

OCTOBER 2012

DEPOSIT PLANS

SOCIETE GENERALE DEPOSIT PLANS DUE DILIGENCE REPORT

FOR FINANCIAL ADVISER USE ONLY



CONTENTS

- 3** AN INTRODUCTION TO DEPOSIT PLANS
- 4** ROLES & RESPONSIBILITIES
- 5** IN DEPTH: COUNTERPARTY RISK
- 6** CASH FLOWS
- 7** IN FOCUS: SG HAMBROS BANK LIMITED
- 8** THE SECURITY OF ASSETS
WITHIN SG HAMBROS BANK LIMITED
- 10** AT A GLANCE: SOCIETE GENERALE GROUP
- 11** LEGAL AND REGULATORY INFORMATION

AN INTRODUCTION TO SOCIETE GENERALE DEPOSIT PLANS

Societe Generale's new range of Deposit Plans utilises the local banking capabilities of SG Hambros Bank Limited, the UK subsidiary of Societe Generale. The aim of the range is to offer clients the opportunity to generate returns from a range of different underlying instruments in a variety of market conditions, all within a risk controlled environment.

What is a Deposit Plan?

A Deposit Plan allows investors to access the performance of an underlying asset such as an index, commodity or single stock in a risk controlled environment, where subject to the Deposit Taker, capital is returned at Maturity. The performance of the Plan is generally dependent on the chosen underlying asset fulfilling a specific objective. This may be to remain above a specific level each year, or simply to rise by the end of the Investment Term. Returns can be fixed, unlimited or leveraged depending on the chosen Deposit Plan. Deposit plans are usually open to investment for a limited time period and structured on the understanding that an investor's money will be held for the full Investment Term.

Why could a Deposit Plan be right for your clients?

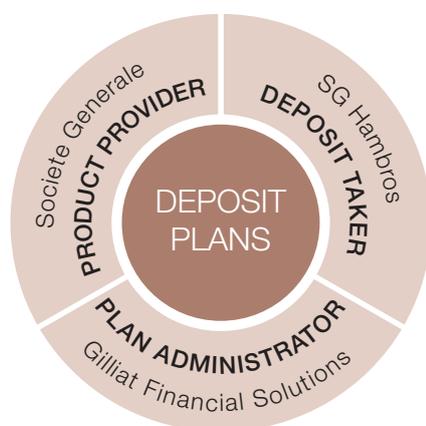
Savers are currently experiencing historically low interest rates set by the Bank of England. Furthermore, Inflation is eroding the real value of savings. Deposit Plans offer a solution for conservative investors who require the safety of cash assets but want the opportunity of a potentially higher level of return than is currently offered by a regular bank account. Deposits can offer returns similar to investing in equities, but with the protection of a traditional deposit account.

Who are the plans intended for?

Our target investors are likely to have a medium term investment view and a relatively conservative risk profile. They are looking for medium term growth in their portfolio and would place tax efficiency as an important consideration. They are prepared to forego interest payments in order to pursue potential for higher returns.



ROLES & RESPONSIBILITIES



Societe Generale Deposit Plans bring together the expertise of three established financial service providers in the UK; SG Hambros Bank Limited as the Deposit Taker, Societe Generale as the Product Provider and Gilliat Financial Solutions as the Plan Administrator.

QUESTION	DESCRIPTION
Who is SG Hambros Bank Limited?	SG Hambros Bank Limited (SG Hambros) was founded in 1839 and employs over 520 people in the UK. It is a subsidiary of Societe Generale Group, a leading financial services provider in 85 countries around the world. However, it is a separate UK entity, with an independent balance sheet. It is managed in the UK and authorized and regulated by the Financial Services Authority ('FSA'). Societe Generale Group has no recourse to assets held on deposit with SG Hambros Bank Limited. SG Hambros Bank Limited holds a UK banking license and is permitted by the FSA to take deposits from retail investors in the UK.
What do they do?	SG Hambros Bank Limited is the Deposit Taker. As the Deposit Taker, your client's money is deposited by the Trustee into an account with SG Hambros Bank Limited for the duration of the investment. This means that repayment of your client's initial deposit is dependent on the ability of SG Hambros Bank Limited to fulfil its financial obligations. A beneficial owner of a deposit with SG Hambros Bank Limited is likely to be eligible for the protections of the Financial Services Compensation Scheme (FSCS). For more information about the cover offered by the FSCS, see page 11.
Who is Gilliat Financial Solutions?	Gilliat Financial Solutions ("Gilliat") is a trading name of Arbuthnot Latham & Co., Limited ("Arbuthnot Latham") who are authorised and regulated by the Financial Services Authority, number 143336. Gilliat is an independent specialist in the design and distribution of structured products and structured deposits. As part of the Arbuthnot Banking Group, Gilliat has the strength, support and stability of an established financial services company. The Arbuthnot name has been synonymous with banking in the City of London since 1833 when John Alves Arbuthnot founded Arbuthnot Latham & Co.
What do they do?	Gilliat is the Plan Administrator whose role is to collect your client's deposit, transfer it to the Trustee account with the Deposit Taker and hold the money on trust with the Deposit Taker. A deposit in the Plan would be a contractual agreement with Gilliat to deposit your client's money in the Trustee account, and to hold the money on trust on your client's behalf with the Deposit Taker. Gilliat is also the distributor. As such, they are responsible for promoting the Plans.
Who is Societe Generale?	Societe Generale is a French credit institution (bank) authorized by the Autorité de Contrôle Prudentiel (the French Prudential Control Authority). Societe Generale is also authorized and subject to limited regulation by the Financial Services Authority in the UK with FSA registration no. 124866. Details of the extent of the regulation of Societe Generale by the Financial Services Authority are available from us on request. Societe Generale's Corporate & Investment Banking arm (SG CIB) is one of the key pillars of the Societe Generale Group, employing over 12,000 people in 30 countries*. With extensive internal resources and unparalleled expertise, SG CIB has been a global leader in equity derivatives since 1989.
What do they do?	Through SG CIB, Societe Generale is the Product Provider whose role is to design the Deposit Plans as well as take responsibility for the Financial Promotions relating to the Plans. Societe Generale will also provide the Linked Transaction to SG Hambros Bank Limited, which is designed to provide the performance of the Plans.

*Source Societe Generale. As of September 2012.

IN DEPTH: COUNTERPARTY RISK

SG Hambros Bank Limited

The Deposit Taker is SG Hambros Bank Limited (SG Hambros). This means that a client receiving their initial deposit and any return owed to them on the Plan Maturity Date is dependent on SG Hambros paying back the amounts due under its obligations on the Plan. This is called Counterparty Risk or Credit Risk.

Barclays

Before the Plan Start Date, your client's money will be transferred by the Plan Administrator to a segregated client money account held by the Plan Administrator with Barclays plc until the Plan Start Date. If Barclays were to become insolvent during this period, your client's initial deposit might be lost. In this instance your client may be able to seek compensation from the FSCS. See below for more information regarding compensation arrangements.

Societe Generale

In order to provide the performance of the Plan, the Deposit Taker will enter into a linked transaction with Societe Generale. In the case of an 'Extraordinary Event' for example, whereby Societe Generale were to become insolvent, and the Deposit Taker was unable to match the terms of the linked transaction with another provider, the Deposit Taker may not be able to maintain the potential return. Your client's Counterparty Risk with Societe Generale relates only to the terms of the return which can be offered by the Plan. The solvency of Societe Generale has no affect on your client's actual deposit.

Are there any compensation arrangements in place?

If the Deposit Taker is unable to meet its financial obligation to return client's money to the Plan Administrator on the Plan Maturity Date (i.e. goes bankrupt or similar), your client may be able to seek compensation from the FSCS.

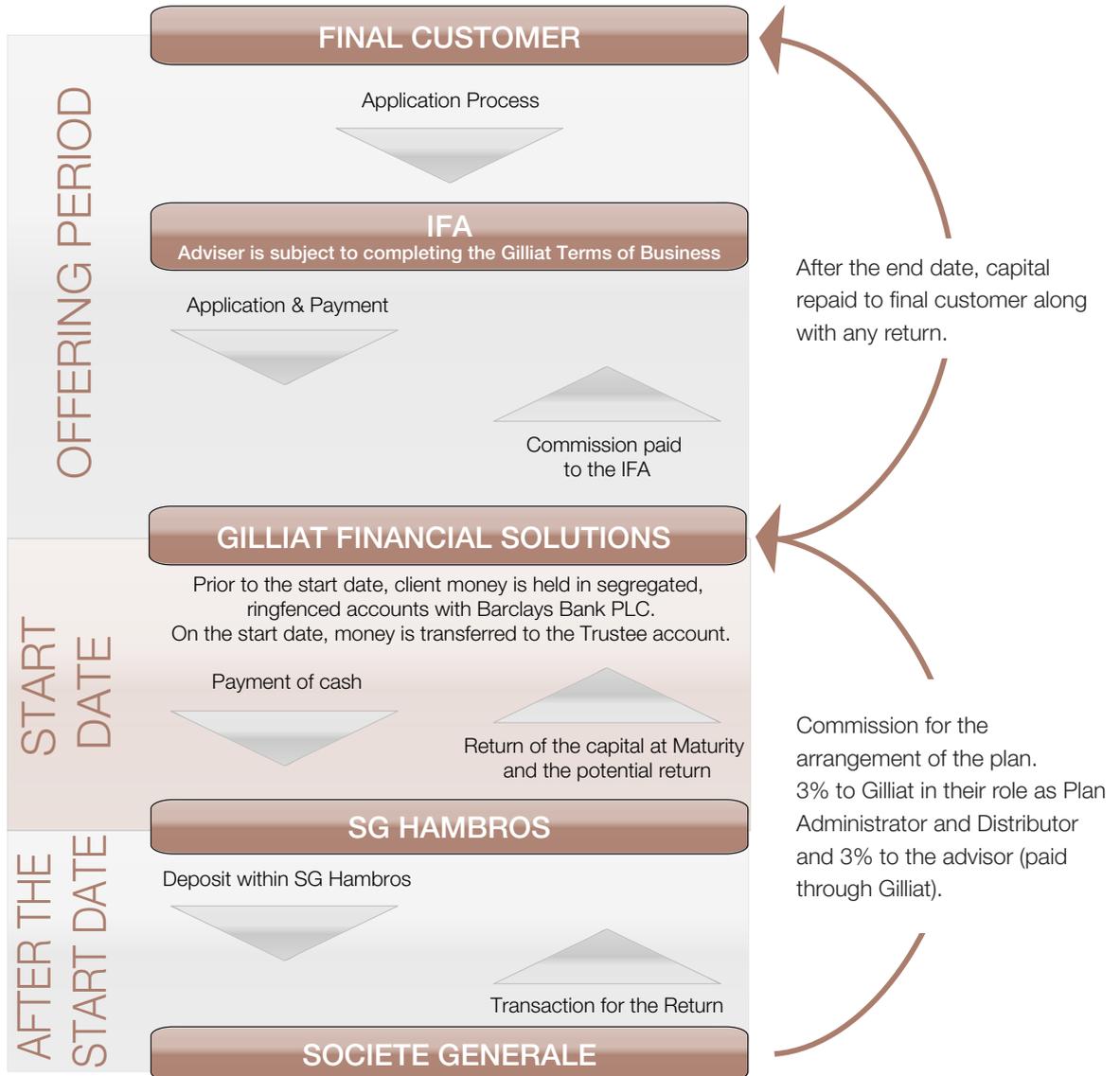
SG Hambros is covered by the FSCS. The FSCS can pay compensation to depositors, and to the beneficiaries of trusts held by depositors which are trustees, if a bank is unable to meet its financial obligations. Most individuals (including a trust beneficiary) and small businesses are likely to be covered by the FSCS.

In respect of deposits, an eligible depositor (including a trust beneficiary) is entitled to claim up to £85,000. For joint accounts each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £85,000 each (making a total of £170,000). The £85,000 limit applies to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

The FSCS is mainly in place for individuals and small companies to seek compensation. There are specific eligibility restrictions for other customers. For further information about the scheme (including the amounts covered and eligibility to claim) refer to the FSCS website, www.FSCS.org.uk, or call 0800 678 1100.



CASH FLOWS



IN FOCUS: SG HAMBROS BANK LIMITED

The history of SG Hambros

SG Hambros is part of Societe Generale Private Banking, the private banking arm of Societe Generale. It employs over 520 people in the UK (London, Cambridge, Lymington, Yorkshire and Edinburgh), Jersey, Guernsey and Gibraltar.

Hambros Bank was founded in London in 1839.

- Societe Generale was founded in France in 1864 and has been in the UK since 1871. It is one of the leading financial services groups in the Eurozone.
- Hambros Bank joined the Societe Generale Group in February 1998.

How do SG Hambros operate?

- SG Hambros operates an independent balance sheet, with a locally managed and prudently defined investment policy
- SG Hambros is regulated by the FSA, with local oversight from the regulators in the Channel Islands and Gibraltar
- All exposures to any third party entity (including Societe Generale) are each subject to a maximum limit of 25% of the SG Hambros capital base, as per FSA regulations
- SG Hambros have a conservative loan to deposit ratio of 42% as at December 2011

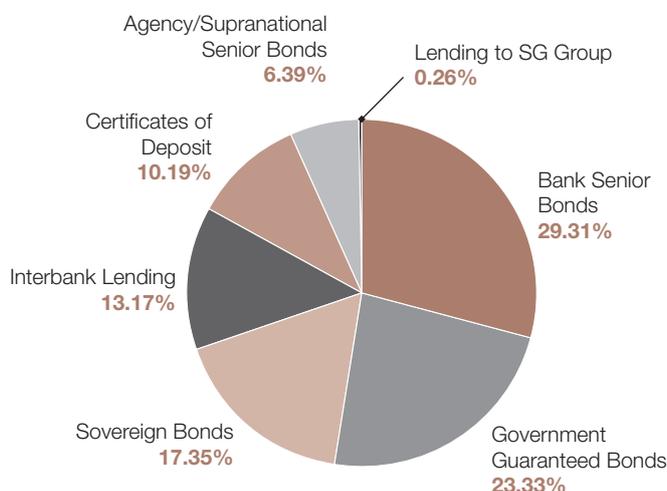
Liquidity is maintained by careful management of the maturity profile and ensuring that the majority of investments are made in securities that are highly liquid.

How do SG Hambros manage the bank's assets?*

The Bank's investment book is constructed of Fixed Income and Money Market investments, which are managed independently by SG Hambros. The investments are made using selective and diverse counterparties and issuers with a view to managing the credit, interest rate, foreign exchange and liquidity risks of the SG Hambros Group entities. The counterparties and issuers with whom the Bank deposits and invests are pre-defined by the Bank's Asset and Liability Committee, with specialist input from Societe Generale credit risk analysts. As mentioned above, SG Hambros also invest within the defined guidelines of their regulators, which enforce diversification and restrict lending to Societe Generale. As indicated below, due to regulatory requirements and their policy of investment diversification, all of SG Hambros investments are managed locally, with minimal amounts of upward lending to Societe Generale. In fact, loans to Societe Generale account for less than 1% of SG Hambros' Investment Portfolio. The FSA's "Large Exposure" regulation, to which they adhere, obliges SG Hambros to limit their exposure to third parties, including Societe Generale, to a maximum of 25% of the Bank's capital. Currently SG Hambros operates well below this limit for reasons of investment diversification and maintain this as their policy for ongoing investment across our jurisdictions.

SG Hambros investments are diversified to mitigate, inter alia, credit and market risks.

Break down of investments



*Source: SG Hambros as at December 31st, 2011

*Source: SG Hambros as at December 31st, 2011

THE SECURITY OF ASSETS WITHIN SOCIETE GENERALE PRIVATE BANKING HAMBROS

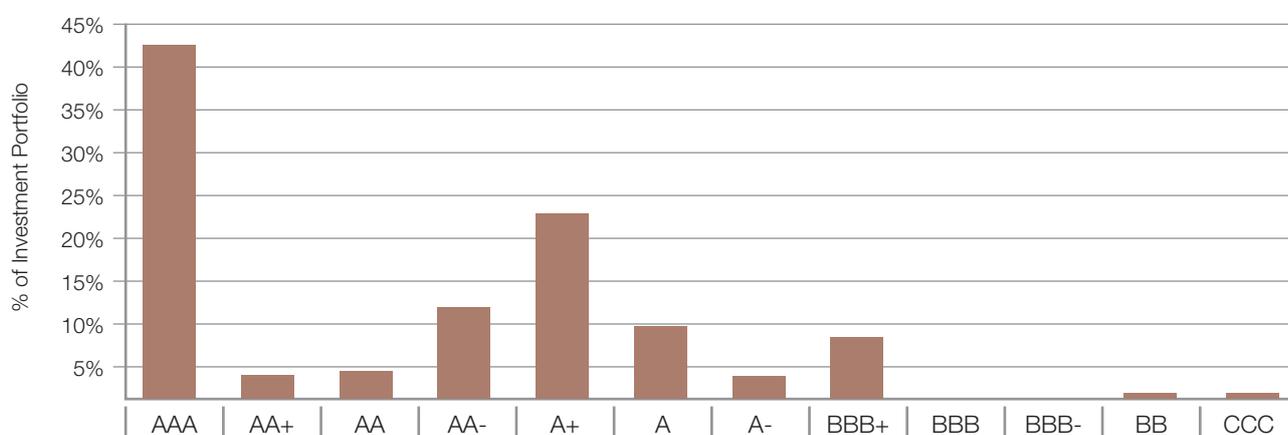
Credit Rating Profile

SG Hambros Bank Limited is not a rated entity. However, we can look at their investment policy and the parent company Societe Generale in order to make an assessment of the credit rating profile.

The investment policy of SG Hambros Bank Limited is defined and monitored by their Asset and Liability Committee. The main themes of the policy are diversification and minimal credit risk. The result is that over 25% of the investment portfolio is rated 'AAA' grade, with less than 5% rated below

'A' grade, as of the 30th September, 2012. The portfolio is monitored closely by the Treasury and Risk Management teams, in particular the lower rated investments or those with a negative or deteriorating outlook.

Over 95% of the SG Hambros Investment Portfolio is rated A and above.



Source: Standard & Poor's at 31 December 2011

GIIPS Exposure as at December 31st, 2011

SG Hambros has proactively managed its exposure to Eurozone risks. The result is that less than 4% of the portfolio is exposed to the countries considered to be at higher risk, such as Greece, Ireland, Italy, Portugal and Spain (GIIPS). These are investments made in Senior Debt, which ensure priority repayment in the event of liquidation of our counterparts and made prior to the crisis, and are gradually maturing. The Treasury and Risk Management teams of SG Hambros monitor these positions closely to ensure that the Bank is not excessively exposed to the potential risks.

A breakdown of our investments in the GIIPS are shown below, with all figures presented as a percentage of the entire Investment Portfolio.

COUNTRY	SOVEREIGN**	BANKS	TOTAL
GREECE	0%	0%	0%
IRELAND	0%	0.8%	0.8%
ITALY	0%	1.5%	1.5%
PORTUGAL	0%	0%	0%
SPAIN	0.8%	0.7%	1.5%
			3.8%

**Includes direct and indirect sovereign exposures

Source: SG Hambros as at December 31st, 2011

Less than 4% of the SG Hambros Investment portfolio is exposed to the "GIIPS" countries.

The custody of the securities

SG Hambros acts as custodian for client portfolios and uses other financial institutions to hold non-cash client assets, such as equities and bonds. This is in accordance with standard market practice. Investments held with other financial institutions are clearly segregated from SG Hambros' own assets and do not form part of SG Hambros' financial statements. As such, in the unlikely event of SG Hambros experiencing financial difficulties, clients' non-cash assets will not be available to satisfy any general claims by SG Hambros' non-client creditors.

SG Hambros is required by the Financial Services Authority (UK), the Jersey Financial Services Commission, the Guernsey Financial Services Commission and the Financial Services Commission (Gibraltar) to risk assess any sub-custodian it uses and periodically to re-assess such other financial institutions. SG Hambros only uses financial institutions who segregate client assets in their books and records. Due diligence (including daily reconciliations) is performed regularly on all other financial institutions appointed by SG Hambros in accordance with the regulatory guidelines.

SG Hambros takes the security of client's assets very seriously. They ensure that all key decisions are taken for the long term benefit of their clients. With a prudently managed independent balance sheet, conservative investment book and a criteria for selecting custodians your client can feel assured that SG Hambros have your client's best interests in mind.

Due diligence is carried out on all sub-custodians. Client assets are clearly segregated from proprietary assets of SG Hambros



AT A GLANCE: SOCIETE GENERALE GROUP

SG Group – The Parent Company of SG Hambros

SG Hambros Bank Limited is not a rated entity. However, we can look at their investment policy and the parent company Societe Generale in order to make an assessment of the credit rating profile.

A leading player in financial services in France, Europe and around the world, Societe Generale Group ('Societe Generale') has 30 million customers in 85 countries. It has a sound financial structure and a credit rating of A with a stable outlook from Standard and Poor's as of September 2012. Societe Generale achieved a net income of € 2.4 billion in 2011. The bank's long-term financing programme is 100% complete as of September 2011, despite the recent market conditions. Furthermore, Societe Generale has a very low level of exposure to the euro zone countries at risk, including Greece, Ireland, Italy, Portugal and Spain (GIIPS). The Bank's robust business model mitigates the impact of the current turbulent environment.

Resilient model and financial results

Societe Generale's universal banking model is a key element in the strength of the Group. The Group has recorded resilient financial revenues over the past years and remained profitable throughout the financial crisis of 2008. For H1 2012 the Group Net Income was EUR 2.0bn.

Strong achievement in one year

Core Tier 1 Capital raised to 9.9% as of end June 2012 which is consistent with Societe Generale's 2013 Basel 3 objective.

Tangible progress in transforming the Group

There is a very low net GIIPS sovereign exposure with EUR 2.1bn in the banking book and EUR 0.7bn in the trading book. The SG Group has recently undertaken sizeable asset disposals (EUR 19bn in 2011 and EUR 6.4bn in Q1 2012) at limited cost. SG has a sound balance sheet and diversified sources of funding.

Ratings Scales

S&P	MOODY'S	FITCH	
AAA	Aaa	AAA	INVESTMENT GRADE
AA+	Aa1	AA+	
AA	Aa2	AA	
AA-	Aa3	AA-	
A+	A1	A+	
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	NON-INVESTMENT GRADE
BB+	Ba1	BB+	
BB	Ba2	BB	
BB-	Ba3	BB-	
B+	B1	B+	
B	B2	B	
B-	B3	B-	
CCC	Caa1	C	
R	Caa2	D	
	Caa3	NR	
	Ca		
	C		

Long Term Credit Ratings of Societe Generale Vs Peers

NAME	S&P	PERSPECTIVE	NAME	MOODY'S	PERSPECTIVE	NAME	FITCH	PERSPECTIVE
HSBC HOLDINGS PLC	A+	Negative	HSBC HOLDINGS PLC	Aa3	Negative	HSBC HOLDINGS PLC	AA	Negative
DEUTSCHE BANK AG	A+	Negative	CREDIT SUISSE AG	A1	Stable	JPM CHASE & CO	A+	Negative
CREDIT SUISSE AG	A+	Negative	SOCIETE GENERALE	A2	Stable	CREDIT AGRICOLE S.A.	A+	Stable
SOCIETE GENERALE	A	Negative	DEUTSCHE BANK AG	A2	Stable	DEUTSCHE BANK AG	A+	Stable
CREDIT AGRICOLE S.A.	A	Negative	BNP PARIBAS	A2	Stable	BNP PARIBAS	A+	Stable
BARCLAYS PLC	A	Stable	UBS AG	A2	Stable	SOCIETE GENERALE	A+	Negative
UBS AG	A	Stable	JPM CHASE & CO	A2	Negative	LLOYDS PLC	A	Stable
JPM CHASE & CO	A	Negative	CREDIT AGRICOLE S.A.	A2	Negative	GS GROUP INC	A	Stable
BNP PARIBAS	A-	Negative	GS GROUP INC.	A3	Negative	CITIGROUP INC.	A	Stable
RBS GROUP PLC	A-	Stable	BARCLAYS PLC	A3	Negative	BOA CORP INC	A	Stable
LLOYDS PLC	A-	Stable	LLOYDS PLC	A3	Negative	CREDIT SUISSE AG	A	Stable
CITIGROUP INC.	A-	Negative	RBS GROUP PLC	Baa1	Negative	BARCLAYS PLC	A	Stable
GS GROUP INC.	A-	Negative	MORGAN STANLEY	Baa1	Negative	UBS AG	A	Stable
BOA CORP	A-	Negative	CITIGROUP INC.	Baa2	Negative	RBS GROUP PLC	A	Stable
MORGAN STANLEY	A-	Negative	BOA CORP	Baa2	Negative	MORGAN STANLEY	A	Stable
INVESTEC PLC	Not Rated	Not Rated	INVESTEC PLC	Ba1	Negative	INVESTEC PLC	Not Rated	Not Rated

Source: Societe Generale, October 17th, 2012.

LEGAL AND REGULATORY INFORMATION

This material is issued by Societe Generale

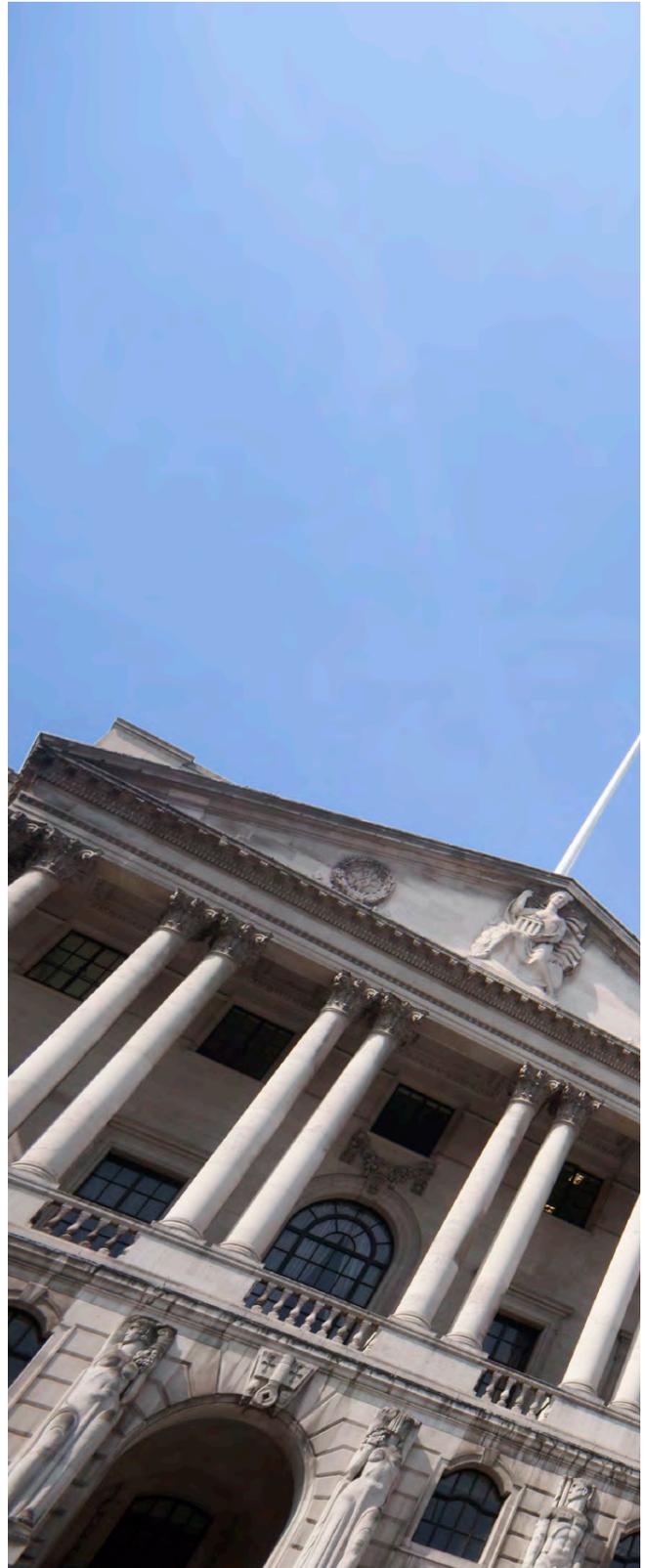
SG Hambros Bank Limited ('SG Hambros') is authorised and regulated by the UK Financial Services Authority. SG Hambros is registered in England and Wales under number 964058. The company's registered office and principal place of business is at 31 St James's Square, London SW1Y 4JR.

SG Hambros is covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors - including most individuals and small businesses - are covered by the scheme. For further information about the scheme (including the amounts covered and eligibility to claim) please refer to the FSCS website www.FSCS.org.uk or call the FSCS on 0800 678 1100.

This document is issued and approved in the UK by the London Branch of Societe Generale. Societe Generale is a French credit institution (bank) authorised by the Autorité de Contrôle Prudentiel (the French Prudential Control Authority). Societe Generale is also authorised and subject to limited regulation by the Financial Services Authority in the UK with FSA registration number 124866. Details of the extent of our regulation by the Financial Services Authority are available from us on request.

Although information contained herein is from sources believed to be reliable, Societe Generale makes no representation or warranty regarding the accuracy of any information. Any reproduction, disclosure or dissemination of these materials is prohibited.

© Copyright the Societe Generale Group 2012. All rights reserved.



SOCIETE GENERALE LISTED PRODUCTS

Call: 0800 328 1199

Website: www.sglistedproducts.co.uk

