

# SG68 UK Bank Stocks Reverse Convertible

1-year GBP investment offering a coupon of 19% at maturity

## Investment objective:

To offer a guaranteed coupon of 19% at maturity. Capital is protected as long as one of the three UK bank stocks does not fall by 40% or more and only then if one of the stocks ends below its initial level.

The **SG68 UK Bank Stocks Reverse Convertible** is a London Stock Exchange traded instrument, issued by Société Générale, with the following characteristics:

- ▶ £1,000 issue price
- ▶ 19% annual coupon (paid at maturity)
- ▶ 1-for-1 risk to downside only after one stock has fallen by 40% or more and if one stock ends below its starting level

## Why invest in the Reverse Convertible?

The product offers an attractive coupon in return for the investor forgoing dividends and the upside growth potential of the stocks. It is a useful product for income seekers or those looking to benefit from the current volatility in these stocks.

## About the Stocks

The 3 stocks are found in the upper quarter of the FTSE100 index by market cap. SG research (May 08) puts Barclays as a Buy saying it is the best positioned stock in the UK banking universe. Lloyds TSB is the 4th largest bank in the UK by market cap. The bank has transformed itself under Eric Daniel's leadership to a more conservative, annuity-based and UK-focused bank. RBS is the 2nd largest UK bank in the UK by market cap. It has a very strong retail and commercial presence in the UK.

## Payout

If held to expiry, and if the underlying stocks have never fallen by 40% or more from its initial reference level, each Certificate will redeem for £1,000 (even if one of more of the stocks is below its initial level). If one of the underlying stocks has fallen by 40% or more from its initial reference level and one of them is below its initial reference level at maturity, the Certificate will follow the share price of the worst performing stock by reducing the redemption value of £1,000 by 1% for every 1% this share price is below its initial reference level. In both cases a 19% annual coupon will be paid at maturity.

## Pricing & Trading

The value of the Certificate will be maintained on the London Stock Exchange in real time, with a 1% bid/ask spread. It can be bought or sold at any time throughout the trading day and the minimum trade size is one Certificate. No stamp duty is payable.

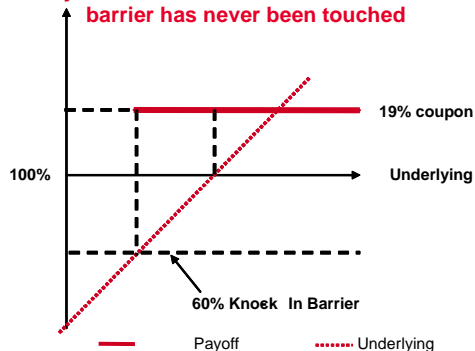
## Eligibility

The Certificate can be held as a direct investment or in a SIPP (but not an ISA). It can also be held by UCITS funds.

## Final Terms

Classification:	Certificate		
Issuer:	Société Générale		
Guarantor:	Société Générale		
Underlyings:	Barclays Plc, Royal Bank of Scotland Group Plc, Lloyds TSB Group Plc		
Issue date:	25 June 2008		
Expiry date:	23 June 2009		
Maturity date:	1 July 2009		
Initial reference levels:	Barclays = 299.75, RBS = 214.5, Lloyds = 318.75		
Issue price:	£1,000		
Issue size:	£5m		
Min trade size:	One Certificate		
Currency:	GBP		
Settlement:	Cash settlement only		
Pricing:	Daily, real time		
Traded on:	London Stock Exchange		
Settlement:	CREST		
UCITS fund eligible:	Yes	SIPP eligible:	Yes
ISIN code:	ANN8132R6871		
Reuters:	SG68.L	Bloomberg:	SG68 <CORP>
Sedol code:	B3B2J97	Product code:	SG68

## Pay-off of the Reverse Convertible if 60% barrier has never been touched



Otherwise, the payoff is 1-for-1 on downside (using worst-performing stock), but coupon still given



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## Important information

The contents of this document are given for purely indicative purposes and have no contractual value. Prior to any investment in the product, you should make your own appraisal of the risks from a legal, tax and accounting perspective, without relying exclusively on the information with which you were provided, by consulting, if you deem it necessary, your own advisors in these matters or any other professional advisors.

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The attention of investors is drawn to the fact that, by the maturity date, the price of certain products can be subject to an important volatility due to the evolution of market parameters and more precisely the price of the underlying instrument and the interest rates.

The potential return may also be reduced by the effect of commissions, fees or other charges. Certain products embed leverage i.e. either the issuer of these products may borrow funds to invest more than 100% of the amount initially invested by the investor in the underlying assets or the issuer of an underlying instrument may borrow funds to invest more than 100% of its assets in other assets, which involves in both cases further risks. Therefore, the value of these products will amplify the upwards and downwards movements in the value of the underlying assets or in the value of these other assets, and these products may even have no value.

The accuracy, completeness or relevance of the information provided is not guaranteed although it has been drawn from sources believed to be reliable. The information presented in this document is based on market data at a given moment and may change from time to time.

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