

# **REGISTRATION DOCUMENT**

of

## **Société Générale Acceptance N.V.**

Curaçao, Netherlands Antilles

(Issuer)

dated

**June 04, 2008**

## TABLE OF CONTENTS

I.	RISK FACTORS RELATING TO THE ISSUER .....	3
1.	Factors that may affect the Issuers' ability to fulfill its obligations under the securities .....	3
2.	Risks associated with the lack of independence of the Issuer .....	3
3.	Conflicts of interest .....	3
4.	Hedging and trading activity by the Issuer and its affiliates could potentially affect the value of the securities .....	4
II.	RESPONSIBILITY FOR THE INFORMATION IN THE REGISTRATION DOCUMENT .....	5
III.	STATUTORY AUDITORS AND SELECTED FINANCIAL INFORMATION .....	6
1.	Auditor .....	6
2.	Selected Financial Information .....	7
IV.	INFORMATION ON THE ISSUER .....	9
1.	History and Development.....	9
2.	Business Overview .....	9
3.	Organizational Structure and Material Contracts.....	10
4.	Trend Information .....	10
5.	Administrative, Management and Supervisory Bodies.....	10
6.	Financial Information concerning the Issues's assets and liabilities, Financial Position and Profits and Losses.....	11
a)	Historical Financial Information for Fiscal Year 2006 .....	11
b)	Historical Financial Information for Fiscal Year 2007 .....	17
c)	Financial Statements .....	21
d)	Interim Financial Information .....	21
e)	Legal or Arbitration Proceedings .....	21
f)	Significant Change in the Issuer's financial or trading position.....	21
7.	Additional Information.....	22
a)	Share Capital .....	22
b)	Articles of Association .....	22
8.	Documents Available for Inspection.....	22
V.	<u>EXHIBIT I:</u> Report of the Independent Auditors on the Annual Financial Statements and the Financial Statements as at December 31, 2006 .....	23
VI.	<u>EXHIBIT II:</u> Report of the Independent Auditors on the Annual Financial Statements and the Financial Statements as at December 31, 2007 .....	42
	Signature Page.....	62

## **I. RISK FACTORS RELATING TO THE ISSUER**

*The Issuer believes that the following factors may affect its ability to fulfill its obligations arising from the securities to be issued. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

### **1. Factors that may affect the Issuers' ability to fulfill its obligations under the securities**

#### *Creditworthiness of the Issuer*

The securities to be issued by the Issuer constitute general and unsecured contractual obligations of the Issuer and of no other person, which will rank equally (*pari passu*) with all other unsecured contractual obligations of the Issuer and behind preferred liabilities, including those mandatorily preferred by law. The Issuer issues a large number of financial instruments on a global basis and, at any given time, the amount of financial instruments outstanding may be substantial. When purchasing the securities to be issued, an investor is relying upon the creditworthiness of the Issuer and no other person. Where the securities relate to other securities, an investor has no rights against the company that has issued such securities, and where the securities relate to an index, an investor has no rights against the sponsor of such index and where the securities relate to a fund, an investor has no rights against the manager of such fund. Further, an investment in the securities is not a direct investment in the underlying assets and investors in the securities will have no rights in relation to voting rights or other entitlements (including any dividend or other distributions).

### **2. Risks associated with the lack of independence of the Issuer**

Société Générale S.A. will act as provider of hedging instruments to the Issuer. As a result from the lack of independence of the Issuer of Société Générale S.A., investors will be exposed to operational risks in assuming its duties and obligations as the provider of the hedging instruments.

### **3. Conflicts of interest**

The Issuer provides a full array of capital market products and advisory services worldwide including the issuance of "structured" Notes where interest and/or principal is linked to the performance of underlying assets. The Issuer may possess or acquire material information about the underlying assets. Such activities and information may cause consequences adverse to the interests of the Noteholders. Such actions and conflicts may include, without limitation,

the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer has no obligation to disclose such information about the underlying assets or the companies to which they relate. The Issuer may engage in any such activities without regard to the Certificates or the effect that such activities may directly or indirectly have on any Note.

**4. Hedging and trading activity by the Issuer and its affiliates could potentially affect the value of the securities**

In the ordinary course of its business, whether or not it will engage in any secondary market making activities, the Issuer may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Asset(s) or related derivatives. In addition, in connection with the offering of the securities, the Issuer enters into one or more hedging transactions with respect to the Reference Asset(s) or related derivatives. In connection with such hedging or any market-making activities or with respect to proprietary or other trading activities by the Issuer it may enter into transactions in the reference asset(s) or related derivatives which may affect the market price, liquidity or value of the Certificates and which could be deemed to be adverse to the interests of the relevant Noteholders.

The above situations may result in consequences which may be adverse to a potential investment in the Notes to be issued. The Issuer assumes no responsibility whatsoever for such consequences and their impact on any investment.

## **II. RESPONSIBILITY FOR THE INFORMATION IN THE REGISTRATION DOCUMENT**

Société Générale Acceptance N.V., Curaçao, Netherlands Antilles, as the Issuer, and Société Générale S.A., Paris, France, assume responsibility for the information given in this registration document.

They also declare that to the best of their knowledge the information contained in this Registration Document is accurate and no material circumstances have been omitted.

### **III. STATUTORY AUDITORS AND SELECTED FINANCIAL INFORMATION**

#### **1. Auditor**

The annual financial statements of Société Générale Acceptance N.V., Curaçao, Netherlands Antilles for the financial years 2006 and 2007 have been audited by Ernst & Young et Autres (represented by Isabelle Santenac), 41, rue Ybry, 92576 Neuilly-sur-Seine cedex (France), and an unqualified audit opinion was issued thereon.

Ernst & Young et Autres is a member of the "Compagnie des Commissaires aux Comptes de Versailles".

## 2. Selected Financial Information

The respective Balance Sheet for the last two fiscal years 2007 and 2006 is detailed below.

### SGA Societe Generale Acceptance NV BALANCE SHEET

(in K USD)

		IFRS	
		December 31, 2007	December 31, 2006
<b>ASSETS</b>			
Financial assets measured at fair value through profit and loss	Note 1	175.635.400	146.177.191
Due from banks	Note 2	5.469.725	1.102.526
Other assets	Note 3	5.161.194	1.737.171
<b>Total</b>		<b>186.266.319</b>	<b>149.016.888</b>

		IFRS	
		December 31, 2007	December 31, 2006
<b>LIABILITIES</b>			
Financial liabilities measured at fair value through profit and loss	Note 1	175.638.432	146.177.226
Due to banks	Note 2	851.956	66
Securitized debt payables	Note 2	4.614.187	1.102.080
Other liabilities	Note 3	5.160.309	1.736.081
<b>Total</b>		<b>186.264.884</b>	<b>149.015.453</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common stock	Note 9	560	560
Retained profit		875	875
<b>Total equity</b>		<b>1.435</b>	<b>1.435</b>
<b>TOTAL LIABILITIES</b>		<b>186.266.319</b>	<b>149.016.888</b>

**SGA Societe Generale Acceptance NV**  
**BALANCE SHEET**

(in K USD)

		IFRS	
ASSETS		December 31, 2006	December 31, 2005
Financial assets measured at fair value through profit and loss	Note 1	146.177.191	86.890.106
Due from banks	Note 2	1.102.526	603.574
Other assets	Note 3	1.737.171	2.093.331
<b>Total</b>		<b>149.016.888</b>	<b>89.587.011</b>

		IFRS	
LIABILITIES		December 31, 2006	December 31, 2005
Financial liabilities measured at fair value through profit and loss	Note 1	146.177.226	86.898.314
Due to banks	Note 2	66	357
Securitized debt payables	Note 2	1.102.080	589.850
Other liabilities	Note 3	1.736.081	2.097.055
<b>Total</b>		<b>149.015.453</b>	<b>89.585.576</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>Note 9</b>		
Common stock		560	560
Retained profit		875	875
<b>Total equity</b>		<b>1.435</b>	<b>1.435</b>
<b>TOTAL LIABILITIES</b>		<b>149.016.888</b>	<b>89.587.011</b>



## **IV. INFORMATION ON THE ISSUER**

### **1. History and Development**

SGA Société Générale Acceptance N.V. (hereinafter also referred to as the "Issuer" or "SGA") was incorporated on October 07, 1986 for an unlimited duration as a limited liability company under the laws of the Netherlands Antilles. SGA's head office is located at Landhuis Joonchi, Kaya Richard J. Beaujon z/n Curaçao, Netherlands Antilles.

SGA is registered in the commercial Register of the Chamber of Commerce and Industry at Curaçao, Netherlands Antilles under no. 45500.

The financial year of SGA runs from January 1 to December 31. SGA's legal and commercial name is "SGA Société Générale Acceptance N.V."

The business address and telephone number of the Issuer are:

SGA Société Générale Acceptance N.V.  
Landhuis Joonchi,  
Kaya Richard J. Beaujon z/n Curaçao,  
Netherlands Antilles  
tel.: +5 99 736 62 77

### **2. Business Overview**

The purpose and the object of SGA pursuant to its Deed of Incorporation (Art. 2 "Object") are to invest its funds in securities, such as shares and other certificates of participation, and bonds and in other interest-bearing debentures under whatever name and in whatever form, to borrow money and to issue certificates of indebtedness therefore, as well as to lend money within the group to which SGA belongs and to provide security in any form on behalf of third parties.

Securities issued by SGA are listed in Paris, Luxembourg, Frankfurt, Stuttgart, Düsseldorf, London, Amsterdam, Brussels, Stockholm and Zurich.

The parent company Société Générale bears the risk linked to the issuance of structured products by subscribing the entire issuance.

To the best of its knowledge and belief, SGA complies with the corporate governance regime of the Netherlands Antilles.

### **3. Organizational Structure and Material Contracts**

The Issuer is a 100 per cent owned subsidiary of Société Générale S.A., Paris, and is a fully consolidated company. The Société Générale Group is one of the largest banking groups in the world. The Société Générale Group conducts all major banking business, such as retail banking, corporate banking, capital market business and leasing. The shares of Société Générale S.A., the parent company of the Group, are listed on the Paris Stock Exchange.

SGA has no subsidiaries. It is a finance company whose main business is raising debt to be on-lent to Société Générale and other members of the Group.

The following two service level agreements are in place that allow the Issuer to use the resources of Société Générale S.A., Paris:

- (1) Management agreement, under which Société Générale is paid by SGA for the resources made available to SGA (benefits administrative, accounting, legal and tax) and
- (2) Financial Services agreement, under which SGA is paid by Société Générale for the financial services industry that it makes. Within this framework, Société Générale reimburses SGA of the total fixed costs of operation (the auditors, insurance, personnel, and so on). In addition management fees incurred by SGA under the issuing activity shall be fully covered by the convention.

The consolidated financial statements prepared by the parent company can be inspected at Société Générale S.A., Frankfurt branch, Frankfurt am Main.

### **4. Trend Information**

Since the date of the last published audited financial statements on December 31, 2007, there has been no material adverse change in the Issuer's business prospects.

### **5. Administrative, Management and Supervisory Bodies**

Pursuant to its Deed of Incorporation, SGA is managed by a management board consisting of one or more managing directors under the supervision of a board of supervisory directors consisting of one or more supervisory directors.

The members of the management board are United International Trust N.V. - (the statutory directors of which are Gregory E. Elias and Robertus J.G.A. Bremer) - Christophe Leblanc and Stéphane Landon.

The members of the supervisory board are Bruno Dejoux and Alain Bozzi. Christophe Leblanc and Stéphane Landon currently hold full-time management positions at Société Générale. Gregory E. Elias and Robertus J.G.A. Bremer currently hold the respective positions of Managing Director - Chairman and Managing Director of United International Trust N.V.

The business address of Christophe Leblanc and Stéphane Landon is Société Générale, Tour Société Générale, 92987 Paris-La Défense Cédex. The business address for all other directors of SGA, including the directors of United International Trust N.V., is that of the head office of SGA stated above.

There are no potential conflicts of interest between any duties owed to SGA by the members of the management board and the supervisory board and their private interests and/or other duties.

## **6. Financial Information concerning the Issues's assets and liabilities, Financial Position and Profits and Losses**

The following pages comprise some Financial Information on the Issuer's assets and liabilities, financial position and profits and losses.

Unless explicitly stated otherwise, the financial information given in the following is stated in US-Dollar ("USD"). The words "in K USD" shall mean "in a thousand USD".

### **a) Historical Financial Information for Fiscal Year 2006**

The following table shows the balance sheet items (audited) for fiscal year 2006 as of December 31, 2006:

**SGA Societe Generale Acceptance NV**  
**BALANCE SHEET**

(in K USD)

		IFRS	
		December 31, 2006	December 31, 2005
<b>ASSETS</b>			
Financial assets measured at fair value through profit and loss	Note 1	146.177.191	86.890.106
Due from banks	Note 2	1.102.526	603.574
Other assets	Note 3	1.737.171	2.093.331
<b>Total</b>		<b>149.016.888</b>	<b>89.587.011</b>

		IFRS	
		December 31, 2006	December 31, 2005
<b>LIABILITIES</b>			
Financial liabilities measured at fair value through profit and loss	Note 1	146.177.226	86.898.314
Due to banks	Note 2	66	357
Securitized debt payables	Note 2	1.102.080	589.850
Other liabilities	Note 3	1.736.081	2.097.055
<b>Total</b>		<b>149.015.453</b>	<b>89.585.576</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common stock	Note 9	560	560
Retained profit		875	875
<b>Total equity</b>		<b>1.435</b>	<b>1.435</b>
<b>TOTAL LIABILITIES</b>		<b>149.016.888</b>	<b>89.587.011</b>

The following table compares the profit and loss accounts (audited) for the fiscal years 2005 and 2006:

### SGA Societe Generale Acceptance NV INCOME STATEMENT

(in K USD)

		IFRS	
		December 31, 2006	December 31, 2005
Margin of interest	Note 6	(175)	(82)
Dividend income		-	-
Dividends paid on preferred shares		-	-
Commissions (income)		-	-
Commissions (expenses)		-	-
Net gains or losses on financial transactions		(12)	61
<i>o/w net gains or losses on financial instruments at fair value through profit and loss</i>	Note 7	(12)	61
<i>o/w net gains or losses on available-for-sale financial assets</i>		-	-
Income from other activities		-	-
Expenses from other activities		-	(40)
<b>Net banking income</b>		<b>(187)</b>	<b>(61)</b>
Other operating expenses	Note 8	187	61
Amortization, depreciation and impairment of tangible and intangible fixed assets		-	-
<b>Gross operating income</b>		<b>0</b>	<b>0</b>
Cost of risk		-	-
<b>Operating income</b>		<b>0</b>	<b>0</b>
Net income from companies accounted for by the equity method		-	-
Net income/expense from other assets		-	-
Impairment losses on goodwill		-	-
<b>Earnings before tax</b>		<b>0</b>	<b>0</b>
Income tax		-	-
<b>Consolidated net income</b>		<b>0</b>	<b>0</b>

(1) Over 2005, Reclassifying of expenses of the section " net earnings or losses on financial instruments in the fair value by default " in the section Interest and similar expenses for 12 250 KUSD continuation re-assignment for the establishment of the accounts in 2006.

The following table shows the cash flow statement (audited) for fiscal year 2006 as of December 31, 2006:

## SGA Societe Generale Acceptance NV

### CASH FLOW STATEMENT

( in millions of USD )

	31.12.06	31.12.05
<b>Net cash flow from operating activities</b>	-	-
<i>Non monetary items :</i>		
- Depreciation and amortization	-	-
<i>Bond Debt</i>		
Issuing : EMTN	- 22.769	- 22.273
Issuing : Bonds	- 13.666	- 13.462
Redemptions : EMTN	14.434	12.385
Redemptions : Bonds	7.855	3.204
<i>Forward financial instruments commitments sold :</i>		
Warrants premium sold	- 56.461	- 9.013
<i>Interbank activities and Cash</i>		
Subscriptions of term loans ( PLP )	36.435	35.735
Redemption of term loans ( PLP )	- 22.289	- 15.589
<i>Forward financial instruments commitments bought :</i>		
Option premiums bought	56.461	9.013
<i>Other cash inflow/(outflow) from banking activities</i>		
Accrued interest paid on debt securities	- 2.196	- 1.594
Accrued Interest received on loan to banks	2.196	1.594
Dividends received from subsidiaries		
Income tax	-	-
Other	-	-
<b>Change in working capital</b>	<b>I + II</b>	-
<i>Net cash inflow/(outflow) from investing activities</i>	<b>I</b>	
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	-
Purchase/proceeds from sale of affiliates and other long term investments	-	-
Net cash inflow/(outflow) from other investing activities	-	-
<i>Capital transactions</i>	<b>II</b>	
Capital increase	-	-
Subordinated Debt increase/decrease	-	-
Dividends paid	-	-
<b>Net Cash Flow</b>	<b>( b+c-a )</b>	-
Cash : Opening balances	<b>( a )</b>	1
Cash : Closing balances	<b>( b )</b>	1
Impact of the variations in exchange rate	<b>( c )</b>	-

## *Accounting Strategy and Explanatory Notes*

The financial statements of SGA as of December 31, 2006 have been prepared in accordance with European Regulations No. 1606/2002 dated July 19, 2002 on the application of international accounting standards (International Financial Reporting Standards, "IFRS") in force at that date.

### **Loans and receivables**

Loans and receivables neither held for trading purposes nor intended for sale from the time they are originated or contributed are recognized in the balance sheet under *Due from banks or Customer loans* depending on the type of counterpart. Thereafter, they are valued at amortized cost using the effective interest method and an impairment loss may be recorded if appropriate.

### **Financial assets and liabilities at fair value through profit and loss**

It concerns loans for the assets and debts for the liabilities which are corresponding to Euro Medium Terms Notes and bond issues issued by SGA. These financial assets and liabilities are held for trading purposes, they are booked at fair value at the balance sheet date and recognized in the balance sheet under *Financial assets or liabilities at fair value through profit and loss*. Incomes and expenses including changes in fair value are recorded in the income statement for the period as *Net gains or losses on financial instruments at fair value through profit and loss*.

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For financial instruments recognized at fair value through profit and loss, fair value is determined primarily on the basis of the prices quoted on an actively-traded market which are adjusted if no quoted prices are available on the balance sheet date. However, for many of the financial instruments held or issued by the Group no actively-traded market exists. In these cases, fair value is determined through valuation techniques (in-house valuation models) using valuation parameters that reflect market conditions on the balance sheet date and which are heavily influenced by assumptions regarding the amount and timing of estimated future cash flows, discount rates, volatility or credit risk.

### **Derivative Financial Instruments**

Derivative financial instruments include warrants and options. They are evaluated according to the techniques of assessment indicated above. They are recorded at the original value at the date of operation.

### **Other Assets and Liabilities**

The unpaid nominal parts of EMTN and private placements (PLP) are recorded under the headings "other receivables and other payables".

**Interest and assimilated income/expense**

Some financial instruments are not revalued at fair value (ORI). They appear in "Term deposits and borrowings and related receivables" on the assets within the Interbank and money market assets. On the liabilities side, they appear in "the interbank certificates and negotiable debt instruments" and "related liabilities" in Debt securities in issues. The rediscount and the corresponding interests are calculated on the basis of historical cost and are taken into account into the calculation of the interest margin.

**Conversion of foreign currencies transactions**

Foreign currency transactions are converted into USD at the closing exchange rate Gains and losses resulting from such transactions are recognized in the profit and loss account.

**Income tax**

From the French fiscal viewpoint, profits realized by SGA are taxable in the country of the parent company, Société Générale. In France, the normal corporate income tax rate is 33,3%.

As at December 31, 2006 the result of SGA is nil. Therefore no related tax charge is recorded into the profit and loss account.



## b) Historical Financial Information for Fiscal Year 2007

The tables on the following pages show the balance sheet items, the income statement and the cash flow statement for the fiscal year 2007 as of December 31, 2007. The data provided have been audited.

### SGA Societe Generale Acceptance NV BALANCE SHEET

(in K USD)

		IFRS	
		December 31, 2007	December 31, 2006
<b>ASSETS</b>			
Financial assets measured at fair value through profit and loss	Note 1	175.635.400	146.177.191
Due from banks	Note 2	5.469.725	1.102.526
Other assets	Note 3	5.161.194	1.737.171
<b>Total</b>		<b>186.266.319</b>	<b>149.016.888</b>

		IFRS	
		December 31, 2007	December 31, 2006
<b>LIABILITIES</b>			
Financial liabilities measured at fair value through profit and loss	Note 1	175.638.432	146.177.226
Due to banks	Note 2	851.956	66
Securitized debt payables	Note 2	4.614.187	1.102.080
Other liabilities	Note 3	5.160.309	1.736.081
<b>Total</b>		<b>186.264.884</b>	<b>149.015.453</b>
<b>SHAREHOLDERS' EQUITY</b>			
	Note 9	<b>1.435</b>	<b>1.435</b>
Common stock		560	560
Retained profit		875	875
<b>Total equity</b>		<b>1.435</b>	<b>1.435</b>
<b>TOTAL LIABILITIES</b>		<b>186.266.319</b>	<b>149.016.888</b>

## SGA Societe Generale Acceptance NV INCOME STATEMENT

(in K USD)

		IFRS	
		December 31, 2007	December 31, 2006
Margin of interest	Note 6	(37)	(175)
Dividend income		-	-
Dividends paid on preferred shares		-	-
Commissions (income)		-	-
Commissions (expenses)		-	-
Net gains or losses on financial transactions		4	(12)
<i>o/w net gains or losses on financial instruments at fair value through profit and loss</i>	Note 7	4	(12)
<i>o/w net gains or losses on available-for-sale financial assets</i>		-	-
Income from other activities		-	-
Expenses from other activities		-	-
<b>Net banking income</b>		<b>(33)</b>	<b>(187)</b>
Other operating expenses	Note 8	33	187
Amortization, depreciation and impairment of tangible and intangible fixed assets		-	-
<b>Gross operating income</b>		<b>0</b>	<b>0</b>
Cost of risk		-	-
<b>Operating income</b>		<b>0</b>	<b>0</b>
Net income from companies accounted for by the equity method		-	-
Net income/expense from other assets		-	-
Impairment losses on goodwill		-	-
<b>Earnings before tax</b>		<b>0</b>	<b>0</b>
Income tax		-	-
<b>Consolidated net income</b>		<b>0</b>	<b>0</b>

## SGA Societe Generale Acceptance NV

### CASH FLOW STATEMENT

( in millions of USD )

	31.12.07	31.12.06
<b>Net cash flow from operating activities</b>	-	-
<i>Non monetary items :</i>		
- Depreciation and amortization	-	-
<u><i>Bond Debt</i></u>		
Issuing : EMTN	- 35.763	- 22.769
Issuing : Bonds	- 679	- 13.666
Redemptions : EMTN	43.255	14.434
Redemptions : Bonds	13.409	7.855
<u><i>Forward financial instruments commitments sold :</i></u>		
Warrants premium sold	- 110.979	- 56.461
<u><i>Interbank activities and Cash</i></u>		
Subscriptions of term loans ( PLP )	36.442	36.435
Redemption of term loans ( PLP )	- 56.664	- 22.289
<u><i>Forward financial instruments commitments bought :</i></u>		
Option premiums bought	110.979	56.461
<u><i>Other cash inflow/(outflow) from banking activities</i></u>		
Accrued interest paid on debt securities	- 4.109	- 2.196
Accrued Interest received on loan to banks	4.109	2.196
Dividends received from subsidiaries		
Income tax	-	-
Other	-	-
<b>Change in working capital</b>	<b>I + II</b>	-
<u><i>Net cash inflow/(outflow) from investing activities</i></u>	<b>I</b>	
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	-
Purchase/proceeds from sale of affiliates and other long term investments	-	-
Net cash inflow/(outflow) from other investing activities	-	-
<u><i>Capital transactions</i></u>	<b>II</b>	
Capital increase	-	-
Subordinated Debt increase/decrease	-	-
Dividends paid	-	-
<b>Net Cash Flow</b>	<b>( b+c-a )</b>	-
Cash : Opening balances	<b>( a )</b>	1
Cash : Closing balances	<b>( b )</b>	1
Impact of the variations in exchange rate	<b>( c )</b>	-

## *Accounting Strategies and Explanatory Notes*

The financial statements are prepared under the historical cost convention in accordance with IFRS accounting policies applicable to credit institutions.

### **Loans and advances**

Loans and receivables that are not held for trading or that are not for sale upon acquisition or granting them are recorded on the balance sheet of loans and debts on credit or loans and receivables on the Customer depending on the nature of the consideration. They are evaluated upon initial recognition at amortized cost based on the effective interest rate and may be subject, where appropriate, to a depreciation.

### **Financial assets and liabilities valued at fair value in return for the income**

These assets to loans and liabilities debts corresponding to the Euro Medium Term Notes and of bonds issued by the company. These financial assets and liabilities are held for trading, they are measured at their fair value cut-off date and the balance sheet under the heading assets or financial liabilities at fair value through profit or loss. Revenues and expenses, including changes in fair value are recorded in the results for the period under the heading Net income on financial instruments at fair value through profit or loss.

The fair value is the amount for which an asset could be exchanged, or a liability off between parties well informed, consenting and operating in competitive conditions. For financial instruments measured at fair value through profit or loss, the fair market value is determined primarily based on prices quoted in an active market, these prices may be adjusted if they are not available at the closing date. If no active market, fair value is determined using valuation techniques (internal models recovery) using parameters valuation based on market conditions existing at the close and on which influence assumptions used such as the amount and timing of estimated future cash flows, the discount rate and the volatility of the underlying assets.

### **Derivative Financial Instruments**

Derivatives include warrants issued and options purchased in order to hedge the warrants that are issued. They are valued according to the assessment techniques described above.

Their accounting is done at their original value on the date of the transaction. At the closing date, these instruments are reassessed at market value. Revenues and expenses, including changes in fair value are recorded in the income for the period under the heading Net income on financial instruments at fair value through profit or loss.

### **Other Assets and Liabilities**

Parts of the nominal not freed EMTN and private placements (PLP) are recorded under the headings "other miscellaneous receivables and other credit balances."

**Interest income / expense assimilated**

Some financial instruments are not revalued at fair value (ORI). "They are ready and futures accounts and related receivables" on the assets within the Loans and credit institutions. On the liabilities side, "they appear in the interbank market securities and negotiable debt securities and related liabilities" in Debt securities. The rediscount and interests are calculated on the basis of historical cost and date back in the interest margin.

**Conversion transactions in foreign currencies**

Transactions in foreign currencies are converted into foreign currency on the basis of the exchange rate prevailing at the date of the transaction. They are translated into USD on the foreign exchange rates at the end of the year.

Gains and losses related to these transactions are recorded in the income statement.

**Income tax**

In the implementation of article 209B, SGA localized to the Netherlands Antilles is taxable in France on behalf of the Competitive tax and the result of the company shall be determined in accordance with the rules French tax.

At December 31, 2007, the application of these principles to tax all transactions conducted by the company did not reveal any taxable income for the period.

**c) Financial Statements**

The Report of Independent Auditors on the Annual Financial Statements of SGA for the fiscal years 2006 and 2007 together with the respective Accounting policies and explanatory Notes are attached to this registration document as Exhibit I (2006) and Exhibit II (2007).

**d) Interim Financial Information**

Since the date of the last audited financial statements, no Interim Financial Information has been provided.

**e) Legal or Arbitration Proceedings**

No government, legal or arbitration proceedings which could have, or, during the previous 12 months, may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group to which it belongs were pending or, to the best knowledge of the Issuer, are pending or threatened.

**f) Significant Change in the Issuer's financial or trading position**

Since the end of the last financial period for which audited financial information have been published, no significant change in the financial or trading position of the Issuer has occurred.

## **7. Additional Information**

### **a) Share Capital**

As at December 31, 2007 SGA Société Générale Acceptance's fully paid up capital stock amounted to USD 560,000 and was made up of 560,000 ordinary shares with a nominal value of USD 1 each.

### **b) Articles of Association**

SGA is registered in the commercial Register of the Chamber of Commerce and Industry at Curaçao, Netherlands Antilles under no. 45500.

According to its Deed of Incorporation, the purpose and object of SGA Société Générale Acceptance N.V. is to invest its funds in securities, such as shares and other certificates of participation, and bonds and in other interest-bearing debentures under whatever name and in whatever form, to borrow money and to issue certificates of indebtedness thereof, as well as to lend money within the group to which SGA Société Générale Acceptance N.V. belongs and to provide security in any form on behalf of third parties.

## **8. Documents Available for Inspection**

For the life of this registration document, copies of the following documents relating to SGA and intended for publication are available for inspection at Société Générale S.A., Frankfurt am Main branch, Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main, during usual office hours:

- The Deed of Incorporation dated October 07, 1986,
- The Annual Financial Statements as of December 31, 2006 and 2007 of SGA,
- The Reports of Independent Auditors thereupon.

# **EXHIBIT I**

REPORT OF THE INDEPENDENT AUDITORS  
ON THE ANNUAL FINANCIAL STATEMENTS  
AND  
ANNUAL FINANCIAL STATEMENTS  
OF SOCIÉTÉ GÉNÉRALE ACCEPTANCE N.V.  
AS OF DECEMBER 31, 2006

*This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards generally accepted in France.*

## **Société Générale Acceptance N.V. (SGA)**

Year ended December 31, 2006

### **Report of Independent Auditors on the Annual Financial Statements**

ERNST & YOUNG Audit



## **Société Générale Acceptance N.V. (SGA)**

Year ended December 31, 2006

### **Report of Independent Auditors on the Annual Financial Statements**

*(Free translation of the French original)*

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

We have audited the accompanying annual financial statements of Société Générale Acceptance N.V. (SGA), stated in USD, which comprise the balance sheet as at December 31, 2006, and the income statement and cash-flow statement for the year ended December 31, 2006, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Annual Financial Statements**

Management is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the annual financial statements give a true and fair view of the financial position of Société Générale Acceptance N.V. (SGA) as of December 31, 2006, and of its financial performance and its cash-flows for the year then ended in accordance with International Financial Reporting Standards as adopted by European Union as that date.

Neuilly-sur-Seine, April 4, 2008

The Independent Auditors  
ERNST & YOUNG et Autres

*French original signed by*  
Isabelle Santenac

## Notes to the financial statements

### **1- General**

SGA 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.

SGA Société Générale Acceptance N.V. is a subsidiary owned as to 100 per cent by the parent company, Société Générale, and is a fully consolidated company.

The financial statements are disclosed in USD.

As at December 31, 2006 SGA Société Générale Acceptance's fully paid up capital stock amounted to USD 560,000 and was made up of 560,000 ordinary shares with a nominal value of USD 1 each.

The purpose and the object of the company are to issue warrants as well as structured products such as EMTN, indebtedness certificates. The funds are reinvested in securities and bonds or other interest-bearing securities.

The parent company Société Générale bears the risk linked to the issuance of structured products by subscribing the entire issuance.

### **2- Accounting policies**

#### *Significant accounting principles*

In accordance with European Regulation 1606/2002 of July 19, 2002 on the application of International Accounting Standards, Société Générale Group ("the Group") prepared its consolidated financial statements for the year ending December 31, 2006 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date.

The standards comprise IFRS 1 to 6 and International Accounting Standards (IAS) 1 to 41, as well as the interpretations of these standards adopted by the European Union as at December 31, 2006.

#### *Loans and receivables*

Loans and receivables neither held for trading purposes nor intended for sale from the time they are originated or contributed are recognized in the balance sheet under *Due from banks* or *Customer loans* depending on the type of counterpart. Thereafter, they are valued at amortized cost using the effective interest method and an impairment loss may be recorded if appropriate.

#### *Financial assets and liabilities at fair value through profit and loss*

It concerns loans for the assets and debts for the liabilities which are corresponding to Euro Medium Term Notes and bond issues issued by SG Acceptance NV. These financial assets and liabilities are held for trading purposes, they are booked at fair value at the balance sheet date and recognized in the balance sheet under *Financial assets or liabilities at fair value through profit and loss*. Incomes and expenses

including changes in fair value are recorded in the income statement for the period as *Net gains or losses on financial instruments at fair value through profit and loss*.

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For financial instruments recognized at fair value through profit and loss, fair value is determined primarily on the basis of the prices quoted on an actively-traded market which are adjusted if no quoted prices are available on the balance sheet date. However, for many of the financial instruments held or issued by the Group no actively-traded market exists. In these cases, fair value is determined through valuation techniques (in-house valuation models) using valuation parameters that reflect market conditions on the balance sheet date and which are heavily influenced by assumptions regarding the amount and timing of estimated future cash flows, discount rates, volatility or credit risk.

#### *Derivative financial instruments*

Derivative financial instruments include warrants and options. They are evaluated according to the techniques of assessment indicated above. They are recorded at the original value at the date of operation.

#### *Other Assets and Liabilities*

The unpaid nominal parts of EMTN and private placements (PLP) are recorded under the headings "other receivables and other payables"

#### *Interest and assimilated income / expense*

Some financial instruments are not revalued at fair value (ORI). They appear in "Term deposits and borrowings and related receivables" on the assets within the Interbank and money market assets. On the liabilities side, they appear in "the interbank certificates and negotiable debt instruments" and "related liabilities" in Debt securities in issues. The rediscount and the corresponding interests are calculated on the basis of historical cost and are taken into account into the calculation of the interest margin.

#### *Agreements between Société Générale and SGA*

Société Générale Acceptance NV is a subsidiary owned as to 100% by Société Générale. Relations between SG Acceptance and Société Générale are regulated by the two following agreements:

1. Management agreement, according to which SGA pays Société Générale for the services granted, such as administrative, accounting, legal and tax services;
2. Financial Services agreement: according to which Société Générale pays SGA for the financial services granted. Hence, Société Générale reimburses all operating costs (statutory auditing, insurance, payroll, etc) to SGA. Moreover, SGA's management fees related to its issuing activity are totally covered by this agreement.

### *Conversion of foreign currencies transactions*

Foreign currency transactions are converted into USD at the closing exchange rate  
Gains and losses resulting from such transactions are recognized in the profit and loss account.

### *Income tax*

From the French fiscal viewpoint, profits realized by SGA Société Générale Acceptance N.V. are taxable in the country of the parent company, Société Générale.

In France, the normal corporate income tax rate is 33.3 %.

As at December 31, 2006 the result of SGA Société Générale Acceptance is nil. Therefore no related tax charge is recorded into the profit and loss account.

### *Risk management*

SG Acceptance activity is ran by a set of organization rules of organization which makes the generation of profits or losses impossible, as well as the existence of risk in its balance sheet.

Indeed, SG Acceptance issues warrants on one hand, and is hedging itself, on the other hand, by the purchase of options OTC which have the same characteristics with Société Générale SA.

SG Acceptance also issues bonds (Euro Medium Term Notes and Bond Issues) and hedges by subscribing a private investment issued by Société Générale SA which has the same characteristics as the bonds.

Therefore, no market risk (stocks, foreign exchange, rates of interest, commodities) are borne by the Company.

### *Credit risk*

Credit risk is the risk that a counterparty may be unable to meet its contractual obligations. The company manages this risk by contracting financial instruments only with the parent company.

## **3- Parent company**

The parent company of Société Générale Acceptance is Société Générale SA whose consolidated accounts are established in France.

**SGA Societe Generale Acceptance NV**  
**BALANCE SHEET**

(in K USD)

		IFRS	
		December 31, 2006	December 31, 2005
<b>ASSETS</b>			
Financial assets measured at fair value through profit and loss	Note 1	146.177.191	86.890.106
Due from banks	Note 2	1.102.526	603.574
Other assets	Note 3	1.737.171	2.093.331
<b>Total</b>		<b>149.016.888</b>	<b>89.587.011</b>

		IFRS	
		December 31, 2006	December 31, 2005
<b>LIABILITIES</b>			
Financial liabilities measured at fair value through profit and loss	Note 1	146.177.226	86.898.314
Due to banks	Note 2	66	357
Securitized debt payables	Note 2	1.102.080	589.850
Other liabilities	Note 3	1.736.081	2.097.055
<b>Total</b>		<b>149.015.453</b>	<b>89.585.576</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common stock	Note 9	560	560
Retained profit		875	875
<b>Total equity</b>		<b>1.435</b>	<b>1.435</b>
<b>TOTAL LIABILITIES</b>		<b>149.016.888</b>	<b>89.587.011</b>

## SGA Societe Generale Acceptance NV INCOME STATEMENT

(in K USD)

		IFRS		
		December 31, 2006	December 31, 2005	
Margin of interest	Note 6	(175)	(82)	(1)
Dividend income		-	-	
Dividends paid on preferred shares		-	-	
Commissions (income)		-	-	
Commissions (expenses)		-	-	
Net gains or losses on financial transactions		(12)	61	
<i>o/w net gains or losses on financial instruments at fair value through profit and loss</i>	Note 7	(12)	61	(1)
<i>o/w net gains or losses on available-for-sale financial assets</i>		-	-	
Income from other activities		-	-	
Expenses from other activities		-	(40)	
<b>Net banking income</b>		<b>(187)</b>	<b>(61)</b>	
Other operating expenses	Note 8	187	61	
Amortization, depreciation and impairment of tangible and intangible fixed assets		-	-	
<b>Gross operating income</b>		<b>0</b>	<b>0</b>	
Cost of risk		-	-	
<b>Operating income</b>		<b>0</b>	<b>0</b>	
Net income from companies accounted for by the equity method		-	-	
Net income/expense from other assets		-	-	
Impairment losses on goodwill		-	-	
<b>Earnings before tax</b>		<b>0</b>	<b>0</b>	
Income tax		-	-	
<b>Consolidated net income</b>		<b>0</b>	<b>0</b>	

(1) Over 2005, Reclassifying of expenses of the section " net earnings or losses on financial instruments in the fair value by default " in the section Interest and similar expenses for 12 250 KUSD continuation re-assignment for the establishment of the accounts in 2006.

**NOTE 1**  
**FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS**

<i>(in K USD)</i>	December 31, 2006		December 31, 2005	
	Assets	Liabilities	Assets	Liabilities
<b>Trading portfolio</b>				
Treasury notes and similar securities	-		-	
Bonds and other debt securities	-		-	
Shares and other equity securities	-		-	
Term loan at fair value through P&L	85.464.826		-	
<b>Sub-total trading assets</b>	<b>85.464.826</b>		-	
o/w securities on loan				
Euro Medium Term Notes		89.843.721		65.244.933
Amounts payable on borrowed securities		-		-
Bonds and other debt instruments sold short		-		-
Shares and other equity instruments sold short		-		-
Other financial liabilities		-		-
<b>Sub-total trading liabilities</b>		<b>89.843.721</b>		<b>65.244.933</b>
<b>Foreign exchange instruments</b>				
<i>Firm instruments</i>	-	-	-	-
<i>Options</i>	227.932	227.932	250.159	250.159
<b>Equity and index instruments</b>				
<i>Firm instruments</i>	-	-	-	-
<i>Options</i>	46.419.702	46.419.737	12.486.302	12.419.215
<b>Commodity instruments</b>				
<i>Firm instruments-Futures</i>	-	-	-	-
<i>Options</i>	1.044.572	1.044.572	471.242	471.242
<b>Sub-total trading derivatives</b>	<b>47.692.206</b>	<b>47.692.241</b>	<b>13.207.703</b>	<b>13.140.616</b>
<b>Sub-total trading portfolio</b>	<b>133.157.032</b>	<b>137.535.962</b>	<b>13.207.703</b>	<b>78.385.549</b>
<b>Financial assets measured using fair value option through P&amp;L</b>				
Treasury notes and similar securities	-		-	
Bonds and other debt securities	-		-	
Shares and other equity securities	-		-	
Term loans measured using fair value option through P&L	13.020.159		73.682.403	
<b>Sub-total of financial assets measured using fair value option through P&amp;L</b>	<b>13.020.159</b>		<b>73.682.403</b>	
<b>Sub-total of separate assets relating to employee benefits</b>	-		-	
<b>Financial liabilities measured using fair value option through P&amp;L</b>				
Euro Medium Term Notes		8.641.264		8.512.765
<b>Sub-total of financial liabilities measured using fair value option through P&amp;L</b>		<b>8.641.264</b>		<b>8.512.765</b>
<b>Total financial instruments measured at fair value through P&amp;L</b>	<b>146.177.191</b>	<b>146.177.226</b>	<b>86.890.106</b>	<b>86.898.314</b>



**NOTE 2**  
**DUE FROM BANKS**

<i>(in K USD)</i>	December 31, 2006	December 31, 2005
<b>Deposits and loans</b>		
<b><i>Demand and overnights</i></b>		
Current accounts	446	1.586
<b><i>Term</i></b>		
Term deposits and loans	1.066.963	589.850
Related receivables	35.117	12.138
<b>Total</b>	<b>1.102.526</b>	<b>603.574</b>

**DUE TO BANKS**

<i>(in K USD)</i>	December 31, 2006	December 31, 2005
<b>Demand and overnight deposits</b>		
Demand deposits and current accounts	66	357
Overnight deposits and borrowings and others	-	-
<b>Sub-total</b>	<b>66</b>	<b>357</b>
<b>Term deposits</b>		
Term deposits and borrowings	-	-
Borrowings secured by notes and securities	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>
Related payables	-	-
Revaluation of hedged items	-	-
Securities sold under repurchase agreements	-	-
<b>Total</b>	<b>66</b>	<b>357</b>

**SECURITIZED DEBT PAYABLES**

<i>(in K USD)</i>	December 31, 2006	December 31, 2005
Term savings certificates	-	-
Bond borrowings	-	-
Interbank certificates and negotiable debt instruments	1.066.963	589.850
Related payables	35.117	-
<b>Total</b>	<b>1.102.080</b>	<b>589.850</b>

**NOTE 3  
OTHER ASSETS**

<i>(in K USD)</i>	December 31, 2006	December 31, 2005
Guarantee deposits paid	-	-
Settlement accounts on securities transactions	-	-
Prepaid expenses	-	-
Other sundry debtors	1.737.171	1.759.192
Adjustement accounts	-	334.139
<b>Net amount</b>	<b>1.737.171</b>	<b>2.093.331</b>

**OTHER LIABILITIES**

<i>(in K USD)</i>	December 31, 2006	December 31, 2005
Guarantee deposits received	-	-
Payables on forex transactions	-	-
Settlement accounts on securities transactions	-	-
Other securities transactions	-	-
Expenses payable	330	425
Deferred income	-	-
Other sundry creditor	1.735.751	1.758.551
Other liabilities accrued accounts	-	338.079
<b>Total</b>	<b>1.736.081</b>	<b>2.097.055</b>

**NOTE 4  
COMMITMENTS**

**A. Commitments granted and received**

**Commitments granted**

<i>(in K USD)</i>	December 31, 2006	December 31, 2005
<b>Loan commitments</b>		
to banks	396.207	1.037.494
to customers		
Issuance facilities	-	-
Confirmed credit lines	-	-
Others	-	-
<b>Guarantee commitments</b>		
on behalf of banks	-	-
on behalf of customers	-	-
<b>Securities commitments</b>		
Securities to deliver	430.799	326.701

**Commitments received**

<i>(in millions of euros)</i>	December 31, 2006	December 31, 2005
<b>Loan commitments</b>		
from banks		
<b>Guarantee commitments</b>		
from banks	-	-
other commitments	-	-
<b>Securities commitments</b>		
Securities to be received	827.005	1.364.195

**B. Forward financial instrument commitments (notional amounts)**

**Commitments granted**

<i>(in K USD)</i>	December 31, 2006		December 31, 2005	
	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
<b>Foreign exchange instruments</b>				
<i>Firm transactions</i>	-	-	-	-
<i>Options</i>	25.095.457	-	18.377.272	-
<b>Equity and index instruments</b>				
<i>Firm transactions</i>	-	-	-	-
<i>Options</i>	306.577.371	-	126.420.212	-
<b>Commodity instruments</b>				
<i>Firm transactions</i>	-	-	-	-
<i>Options</i>	14.050.250	-	2.663.100	-

**Commitments received**

<i>(in K USD)</i>	December 31, 2006		December 31, 2005	
	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
<b>Foreign exchange instruments</b>				
<i>Firm transactions</i>	-	-	-	-
<i>Options</i>	25.095.457	-	18.377.272	-
<b>Equity and index instruments</b>				
<i>Firm transactions</i>	-	-	-	-
<i>Options</i>	306.577.371	-	126.420.212	-
<b>Commodity instruments</b>				
<i>Firm transactions</i>	-	-	-	-
<i>Options</i>	14.050.250	-	2.663.100	-

**NOTE 5**  
**BREAKDOWN OF ASSETS AND LIABILITIES BY TERM TO MATURITY**

**Maturities of financial assets and liabilities**

*(in K of USD at December 31, 2006)*

	Less than 3 months	3 months to 1 year	1-5 years	More than 5 years	Total
<b>ASSETS</b>					
Cash, due from central banks	-	-	-	-	-
Financial assets at fair value through profit and loss	49.472.832	15.602.142	49.142.495	31.959.722	<b>146.177.191</b>
Hedging derivatives	-	-	-	-	-
Available for sale financial assets	-	-	-	-	-
Due from banks	20.372	174.592	549.920	357.642	<b>1.102.526</b>
Customer loans	-	-	-	-	-
Lease financing and similar agreements	-	-	-	-	-
Revaluation differences on portfolios hedged against interest rate risk	-	-	-	-	-
Held to maturity financial assets	-	-	-	-	-
<b>Total Assets</b>	<b>49.493.204</b>	<b>15.776.734</b>	<b>49.692.415</b>	<b>32.317.364</b>	<b>147.279.717</b>
<b>LIABILITIES</b>					
Due to central banks	-	-	-	-	-
Financial liabilities measured at fair value through profit and loss	49.472.867	15.602.140	49.142.499	31.959.720	<b>146.177.226</b>
Hedging derivatives	-	-	-	-	-
Due to banks	66	-	-	-	<b>66</b>
Customer deposits	-	-	-	-	-
Securitized debt payables	19.926	174.592	549.920	357.642	<b>1.102.080</b>
Revaluation differences on portfolios hedged against interest rate risk	-	-	-	-	-
<b>Total Liabilities</b>	<b>49.492.859</b>	<b>15.776.732</b>	<b>49.692.419</b>	<b>32.317.362</b>	<b>147.279.372</b>

**NOTE 6**  
**INTEREST INCOME AND EXPENSE**

<i>(in K USD)</i>	December 31, 2006	December 31, 2005
<b>Transactions with banks</b>	<b>28.073</b>	<b>12.168</b>
Demand deposits and interbank loans	28.073	12.168
Securities purchased under resale agreements and loans secured by notes and securities	-	-
<b>Transactions with customers</b>		
Trade notes	-	-
Other customer loans	-	-
Overdrafts	-	-
Securities purchased under resale agreements and loans secured by notes and securities	-	-
Other income	-	-
<b>Transactions in financial instruments</b>		
Available for sale financial assets	-	-
Held to maturity financial assets	-	-
Securities lending	-	-
Hedging derivatives	-	-
<b>Finance leases</b>		
Real estate finance leases	-	-
Non-real estate finance leases	-	-
<b>Total interest income</b>	<b>28.073</b>	<b>12.168</b>
<b>Transactions with banks</b>	<b>(883)</b>	
Interbank borrowings		
Securities sold under resale agreements and borrowings secured by notes and securities	-	-
<b>Transactions with customers</b>		
Regulated savings accounts	-	-
Other customer deposits	-	-
Securities sold under resale agreements and borrowings secured by notes and securities	-	-
<b>Transactions in financial instruments</b>	<b>(27.365)</b>	<b>(12.250)</b>
Securitized debt payables	(27.365)	(12.250) (1)
Subordinated and convertible debt	-	-
Securities borrowing	-	-
Hedging derivatives	-	-
<b>Other interest expense</b>	<b>-</b>	<b>-</b>
<b>Total interest expense</b>	<b>(28.248)</b>	<b>(12.250)</b>
<b>Margin of interest</b>	<b>(175)</b>	<b>(82)</b>

1) Over 2005, Reclassifying of expenses of the section "Net income on financial liability in the fair value on option" in the section "interest expenses on debts represented by securities" for 12 250 KUSD. Cf note 7

**NOTE 7**  
**NET INCOME AND EXPENSE FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH P&L**

<i>(in K USD)</i>	<b>2006</b>	<b>2005</b>
Net gain/loss on non-derivative financial assets held for trading	8.625.860	-
Net gain/loss on financial assets measured using fair value option	408.484	4.393.563
Net gain/loss on non-derivative financial liabilities held for trading	(8.811.936)	(4.700.753)
Net gain/loss on financial liabilities measured using fair value option	(222.407)	307.297 (1)
Net gain/loss on derivative instruments - warrant	56.461.174	8.438.065
Net gain/loss on derivative instruments - option	(56.461.174)	(8.438.063)
Net gain/loss on foreign exchange transactions	(13)	(48)
<b>Total</b>	<b>(12)</b>	<b>61</b>

1) Over 2005, Reclassifying of expenses of the section "Net income on financial liability in the fair value on option" in the section

" interest expenses on debts represented by securities" for 12 250 KUSD. Cf note 6

**NOTE 8**  
**OTHER ADMINISTRATIVE COSTS**

<i>(in K USD)</i>	<b>2006</b>	<b>2005</b>
Employee compensation	-	-
Social security charges and payroll taxes	-	-
Retirement expenses - defined contribution plans	-	-
Retirement expenses - defined benefit plans	-	-
Other social security charges and taxes	-	-
Services granted ( Management Agreement )	(310)	(377)
Operating costs ( Financial Services Agreement )	497	438
<b>Total</b>	<b>187</b>	<b>61</b>

**NOTE 9  
EQUITY**

<i>(En K USD)</i>	Net position as at 31 décembre 2005	Allocation of earning	Net position as at 31 décembre 2006
Share capital	560	-	560
Retained profit	875	-	875
Total equity before profit for the year	<u>1.435</u>	-	<u>1.435</u>
Profit for the year	-	-	
<b>Total equity</b>	<b>1.435</b>	-	<b>1.435</b>



## SGA Societe Generale Acceptance NV

### CASH FLOW STATEMENT

( in millions of USD )

	31.12.06	31.12.05
<b>Net cash flow from operating activities</b>	-	-
<i>Non monetary items :</i>		
- Depreciation and amortization	-	-
<b><i>Bond Debt</i></b>		
Issuing : EMTN	- 22.769	- 22.273
Issuing : Bonds	- 13.666	- 13.462
Redemptions : EMTN	14.434	12.385
Redemptions : Bonds	7.855	3.204
<b><i>Forward financial instruments commitments sold :</i></b>		
Warrants premium sold	- 56.461	- 9.013
<b><i>Interbank activities and Cash</i></b>		
Subscriptions of term loans ( PLP )	36.435	35.735
Redemption of term loans ( PLP )	- 22.289	- 15.589
<b><i>Forward financial instruments commitments bought :</i></b>		
Option premiums bought	56.461	9.013
<b><i>Other cash inflow/(outflow) from banking activities</i></b>		
Accrued interest paid on debt securities	- 2.196	- 1.594
Accrued Interest received on loan to banks	2.196	1.594
Dividends received from subsidiaries	-	-
Income tax	-	-
Other	-	-
<b>Change in working capital</b>	<b>I + II</b>	-
<b><i>Net cash inflow/(outflow) from investing activities</i></b>	<b>I</b>	-
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	-
Purchase/proceeds from sale of affiliates and other long term investments	-	-
Net cash inflow/(outflow) from other investing activities	-	-
<b><i>Capital transactions</i></b>	<b>II</b>	-
Capital increase	-	-
Subordinated Debt increase/decrease	-	-
Dividends paid	-	-
<b>Net Cash Flow</b>	<b>( b+c-a )</b>	-
Cash : Opening balances	<b>( a )</b>	1
Cash : Closing balances	<b>( b )</b>	1
Impact of the variations in exchange rate	<b>( c )</b>	-

## **EXHIBIT II**

REPORT OF THE INDEPENDENT AUDITORS  
ON THE ANNUAL FINANCIAL STATEMENTS  
AND  
ANNUAL FINANCIAL STATEMENTS  
OF SOCIÉTÉ SÉNÉRALE ACCEPTANCE N.V.  
AS OF DECEMBER 31, 2007

*This is a free translation into English of a report issued in French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and is construed in accordance with French law and professional auditing standards generally accepted in France.*

## **Société Générale Acceptance N.V. (SGA)**

Year ended December 31, 2007

### **Report of Independent Auditors on the Annual Financial Statements**

ERNST & YOUNG et Autres

## Société Générale Acceptance N.V. (SGA)

Year ended December 31, 2007

### Report of Independent Auditors on the Annual Financial Statements

*(Free translation of the French original)*

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

We have audited the accompanying annual financial statements of Société Générale Acceptance N.V. (SGA), stated in USD, which comprise the balance sheet as at December 31, 2007, and the income statement and cash-flow statement for the year ended December 31, 2007, and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the annual financial statements give a true and fair view of the financial position of Société Générale Acceptance N.V. (SGA) as of December 31, 2007, and of its financial performance and its cash-flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Neuilly-sur-Seine, April 16, 2008

The Independent Auditors  
ERNST & YOUNG et Autres

*French original signed by*  
Isabelle Santenac

## **Notes to the financial statements**

### **1- General**

Société Générale Acceptance NV is a limited liability company established on October 7, 1986 and subject to applicable law in Netherlands Antilles.

SGA Société Générale Acceptance N.V. is a subsidiary owned as to 100 per cent by the parent company, Société Générale, and is a fully consolidated company. The accounts are consolidated within the team.

The financial statements are presented in US Dollar.

Social capital is 560000 US Dollar 560000 divided into shares of 1 US Dollar fully paid.

The company is mainly based on the issuance of warrants as well as the attainment of structured issues in the form of negotiable debt securities or corporate bonds. The funds are reinvested in the form of securities, options and other financial futures.

When the company operates within the context of a structured issue, Société Générale SA Bear the risk associated with this issue by endorsing the entire issue.

### **2 - Rules and accounting methods**

#### **Accounting Principles**

Pursuant to European regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, Société Générale Acceptance NV has established its accounts for the period from 1 January 2007 to 31 December 2007 in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union and applicable on that date.

The repository includes IFRS 1 to 7 with IAS (International Accounting Standards) 1 to 41, and their interpretations as adopted in the European Union on December 31, 2007.

- Standards, amendments to standards or interpretations of mandatory since 1 January 2007.
  - Amendment to IAS No. 1, "Presentation of Financial Statements - to provide information about the capital"
  - IFRS No. 7: "Financial Instruments: Disclosure providing"

Both standards require us to provide information related to the significance of financial instruments in view of the situation and the financial performance of the company, as well as quantitative and qualitative information on the nature and extent of risks arising from financial instruments to which the company is exposed. The adoption of this standard had no impact on the performance or financial position of the company.

Other texts will enter into force as of 1 January 2007 are not applicable to the consolidated financial statements

## **Loans and advances**

Loans and receivables that are not held for trading or that are not for sale upon acquisition or granting them are recorded on the balance sheet of loans and debts on credit or loans and receivables on the Customer depending on the nature of the consideration. They are evaluated upon initial recognition at amortized cost based on the effective interest rate and may be subject, where appropriate, to a depreciation.

## **Financial assets and liabilities valued at fair value in return for the income**

These assets to loans and liabilities debts corresponding to the Euro Medium Term Notes and of bonds issued by the company. These financial assets and liabilities are held for trading, they are measured at their fair value cut-off date and the balance sheet under the heading assets or financial liabilities at fair value through profit or loss. Revenues and expenses, including changes in fair value are recorded in the results for the period under the heading Net income on financial instruments at fair value through profit or loss.

The fair value is the amount for which an asset could be exchanged, or a liability off between parties well informed, consenting and operating in competitive conditions. For financial instruments measured at fair value through profit or loss, the fair market value is determined primarily based on prices quoted in an active market, these prices may be adjusted if they are not available at the closing date. If no active market, fair value is determined using valuation techniques (internal models recovery) using parameters valuation based on market conditions existing at the close and on which influence assumptions used such as the amount and timing of estimated future cash flows, the discount rate and the volatility of the underlying assets.

## **Derivative Financial Instruments:**

Derivatives include warrants issued and options purchased coverage of warrants issued. They are valued according to the assessment techniques described above.

Their accounting is done at their original value on the date of the transaction. At the closing date, these instruments are reassessed at market value. Revenues and expenses, including changes in fair value are recorded in the results for the period under the heading Net income on financial instruments at fair value through profit or loss

## **Other Assets and Liabilities:**

Parts of the nominal not freed EMTN and private placements (PLP) are recorded under the headings "other miscellaneous receivables and other credit balances."

## **Interest income / expense assimilated:**

Some financial instruments are not revalued at fair value (ORI). "They are ready and futures accounts and related receivables" on the assets within the Loans and credit institutions. On the liabilities side, "they appear in the interbank market securities and negotiable debt securities and related liabilities" in Debt securities. The rediscount and interests are calculated on the basis of historical cost and date back in the interest margin.

## **Agreements between Société Générale Company and Société Générale Acceptance**

Société Générale Acceptance NV is a 100% subsidiary of Société Générale. Relations between Société Générale Acceptance and Société Générale are governed according to the two conventions:

On the one hand:

Management Agreement: under which Société Générale is paid by Société Générale Acceptance for the resources made available to Société Générale Acceptance (benefits administrative, accounting, legal and tax);

And on the other hand:

Financial Services Agreement: under which Société Générale Acceptance is paid by Société Générale for the financial services industry that it makes. Within this framework, Société Générale reimburses Société Générale Acceptance of the total fixed costs of operation (the auditors, insurance, personnel, and so on.). In addition management fees incurred by Société Générale Acceptance under the issuing activity shall be fully covered by the convention.

## **Conversion transactions in foreign currencies**

Transactions in foreign currencies are converted into foreign currency on the basis of the exchange rate prevailing at the date of the transaction. They are translated into US dollar on the foreign exchange rates at the end of the year.

Gains and losses related to these transactions are recorded in the income statement.

## **Income tax**

In the implementation of article 209B, Société Générale Acceptance localized to the Netherlands Antilles is taxable in France on behalf of the Competitive tax and the result of the company shall be determined in accordance with the rules French tax.

At December 31, 2007, the application of these principles to tax all transactions conducted by the company did not reveal any taxable income for the period.

## **3 - Risk Management**

The activity of Société Générale Acceptance is governed by strict rules of operation that excludes the generation of profits or losses, as well as the existence of risk in its balance sheet.

Indeed, Société Générale Acceptance issued warrants and is covered by the purchase of options on the OTC with the same characteristics of Société Générale SA

Likewise, it makes bonds (Euro Medium Term Notes and bond) and are thus systematically covered by taking out a private placement issued by Société Générale SA Whose characteristics are strictly identical.

Therefore, no market risk (stocks, exchange rates, commodities) are borne by the Company.



Credit risk:

Credit risk is the risk that a counterparty will not be able to meet its contractual obligations. The company manages this risk by failing contractor financial instruments with the parent company.

Liquidity Risk:

No liquidity risk exists in society because of the affiliation perfect contractual obligations between corporate debt and issued warrants issued by the company and those securities and hedging options held by Société Générale Acceptance.

Sensitivity to variables markets (equities, indices, interest rates, foreign exchange and raw materials)

Because of its structure, the impact of a change 31/12/2007 immediately to a variable market would have no impact on the net profit of the company.

#### **4 - Parent company**

The parent company of Société Générale Acceptance is Société Générale SA whose consolidated accounts are established in France.

**SGA Societe Generale Acceptance NV**  
**BALANCE SHEET**

(in K USD)

		IFRS	
		December 31, 2007	December 31, 2006
<b>ASSETS</b>			
Financial assets measured at fair value through profit and loss	Note 1	175.635.400	146.177.191
Due from banks	Note 2	5.469.725	1.102.526
Other assets	Note 3	5.161.194	1.737.171
<b>Total</b>		<b>186.266.319</b>	<b>149.016.888</b>

		IFRS	
		December 31, 2007	December 31, 2006
<b>LIABILITIES</b>			
Financial liabilities measured at fair value through profit and loss	Note 1	175.638.432	146.177.226
Due to banks	Note 2	851.956	66
Securitized debt payables	Note 2	4.614.187	1.102.080
Other liabilities	Note 3	5.160.309	1.736.081
<b>Total</b>		<b>186.264.884</b>	<b>149.015.453</b>
<b>SHAREHOLDERS' EQUITY</b>	Note 9	<b>1.435</b>	<b>1.435</b>
Common stock		560	560
Retained profit		875	875
<b>Total equity</b>		<b>1.435</b>	<b>1.435</b>
<b>TOTAL LIABILITIES</b>		<b>186.266.319</b>	<b>149.016.888</b>

## SGA Societe Generale Acceptance NV INCOME STATEMENT

(in K USD)

		IFRS	
		December 31, 2007	December 31, 2006
Margin of interest	Note 6	(37)	(175)
Dividend income		-	-
Dividends paid on preferred shares		-	-
Commissions (income)		-	-
Commissions (expenses)		-	-
Net gains or losses on financial transactions		4	(12)
<i>o/w net gains or losses on financial instruments at fair value through profit and loss</i>	Note 7	4	(12)
<i>o/w net gains or losses on available-for-sale financial assets</i>		-	-
Income from other activities		-	-
Expenses from other activities		-	-
<b>Net banking income</b>		<b>(33)</b>	<b>(187)</b>
Other operating expenses	Note 8	33	187
Amortization, depreciation and impairment of tangible and intangible fixed assets		-	-
<b>Gross operating income</b>		<b>0</b>	<b>0</b>
Cost of risk		-	-
<b>Operating income</b>		<b>0</b>	<b>0</b>
Net income from companies accounted for by the equity method		-	-
Net income/expense from other assets		-	-
Impairment losses on goodwill		-	-
<b>Earnings before tax</b>		<b>0</b>	<b>0</b>
Income tax		-	-
<b>Consolidated net income</b>		<b>0</b>	<b>0</b>

**NOTE 1**  
**FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS**

<i>(in K USD)</i>	December 31, 2007		December 31, 2006	
	Assets	Liabilities	Assets	Liabilities
<b>Trading portfolio</b>				
Treasury notes and similar securities	-		-	
Bonds and other debt securities	-		-	
Shares and other equity securities	-		-	
Term loan at fair value through P&L	93.512.424		85.464.826	
<b>Sub-total trading assets</b>	<b>93.512.424</b>		<b>85.464.826</b>	
o/w securities on loan				
Euro Medium Term Notes		98.986.826		89.843.721
Amounts payable on borrowed securities		-		-
Bonds and other debt instruments sold short		-		-
Shares and other equity instruments sold short		-		-
Other financial liabilities		-		-
<b>Sub-total trading liabilities</b>		<b>98.986.826</b>		<b>89.843.721</b>
<b>Foreign exchange instruments</b>				
<i>Firm instruments</i>	-	-	-	-
<i>Options</i>	490.224	490.224	227.932	227.932
<b>Equity and index instruments</b>				
<i>Firm instruments</i>	-	-	-	-
<i>Options</i>	65.516.645	65.516.705	46.419.702	46.419.737
<b>Commodity instruments</b>				
<i>Firm instruments-Futures</i>	-	-	-	-
<i>Options</i>	1.908.411	1.908.411	1.044.572	1.044.572
<b>Sub-total trading derivatives</b>	<b>67.915.280</b>	<b>67.915.340</b>	<b>47.692.206</b>	<b>47.692.241</b>
<b>Sub-total trading portfolio</b>	<b>161.427.704</b>	<b>166.902.166</b>	<b>133.157.032</b>	<b>137.535.962</b>
<b>Financial assets measured using fair value option through P&amp;L</b>				
Treasury notes and similar securities	-		-	
Bonds and other debt securities	-		-	
Shares and other equity securities	-		-	
Term loans measured using fair value option through P&L	14.207.696		13.020.159	
<b>Sub-total of financial assets measured using fair value option through P&amp;L</b>	<b>14.207.696</b>		<b>13.020.159</b>	
<b>Sub-total of separate assets relating to employee benefits</b>	<b>-</b>		<b>-</b>	
<b>Financial liabilities measured using fair value option through P&amp;L</b>				
Euro Medium Term Notes		8.736.266		8.641.264
<b>Sub-total of financial liabilities measured using fair value option through P&amp;L</b>		<b>8.736.266</b>		<b>8.641.264</b>
<b>Total financial instruments measured at fair value through P&amp;L</b>	<b>175.635.400</b>	<b>175.638.432</b>	<b>146.177.191</b>	<b>146.177.226</b>

**NOTE 2**  
**DUE FROM BANKS**

<i>(in K USD)</i>	December 31, 2007	December 31, 2006
<b>Deposits and loans</b>		
<b><i>Demand and overnights</i></b>		
Current accounts	727	446
<b><i>Term</i></b>		
Term deposits and loans	5.372.577	1.066.963
Related receivables	96.421	35.117
<b>Total</b>	<b>5.469.725</b>	<b>1.102.526</b>

**DUE TO BANKS**

<i>(in K USD)</i>	December 31, 2007	December 31, 2006
<b>Demand and overnight deposits</b>		
Demand deposits and current accounts	115	66
Overnight deposits and borrowings and others	-	-
<b>Sub-total</b>	<b>115</b>	<b>66</b>
<b>Term deposits</b>		
Term deposits and borrowings	846.458	-
Borrowings secured by notes and securities	-	-
<b>Sub-total</b>	<b>846.458</b>	<b>-</b>
Related liabilities	5.383	-
Revaluation of hedged items	-	-
Securities sold under repurchase agreements	-	-
<b>Total</b>	<b>851.956</b>	<b>66</b>

**SECURITIZED DEBT PAYABLES**

<i>(in K USD)</i>	December 31, 2007	December 31, 2006
Term savings certificates	-	-
Bond borrowings	294.420	-
Interbank certificates and negotiable debt instruments	4.231.700	1.066.963
Related payables	88.067	35.117
<b>Total</b>	<b>4.614.187</b>	<b>1.102.080</b>

**NOTE 3  
OTHER ASSETS**

<i>(in K USD)</i>	December 31, 2007	December 31, 2006
Guarantee deposits paid	-	-
Settlement accounts on securities transactions	-	-
Prepaid expenses	12	-
Other sundry debtors	5.161.182	1.737.171
Adjustement accounts	-	-
<b>Net amount</b>	<b>5.161.194</b>	<b>1.737.171</b>

**OTHER LIABILITIES**

<i>(in K USD)</i>	December 31, 2007	December 31, 2006
Guarantee deposits received	-	-
Payables on forex transactions	-	-
Settlement accounts on securities transactions	-	-
Other securities transactions	-	-
Expenses payable	555	330
Deferred income	-	-
Other sundry creditor	5.159.754	1.735.751
Other liabilities accrued accounts	-	-
<b>Total</b>	<b>5.160.309</b>	<b>1.736.081</b>

**NOTE 4  
COMMITMENTS**

**A. Commitments granted and received**

**Commitments granted**

<i>(in K USD)</i>	December 31, 2007	December 31, 2006
<b>Loan commitments</b>		
to banks	205.891	396.207
to customers		
Issuance facilities		-
Confirmed credit lines		-
Others		-
<b>Guarantee commitments</b>		
on behalf of banks		-
on behalf of customers		-
<b>Securities commitments</b>		
Securities to deliver	497.078	430.799

**Commitments received**

<i>(in millions of euros)</i>	December 31, 2007	December 31, 2006
<b>Loan commitments</b>		
from banks		
<b>Guarantee commitments</b>		
from banks	-	-
other commitments	-	-
<b>Securities commitments</b>		
Securities to be received	702.968	827.005

**B. Forward financial instrument commitments (notional amounts)**

**Commitments granted**

<i>(in K USD)</i>	December 31, 2007		December 31, 2006	
	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
<b>Foreign exchange instruments</b>				
Options	25.688.855	26.731.025	12.455.038	12.640.419
<b>Equity and index instruments</b>				
Options	337.951.926	212.916.354	203.219.785	103.357.586
<b>Commodity instruments</b>				
Options	18.063.500	7.442.500	10.431.750	3.618.500

**Commitments received**

<i>(in K USD)</i>	December 31, 2007		December 31, 2006	
	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
<b>Foreign exchange instruments</b>				
Options	26.731.025	25.688.855	12.640.419	12.455.038
<b>Equity and index instruments</b>				
Options	212.916.354	337.951.926	103.357.586	203.219.785
<b>Commodity instruments</b>				
Options	7.442.500	18.063.500	3.618.500	10.431.750

**NOTE 5**  
**BREAKDOWN OF ASSETS AND LIABILITIES BY TERM TO MATURITY**

**Maturities of financial assets and liabilities**

*(in K of USD at December 31, 2007)*

	Less than 3 months	3 months to 1 year	1-5 years	More than 5 years	Total
<b>ASSETS</b>					
Cash, due from central banks	-	-	-	-	-
Financial assets at fair value through profit and loss	72.420.545	15.696.480	53.846.251	33.672.124	<b>175.635.400</b>
Hedging derivatives	-	-	-	-	-
Available for sale financial assets	-	-	-	-	-
Due from banks	190.026	755.946	2.262.479	2.261.274	<b>5.469.725</b>
Customer loans	-	-	-	-	-
Lease financing and similar agreements	-	-	-	-	-
Revaluation differences on portfolios hedged against interest rate risk	-	-	-	-	-
Held to maturity financial assets	-	-	-	-	-
<b>Total Assets</b>	<b>72.610.571</b>	<b>16.452.426</b>	<b>56.108.730</b>	<b>35.933.398</b>	<b>181.105.125</b>
<b>LIABILITIES</b>					
Due to central banks	-	-	-	-	-
Financial liabilities measured at fair value through profit and loss	72.420.729	15.696.913	53.847.736	33.673.054	<b>175.638.432</b>
Hedging derivatives	-	-	-	-	-
Due to banks	115	5.383	-	846.458	<b>851.956</b>
Customer deposits	-	-	-	-	-
Securitized debt payables	189.300	747.592	2.262.480	1.414.815	<b>4.614.187</b>
Revaluation differences on portfolios hedged against interest rate risk	-	-	-	-	-
<b>Total Liabilities</b>	<b>72.610.144</b>	<b>16.449.888</b>	<b>56.110.216</b>	<b>35.934.327</b>	<b>181.104.575</b>



**NOTE 6**  
**INTEREST INCOME AND EXPENSE**

<i>(in K USD)</i>	December 31, 2007	December 31, 2006
<b>Transactions with banks</b>	<b>114.288</b>	<b>28.073</b>
Demand deposits and interbank loans	114.288	28.073
Securities purchased under resale agreements and loans secured by notes and securities	-	-
<b>Transactions with customers</b>		
Trade notes	-	-
Other customer loans	-	-
Overdrafts	-	-
Securities purchased under resale agreements and loans secured by notes and securities	-	-
Other income	-	-
<b>Transactions in financial instruments</b>		
Available for sale financial assets	-	-
Held to maturity financial assets	-	-
Securities lending	-	-
Hedging derivatives	-	-
<b>Finance leases</b>		
Real estate finance leases	-	-
Non-real estate finance leases	-	-
<b>Total interest income</b>	<b>114.288</b>	<b>28.073</b>
<b>Transactions with banks</b>	<b>(20.078)</b>	<b>(883)</b>
Interbank borrowings	(20.078)	(883)
Securities sold under resale agreements and borrowings secured by notes and securities	-	-
<b>Transactions with customers</b>	<b>-</b>	<b>-</b>
Regulated savings accounts	-	-
Other customer deposits	-	-
Securities sold under resale agreements and borrowings secured by notes and securities	-	-
<b>Transactions in financial instruments</b>	<b>(94.247)</b>	<b>(27.365)</b>
Securitized debt payables	(94.247)	(27.365)
Subordinated and convertible debt	-	-
Securities borrowing	-	-
Hedging derivatives	-	-
<b>Other interest expense</b>	<b>-</b>	<b>-</b>
<b>Total interest expense</b>	<b>(114.325)</b>	<b>(28.248)</b>
<b>Margin of interest</b>	<b>(37)</b>	<b>(175)</b>

**NOTE 7****NET INCOME AND EXPENSE FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH P&L**

<i>(in K USD)</i>	<b>31.12.2007</b>	<b>31.12.2006</b>
Net gain/loss on non-derivative financial assets held for trading	6.403.530	8.625.860
Net gain/loss on financial assets measured using fair value option	225.667	408.484
Net gain/loss on non-derivative financial liabilities held for trading	(6.483.241)	(8.811.936)
Net gain/loss on financial liabilities measured using fair value option	(145.954)	(222.407)
Net gain/loss on derivative instruments - warrant	110.979.169	56.461.174
Net gain/loss on derivative instruments - option	(110.979.169)	(56.461.174)
Net gain/loss on foreign exchange transactions	2	(13)
<b>Total</b>	<b>4</b>	<b>(12)</b>

**NOTE 8**  
**OTHER ADMINISTRATIVE COSTS**

<i>(in K USD)</i>	2007	2006
Employee compensation	-	-
Social security charges and payroll taxes	-	-
Retirement expenses - defined contribution plans	-	-
Retirement expenses - defined benefit plans	-	-
Other social security charges and taxes	-	-
Services granted ( Management Agreement )	(374)	(310)
Operating costs ( Financial Services Agreement )	407	497
<b>Total</b>	<b>33</b>	<b>187</b>

**NOTE 9  
EQUITY**

<i>(En K USD)</i>	Net position as at 31 décembre 2006	Allocation of earning	Net position as at 31 décember 2007
Share capital	560	-	560
Retained profit	875	-	875
Total equity before profit for the year	<u>1.435</u>	-	<u>1.435</u>
Profit for the year	-	-	
<b>Total equity</b>	<b>1.435</b>	-	<b>1.435</b>

**SGA Societe Generale Acceptance NV**

**CASH FLOW STATEMENT**

( in millions of USD )

	31.12.07	31.12.06
<b>Net cash flow from operating activities</b>	-	-
<i>Non monetary items :</i>		
- Depreciation and amortization	-	-
<i>Bond Debt</i>		
Issuing : EMTN	- 35.763	- 22.769
Issuing : Bonds	- 679	- 13.666
Redemptions : EMTN	43.255	14.434
Redemptions : Bonds	13.409	7.855
<i>Forward financial instruments commitments sold :</i>		
Warrants premium sold	- 110.979	- 56.461
<i>Interbank activities and Cash</i>		
Subscriptions of term loans ( PLP )	36.442	36.435
Redemption of term loans ( PLP )	- 56.664	- 22.289
<i>Forward financial instruments commitments bought :</i>		
Option premiums bought	110.979	56.461
<i>Other cash inflow/(outflow) from banking activities</i>		
Accrued interest paid on debt securities	- 4.109	- 2.196
Accrued Interest received on loan to banks	4.109	2.196
Dividends received from subsidiaries	-	-
Income tax	-	-
Other	-	-
<b>Change in working capital</b>	<b>I + II</b>	<b>-</b>
<i>Net cash inflow/(outflow) from investing activities</i>	<b>I</b>	<b>-</b>
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	-
Purchase/proceeds from sale of affiliates and other long term investments	-	-
Net cash inflow/(outflow) from other investing activities	-	-
<i>Capital transactions</i>	<b>II</b>	<b>-</b>
Capital increase	-	-
Subordinated Debt increase/decrease	-	-
Dividends paid	-	-
<b>Net Cash Flow</b>	<b>( b+c-a )</b>	<b>-</b>
Cash : Opening balances	<b>( a )</b>	<b>1</b>
Cash : Closing balances	<b>( b )</b>	<b>1</b>
Impact of the variations in exchange rate	<b>( c )</b>	<b>-</b>

Frankfurt am Main, June 04, 2008

**Société Générale Acceptance N.V.**

**Société Générale S.A.**

signed by Dr. Joachim Totzke

signed by Dr. Joachim Totzke

signed by Jeanette Plachetka

signed by Jeanette Plachetka