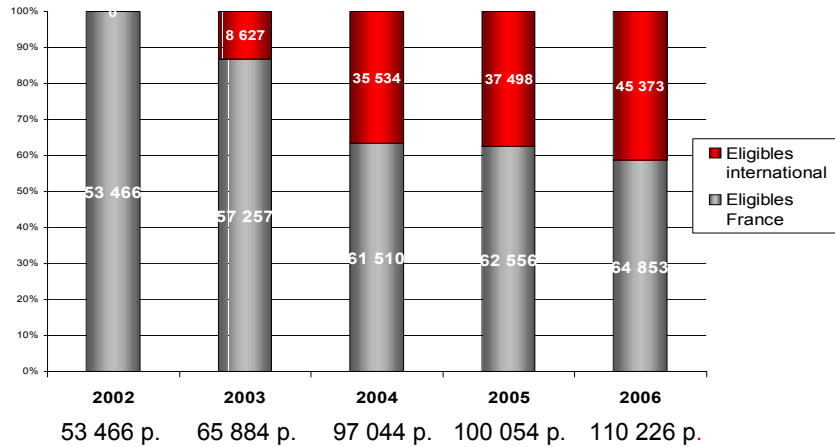
3 major stakes :

- **Share with all employees our collective success**
- **Develop the feeling of belonging to SG Group**
- **Develop the employee knowledge of SG Group**



Stakes in Gesop for SG Group

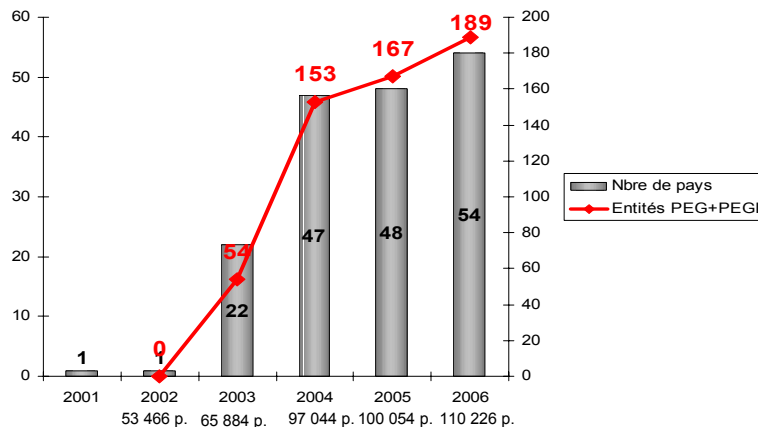
According to SG Group « out of France » development, 40% of eligible employees don't work in France in 2006



Stakes in Gesop for SG Group

1st step : 2003-2004, progressive inclusion of all SG countries and entities

2nd step from 2005: Gesop perimeter grows exclusively via SG external growth



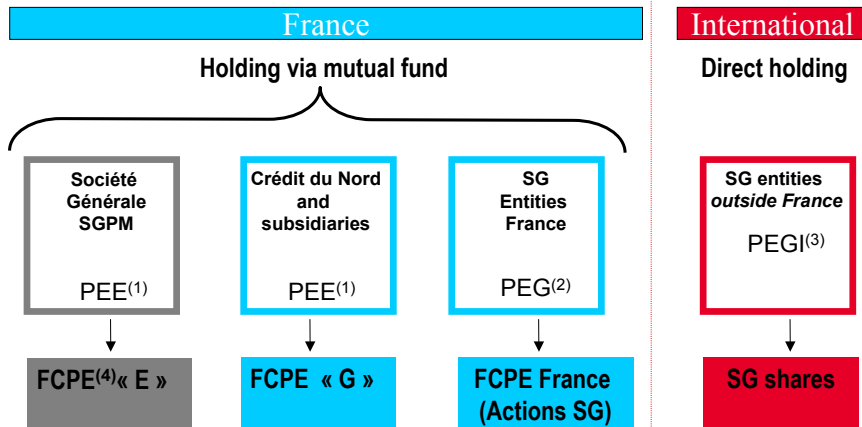


The same offer to all SG employees,

- **Subscription price** will be calculated as an average of 20 SG consecutive opening prices and **will be minored by 20 %**.
- Maximum investment cap is **20 000 euros**, including the employer contribution, or **25% of the annual gross salary**.
- Each entity can decide on an **employer contribution from 0 to 1500 euros**. This contribution will be invested in next SG shares.
- New SG shares are **locked for 5 years** with specific early unlock cases
- Subscriber is entitled to **receive the annual dividend** paid by SG share.



**French subscribers held part of mutual fund 100% invested in SG share,
International subscribers held directly SG share**

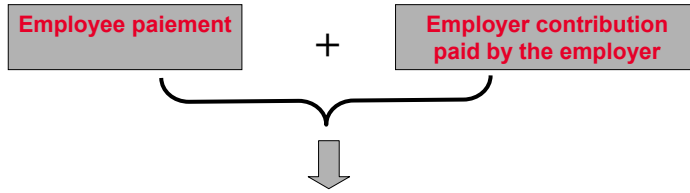


(1) PEE : Company saving Plan
(2) PEG : Group Saving Plan

(3) PEGI : International Group Saving Plan
(4) FCPE : Mutual fund



To better understand the employer contribution



All SG shares are the sole property of the employee
 The employer contribution allows the employee to obtain more discounted shares



Characteristics of the offer So far, a good investment for every employees

SG share discounted prices offered to SG employees and SG share performance (as of Oct. 10 2006)

Based on Société Générale Share Price as of January, 1st 2000



Source: Bloomberg



Characteristics of the offer So far, a good investment for every employees

Let's consider an employee investing 1000 euros in SG shares...

Subscription year	Employee contribution	+ Employer contribution	=Total invested in SG share	Subscription price per year	Nb of SG shares subscribed	Capital valorisation if SG share =	Net dividend paid per SG share			Amount of dividend received	Capital + dividend
	Euros	Euros	Euros	Euros		128	2004	2005	2006	Euros	128
2003	1 000	1 000	2 000	39,57	50	6 400	2,5	3,3	4,5	515,00	6 915,00
2004	1 000	1 000	2 000	59,6	33	4 224	3,3	4,5		257,40	4 481,40
2005	1 000	1 000	2 000	63,17	31	3 968		4,5		139,50	4 107,50
2006	1 000	1 000	2 000	97,96	20	2 560				0,00	2 560,00
Total paid by the employee	4 000					17 152	Total of dividends paid to the employee			911,90	18 063,90

Warning : These simulations don't consider the impacts of taxes of any kind. They need to be adapted with the tax regime relevant in your country. Investment horizon is 5 years.

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GESOP 2006 Results

**59% of eligible employees subscribed in May 2006
Euro 395 M collected**

Type of subscribers	GESOP 2006		
	Eligible Employees	Sub. rate	Nb of subscribers
SGPM	48 873	77,4%	37 632
Crédit du Nord	8 873	76,5%	6 790
French Entities	7 058	70,8%	4 981
International Entities	45 373	34,1%	15 466
TOTAL	110 226	59,2%	64 409

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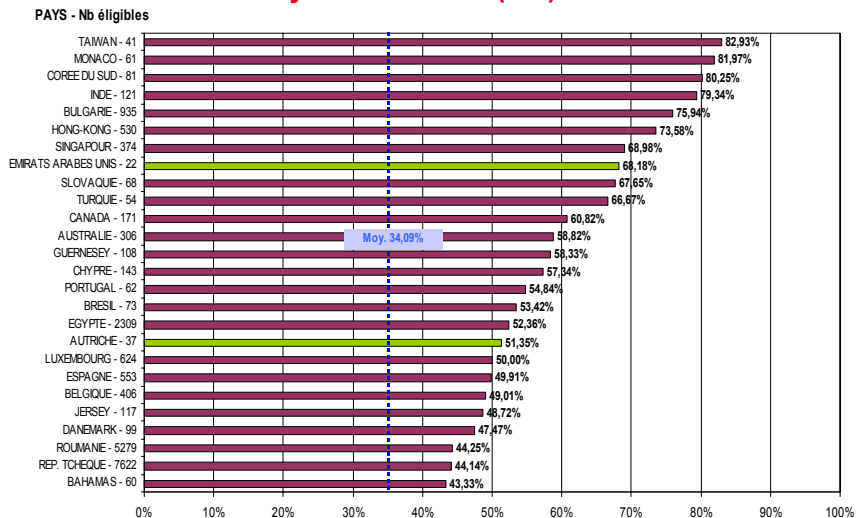


On the importance of the amounts collected in France...

- **In France, employees can invest with the help of the profit sharing schemes**
 - ▶ French employees often benefit from two profit sharing schemes called Participation and Intéressement. Amounts are paid during the second trimester and can be invested in SG Capital increase. En 2006, almost 1 month of salary was paid to the employees at SGPM.
- **French tax treatment is very encouraging**
 - ▶ If the employee elects to save these amounts for 5 year, amounts paid will benefit from important tax advantage. Moreover, employer contribution is not treated as salary and also benefit from tax advantages.
- **Amounts saved 5 years ago can be redeemed and used again to subscribe**
 - ▶ French employees have been subscribing since 1988 so they own unlocked savings that they can redeem and use to subscribe again.

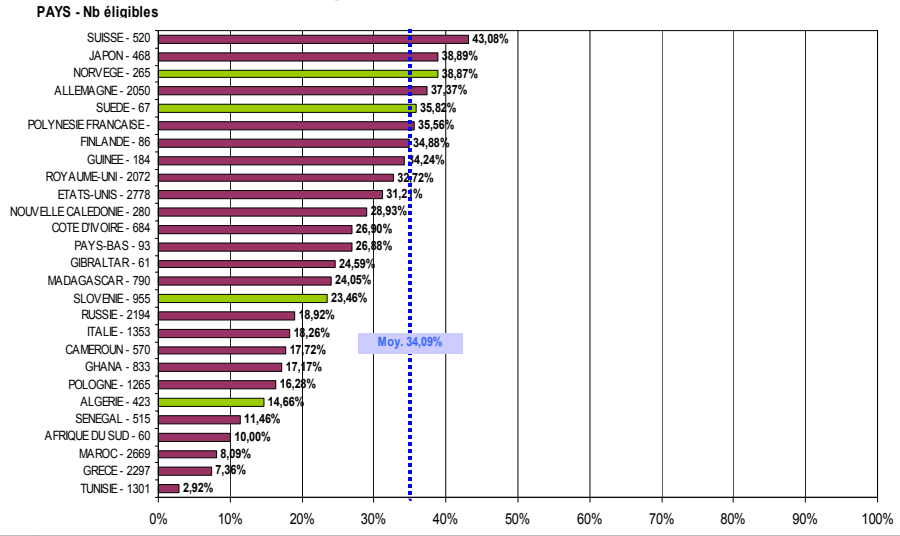


International – Spreads in subscription rates that remain very wide in 2006(1/2)

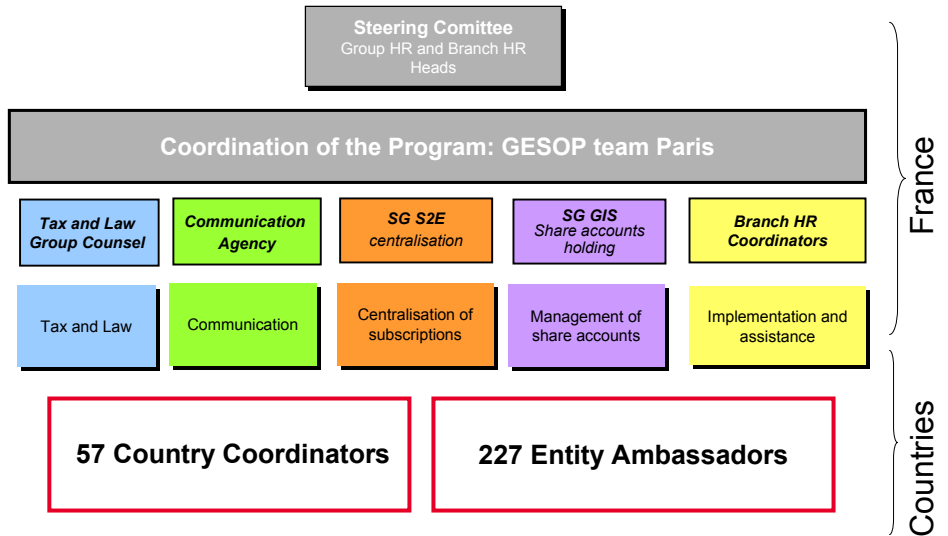




International – Spreads in subscription rates that remain very wide in 2006(2/2)

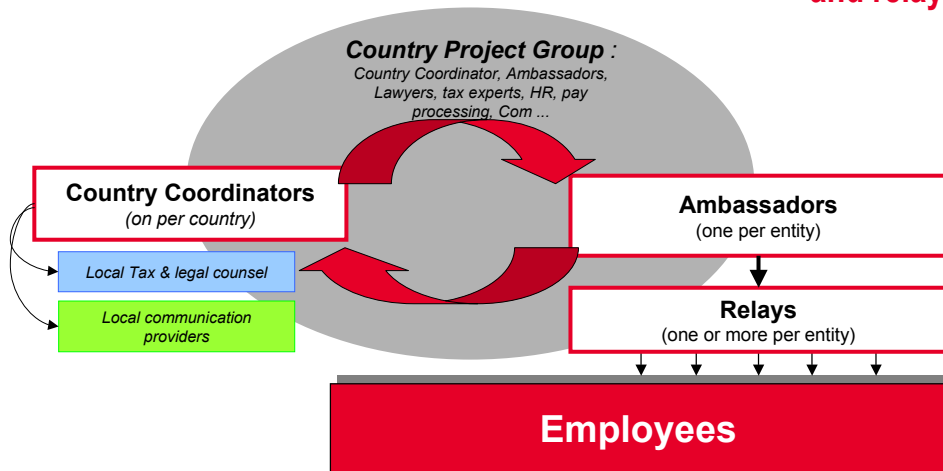


The actors of the GESOP in France and in participating countries



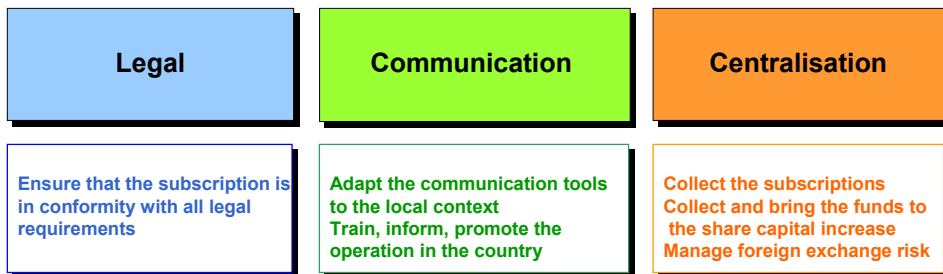


Organisation in each country : coordinator, ambassadors and relays



Preparing and implementing the 2007 operation

- Three main areas to be covered locally

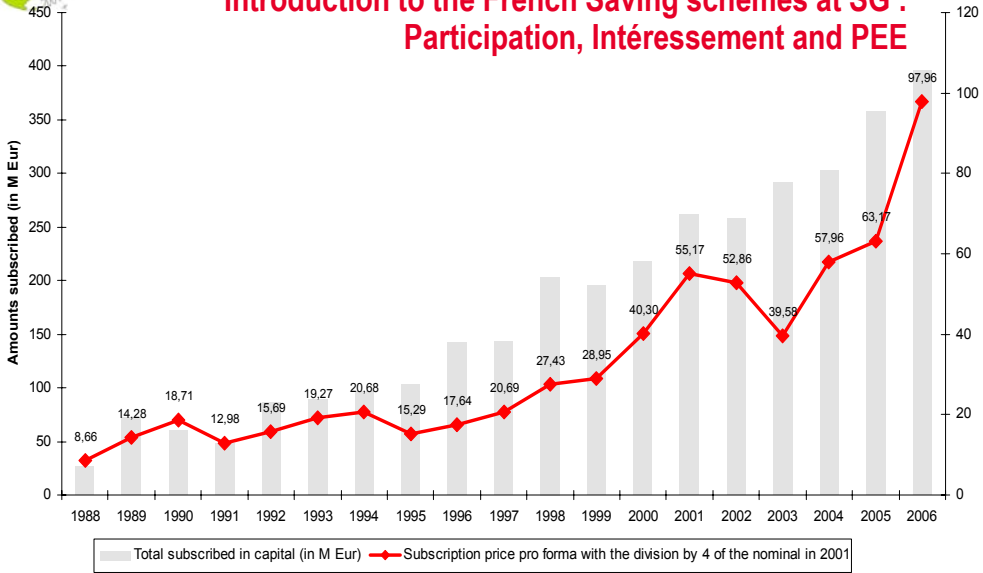


- A seamless coordination is essential :

- ✓ To prepare the local implementation with the Country Project Group
- ✓ To manage the timetable and meet the deadlines
- ✓ To inform and mobilise the local actors, then communicate to employees
- ✓ To share relevant information with the GESOP support teams in France



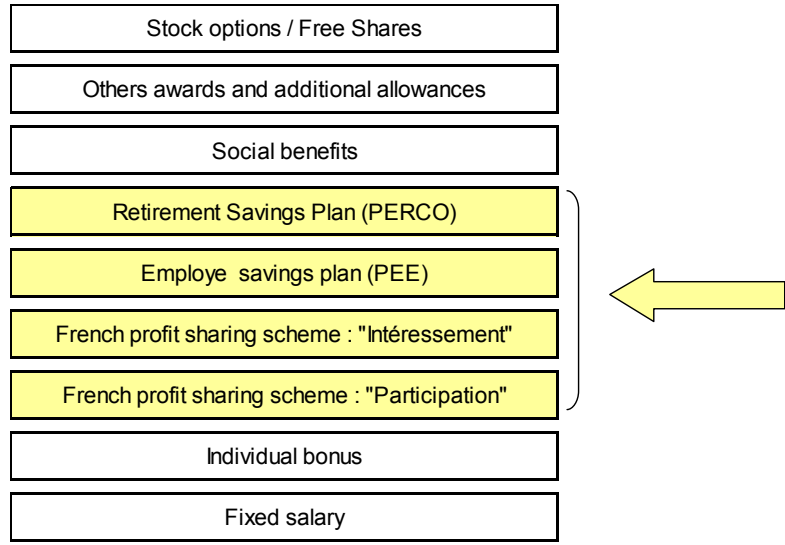
Introduction to the French Saving schemes at SG : Participation, Intéressement and PEE



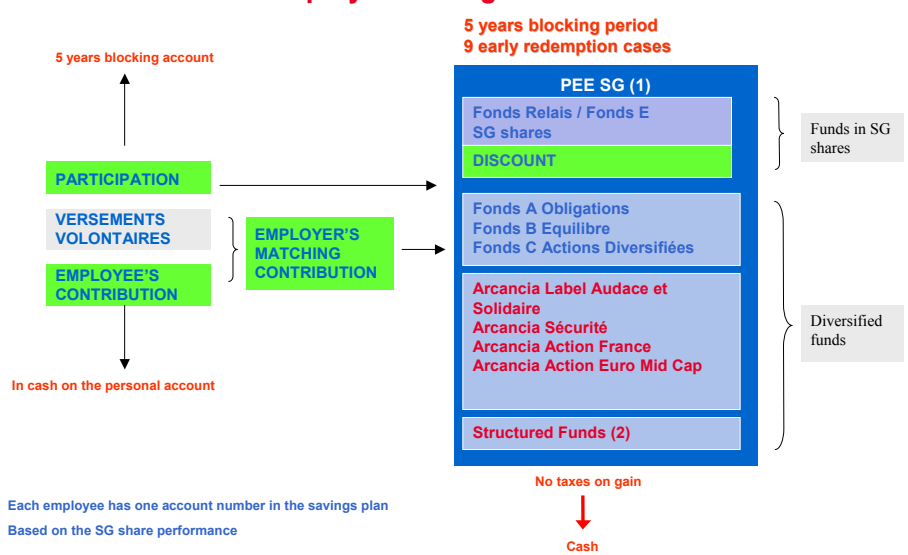
2. Introduction to the French Saving schemes at SG : Participation, Intéressement and PEE



Compensation and benefits : The different components



The French Employee Saving Plan at SG Paris



(1) Each employee has one account number in the savings plan
 (2) Based on the SG share performance



A few words on the French profit sharing schemes

« Intéressement » and « Participation » : 2 different French incentives

	Legal obligation	Minimum	Method of implementation	Validity agreement	Investment	Amounts Blocked	Employer's matching contribution	Amount in 2005 (1)
Participation	YES	Legal formula (special formula for SG : exemption for SG)	Negotiation with trade unions and signature of an agreement	3 years (SG rules)	- 5 years blocking account - Savings plan (PEE)	YES obligatory (5 years)	NO	409 (approx 15% of average monthly salary)
Intéressement	NO	None		3 years (legal rules)	Savings Plan (PEE)	YES if invested NO if taken as cash	YES (if invested)	1349 € (equal 1/2 fixed monthly salary)

Eligibility: 3 months seniority with SGPM

(1) Average amount paid in 2005 for the 2004 SG results



A few words on the French profit sharing schemes

A very attractive taxation in France for employees

	When you subscribe to the savings plan		when you leave the savings plan	
	Income tax	Social withholding	Income tax	Social withholding on capital gain
Participation	NO	CSG - CRDS, 8 %, on 97 % of the amount paid by the firm	NO	11% on capital gain (CSG-CRDS + others social withholding)
Intéressement (1)	NO		NO	
Employee's contribution	NO	-	NO	
Employer's matching contribution	NO	-	NO	
Discount	NO	-	NO	

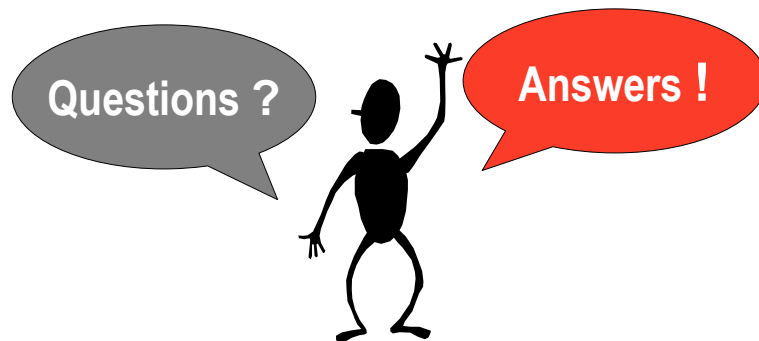
Those who subscribe hold shares. The dividends they receive are automatically re-invested into the fund: thus this is not considered as income and is not subject to income tax.

(1) Intéressement can be paid in cash - as such it is considered as an income and is subject to income tax.



A very attractive taxation in France for employers

- No employer charges on the participation, the “intéressement” and the employer’s matching contribution
- But social withholdings on the participation, the “intéressement” and the employer’s matching contribution



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