

Annual Report 2003



CDC IXIS
Capital Markets

Key figures

Consolidated results

Millions of euros	2003	2002	2001
Net banking income	633	500	416
Gross operating profit	233	136	83
Pre-tax underlying profit	162	136	93
Consolidated net profit	112	96	84
ROE	16%	16%	15%

Consolidated equity

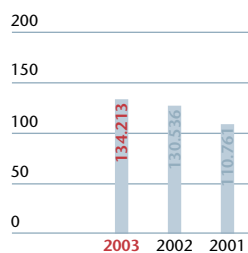
Millions of euros	31/12/03	31/12/02	31/12/01
Consolidated shareholders' equity ⁽¹⁾	747	635	567
Regulatory capital	1,377	1,238	1,049

⁽¹⁾ net of minority interests and excluding the Fund for General Banking Risks (FGBR).

Consolidated balance sheet total

as at 31/12

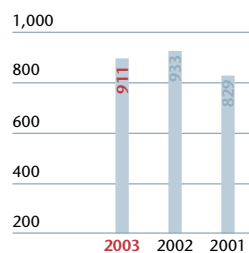
Billions of euros



Consolidated workforce

as at 31/12

Units



Long-term credit ratings

Ratings agency	31/12/2003
Standard & Poor's	AAA (Debt guaranteed by CDC IXIS, itself guaranteed by CDC) AA (Debt guaranteed by CDC IXIS and not by CDC)
Moody's	Aaa (Debt guaranteed by CDC IXIS, itself guaranteed by CDC) ⁽¹⁾
Fitch	AAA (Debt guaranteed by CDC IXIS, itself guaranteed by CDC)

⁽¹⁾ Debt guaranteed by CDC IXIS and not by CDC is currently being rated by Moody's.





CDC IXIS

Capital Markets

Profile

CDC IXIS Capital Markets is a credit institution regulated as a financial company under French law and a leading player on French and European capital markets.

CDC IXIS Capital Markets and its equity-broking arm, CDC IXIS Securities, offer investors an extensive array of broking, structured finance, engineering and research services.

The Group delivers an expansive product offering to clients on global markets from its Paris headquarters, as well as from branches in Frankfurt, London and Tokyo, and the New York-based operation, CDC IXIS Capital Markets North America Inc., a subsidiary of CDC IXIS.

The twin advantages of top-notch ratings and human dimensions ensure CDC IXIS Capital Markets offers clients both security and reactivity.

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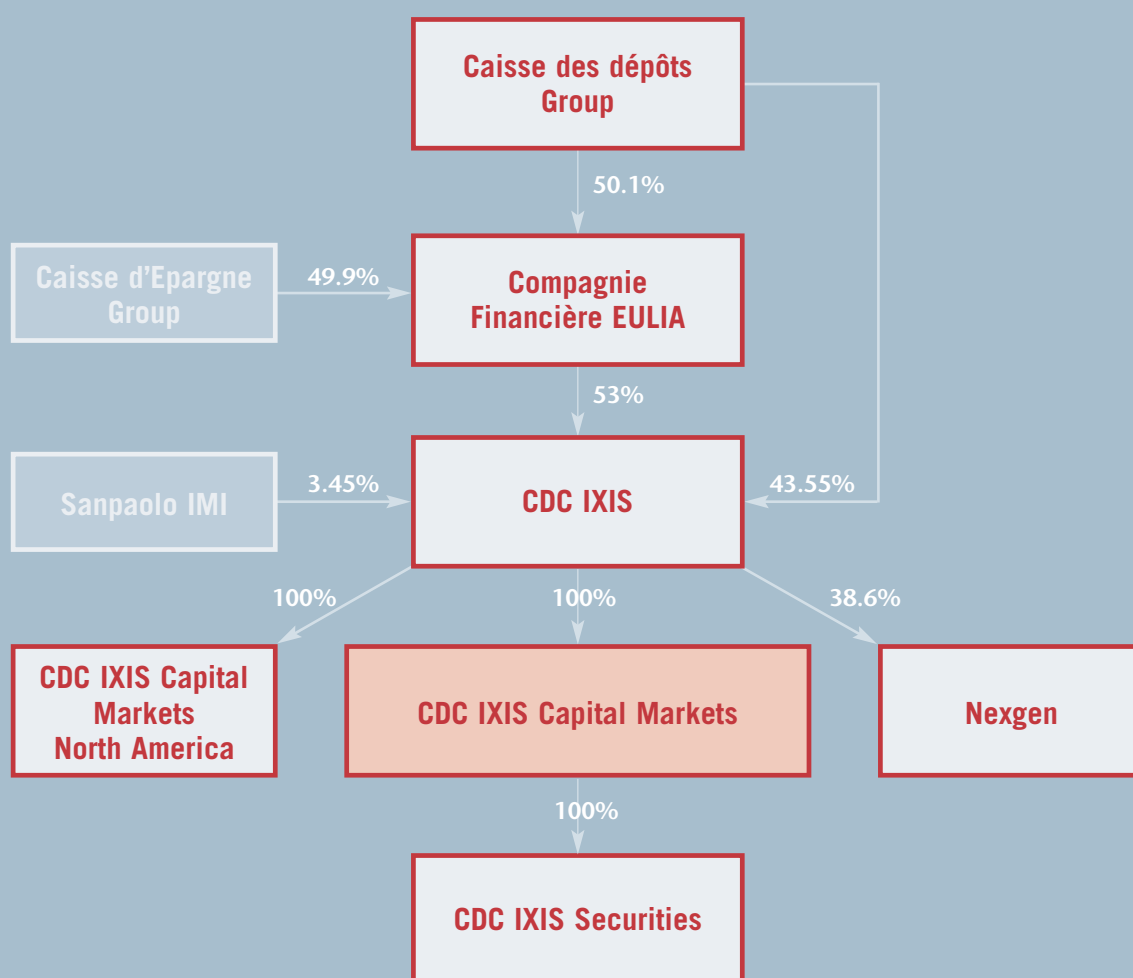
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Capital ownership

As at 31 December 2003, CDC IXIS Capital Markets was a wholly-owned subsidiary of CDC IXIS, which was itself owned by Compagnie Financière EULIA (53%), Caisse des dépôts et consignations Group (43.55%) and Sanpaolo IMI (3.45%).

Compagnie Financière EULIA is a holding company owned jointly between Caisse des dépôts Group (50.1%) and Caisse d'Epargne Group (49.9%), and which was set up on 31 December 2001 as part of the alliance between the two Groups.



In a press release dated 2 October 2003, Caisse des dépôts et consignations and Caisse Nationale des Caisses d'Epargne et de Prévoyance (CNCEP) announced they had signed an agreement on 1 October 2003 that provides for them to take their partnership onto a new level. The two Groups are to consolidate their partnership on a lasting basis by re-balancing their respective roles within a universal bank due to be created by integrating EULIA and CDC IXIS into Caisse d'Epargne Group.

Caisse des dépôts et consignations will consolidate its role as an investor with a 35% stake in the new bank.

With a view to preparing the definitive agreements by the end of the first half of 2004, the current project and any future developments will be presented to the various internal bodies within the companies concerned and to the regulatory authorities.

Message from the Chairman of the Supervisory Board

In conditions similar to those that prevailed in 2002, CDC IXIS Capital Markets experienced a remarkable year in 2003, both qualitatively and in terms of the results achieved by our personnel.

Net profit rose 16.5% relative to 2002 and ensured we enjoyed our best-ever year, as was the case for our parent company, CDC IXIS.

The month of October saw Caisse des dépôts Group and Caisse d'Épargne Group lay the foundations for a major new full-service bank, by signing a memorandum of understanding on their new partnership project, which is set to culminate at the end of the first half of 2004. The new combine will rank as one of France's largest banking groups, with 55,000 employees, €17 billion of shareholders' equity and a significant international presence.

This operation represents a genuine opportunity for CDC IXIS Capital Markets to develop and expand within a group that commands an excellent rating.

During its six meetings in 2003 and with support from the Financial and Internal Control Committee, the Supervisory Board notably ensured itself that there was no let-up in the quality of our risk-management measures, the efficiency of control mechanisms or the tight grip on costs within the Company.

This fine performance paves the way for CDC IXIS Capital Markets to continue to expand in a secure manner in 2004, against a backdrop of ambitious change.



Pierre Servant

CHAIRMAN OF THE SUPERVISORY BOARD

“2003 was a remarkable year
for CDC IXIS Capital Markets”

“CDC IXIS Capital Markets delivered...



...further virtuous growth in 2003”

Message from the Chairman of the Executive Board



Against a backdrop of healthy fixed-income markets, CDC IXIS Capital Markets once again proved its ability to adapt to the prevailing economic and financial environment. With consolidated net profit of €112 million and an ROE of 16%, the Group not only beat its targets, but also confirmed that growth was being achieved virtuously, while posting its best results to date.

As in 2002, our profits in 2003 were driven by solid resistance in equity businesses and an excellent showing in fixed-income markets. They were also fuelled by the expansion of our international operations, via our three branches in Frankfurt, London and Tokyo, and were achieved while maintaining an extremely stringent risk selection policy.

The move to group the personnel of CDC IXIS Capital Markets and its subsidiary, CDC IXIS Securities, at the new Paris Austerlitz offices, was achieved without hiccups and within very short timescales, and was a tribute to all support functions. This relocation was coupled with reorganisation measures geared to clarifying the business lines and adapting them as best as possible to market conditions.

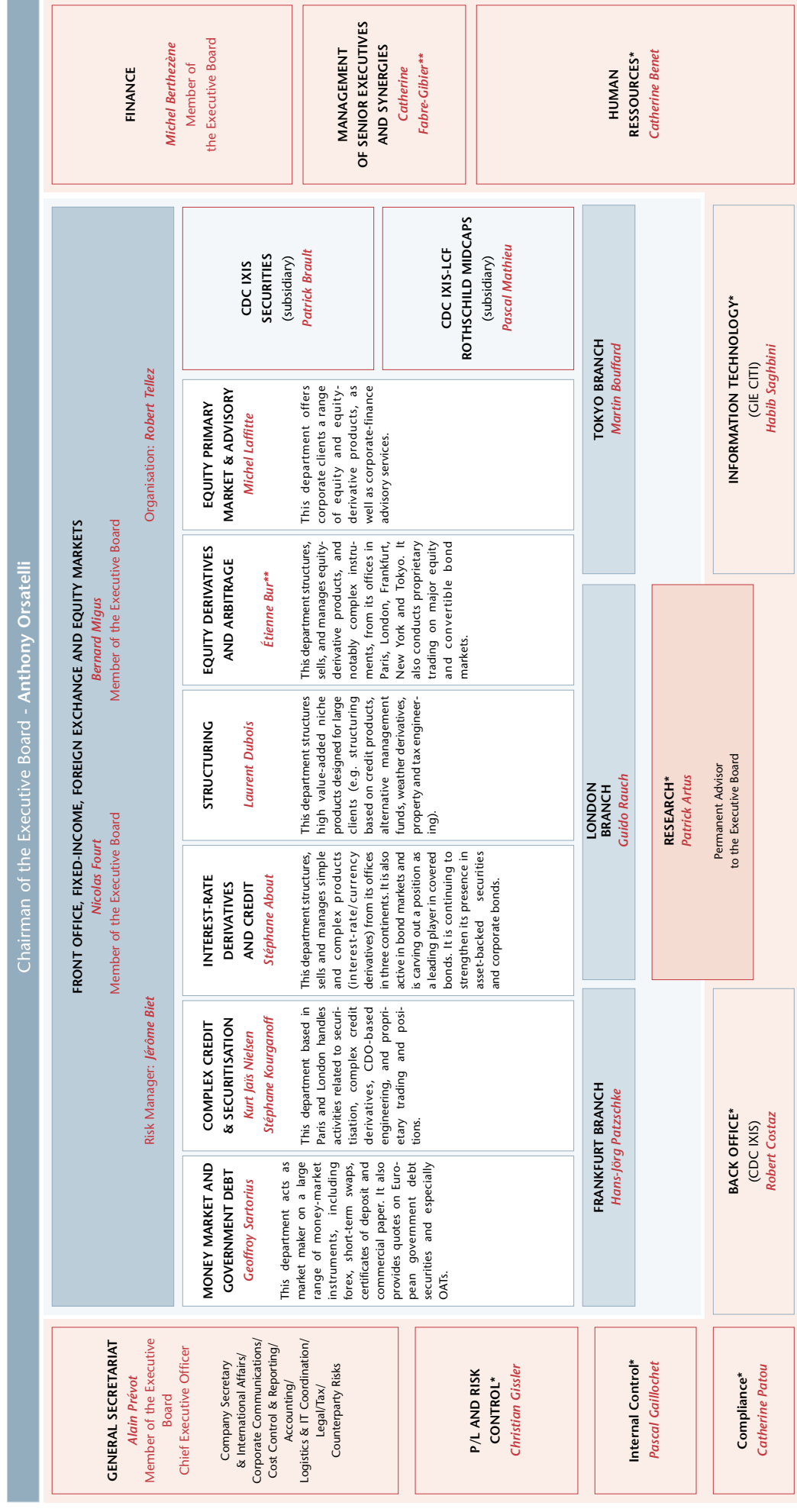
Further to the common accord signed between Caisse des dépôts et consignations and Caisse d'Épargne Group, one of our major challenges in 2004 will be to ensure the successful integration of our activities with those of Caisse Nationale des Caisses d'Épargne et de Prévoyance (CNCEP). This operation represents an important stage in the development of our business.

It will enable CDC IXIS Capital Markets to house its business lines within one of France's largest banking groups, while continuing to pursue its growth model as a multi-specialist in a selection of high value-added businesses.

Anthony Orsatelli

CHAIRMAN OF THE EXECUTIVE BOARD

Organisational chart



* Departments reporting directly to the Chairman of the Executive Board.

** Members of the Executive Committee.

Corporate governance

(composition as at 31 December 2003)*

Supervisory Board and specialised committees	Supervisory Board	Financial and Internal Control Committee	Remuneration Committee
Pierre Servant , Member of Executive Board of CNCEP Date first appointed: 3 November 1998	Chairman	-	Member
Antoine Lissowski , Member of Executive Board of CNP Date first appointed: 3 November 1998	Vice-Chairman	Chairman	-
CDC IXIS Date first appointed: 21 June 2000 Permanent representative (since 17 February 2003): Francis Mayer, Chief Executive Officer of CDC	Member	-	Member
CNCEP Date first appointed: 13 October 1999 Permanent representative (since 13 October 2003): Bruno Mettling, Member of Executive Board of CNCEP	Member	-	-
BCEEL Date first appointed: 3 November 1998 Permanent representative (since 3 November 1998): Raymond Kirsch, Chairman of BCEEL BCEEL has been represented by Jean-Claude FINCK since 16 February 2004	Member	-	Chairman
Jean-Jacques Bonnaud , Chairman of GALAXY FUND Date first appointed: 17 October 2003	Member	-	-
Jean-Pierre Menanteau , Director of Economics and Finance of SNCF group Date first appointed: 17 October 2003	Member	Member	-
Nicolas Merindol , Member of Executive Board of CNCEP Date first appointed: 20 March 2002	Member	Member	Member
Laurent Vieilleigne , Member of Executive Board of CDC IXIS Date first appointed: 17 October 2003	Member	-	-

The mandates of the members of the Supervisory Board will be subject to renewal at the Annual General Meeting of Shareholders convened to approve the accounts for the financial year ended 31 December 2003.

Executive Board

Anthony Orsatelli Date first appointed: 3 November 1998	Chairman
Alain Prévot , General Secretary Date first appointed: 3 November 1998	Chief Executive Officer
Nicolas Fourt Date first appointed: 3 November 1998	Member
Bernard Migus Date first appointed: 3 November 1998	Member
Since January 2004 Michel Berthezène Date first appointed: 14 January 2004	Member

The mandates of the Executive Board will be subject to renewal on 14 January 2008.

* Pursuant to the final paragraph of article L.225-68 of the French Companies Act, this forms an integral part of the Chairman of the Supervisory Board's report on the preparation and organisation of tasks undertaken by the Board and the Company's internal control procedures.

Preparation and organisation of tasks undertaken by the Supervisory Board and specialised committees ⁽¹⁾

General responsibilities of the Supervisory Board

The Supervisory Board ensures the Company and the entities attached to it are functioning correctly. In this capacity, it exercises control over the management of the Executive Board and on the accounts drawn up by the Board.

In the process of exercising these responsibilities, the Supervisory Board may decide to set up Specialised Committees from among its own members. These committees report to, and are assigned their remit by the Supervisory Board. In this respect, the Supervisory Board set up a Financial and Internal Control Committee, and a Remuneration Committee right at the outset of its activities.

Each year, the Supervisory Board is required to present a report to the Annual General Meeting of Shareholders that contains its observations on the report of the Executive Board and on the accounts for the previous financial year. It also submits a report to the Annual General Meeting of Shareholders concerning the preparation and organisation of its work, together with the internal control procedures implemented by the Company (see below). Lastly, it approves the so-called “regulated agreements” and establishes the list of agreements concerning ordinary operations and which were concluded under normal conditions.

Composition and organisation of the Supervisory Board

CDC IXIS Capital Markets’ Supervisory Board comprises nine members⁽²⁾, all of whom own at least one share issued by the Company.

Although CDC IXIS Capital Markets is a wholly-owned subsidiary of CDC IXIS, its Supervisory Board nevertheless includes two independent Board members.

CDC IXIS Capital Markets’ definition of an independent Board member is that set out in the Bouton Report of 23 September 2002, i.e. any person whose judgement remains free of influence from any relations that he or she may maintain either with the Company, the Group to which it belongs or its management.

Activity of the Supervisory Board in 2003

CDC IXIS Capital Markets’ Supervisory Board convened on six occasions in 2003, each time in the presence of personnel representatives. The average attendance rate was 76%.

The Company Secretary’s Department takes responsibility for organising the Board and Specialised Committee meetings (issuing convocations a fortnight in advance; preparing folders; establishing the agenda; preparing attendance sheets, etc.). Minutes were drawn up after each Supervisory Board meeting.

Making use of Specialised Committees where necessary (see below), the Supervisory Board primarily sought to verify that:

- the Executive Board’s strategic and investment decisions were appropriate. To this end, the Supervisory Board was kept regularly abreast of the development of new business activities and the creation of new structures;
- the Company’s risk profile remained undistorted and that control mechanisms were functioning efficiently;
- results were being obtained in line with the targets established at the start of the year;

⁽¹⁾ Pursuant to the final paragraph of article L.225-68 of the French Companies Act, this forms an integral part of the Chairman of the Supervisory Board’s report on the preparation and organisation of tasks undertaken by the Board and the Company’s internal control procedures.

⁽²⁾ See pages 48 to 55 for the full list of mandates and functions exercised on various Company boards by the members of the Supervisory Board.

Corporate governance



financial information released by the Company, primarily in the form of annual and interim financial statements, was of good quality.

The Supervisory Board also examined the following matters more specifically:

- progress with the 2002-05 business plan,
- the plans to merge CDC IXIS Capital Markets into CDC IXIS,
- the IAS project,
- the renewal of Supervisory Board and specialised committee members,
- the updating of the Company's statutes,
- the transfer of Company headquarters within the same administrative department,
- the remuneration of Executive Board members.

Lastly, as part of its special powers enshrined by law, the Supervisory Board approved:

- **during its meeting of 26 May 2003, the signature:**

- of a regulated agreement, termed "Letter of Renouncement", according to which CDC IXIS Capital Markets pledges not to initiate any balance-sheet operations for completion after 23 January 2017 and which indirectly benefit from Caisse des dépôts et consignations' guarantee;
- of a regulated agreement, termed "Letter of Commitment", between CDC IXIS and CDC IXIS Capital Markets, and which establishes the terms under which the two Joint and Several Guarantees mentioned below take effect (domain, form, duration, remuneration etc.);
- of a regulated agreement termed "Joint and Several Guarantee" between CDC IXIS and CDC

IXIS Capital Markets (in French and English versions). The purpose of this agreement, which was concluded for the period from 1 November 2003 to 23 January 2004 inclusive, is to enable CDC IXIS Capital Markets' counterparties to benefit from CDC IXIS's guarantee for balance-sheet transactions completed no later than 23 January 2017 and for off-balance sheet transactions irrespective of their completion date;

- of a regulated agreement, termed "Joint and Several Guarantee", between CDC IXIS and CDC IXIS Capital Markets (in French and English versions). The purpose of this agreement, which was concluded for the period from 24 January 2004 to 23 January 2007 inclusive, is to enable CDC IXIS Capital Markets' counterparties to benefit from CDC IXIS's guarantee for balance sheet and off-balance sheet transactions completed no later than 23 January 2017.

- **during its meeting of 19 December 2003, the signature:**

- of a regulated agreement, termed "Equity Swap Agreement", between CDC IXIS and CDC IXIS Capital Markets. This agreement, which has a maximum duration of 1 year, is related to Alstom's financial restructuring programme;
- of a regulated agreement, termed "Letter of Commitment", between CDC IXIS and CDC IXIS Capital Markets and which establishes the terms under which the Joint and Several Guarantee mentioned below takes effect (domain, form, duration, remuneration etc.);
- of a regulated agreement termed "Joint and Several Guarantee" between CDC IXIS and CDC IXIS Capital Markets (in French and English versions). The purpose of this agreement, which was concluded for an indefinite period, is to enable CDC IXIS Capital Markets' counterparties to benefit from CDC IXIS's guarantee for transactions concluded as from 24 January 2004 and completed after 23 January 2017;
- of a regulated agreement termed "Sub-Letting Agreement" between CDC IXIS Capital Markets and CDC IXIS Securities. The purpose of this agreement, which was concluded for a period of nine years, involves sub-letting to CDC IXIS Securities a part of the premises currently rented by CDC IXIS Capital Markets.

Directors' fees were paid to members of the Supervisory Board in proportion to their rate of attendance at meetings of the Board and the two Specialised Committees⁽³⁾. However, in accordance with internal regulations, Supervisory Board members representing Caisse des dépôts et consignations Group do not receive directors' fees for attending meetings in the exercise of their mandates within CDC IXIS Capital Markets.

Activity of the specialised committees in 2003

The Supervisory Board is assisted in its duties by two specialised committees set up in 1998, namely the Financial and Internal Control Committee and the Remuneration Committee.

The Financial and Internal Control Committee

The Financial and Internal Control Committee is a three-member committee chaired by the Vice-Chairman of the Supervisory Board and which meets in the presence of the company's Auditors. Each meeting gives rise to a report that is subsequently presented to the Supervisory Board at a meeting during the following fortnight, the intervening period being used by the Committee for preparation purposes.

The Financial and Internal Control Committee is responsible for assessing period-end financial reporting data and ensuring that internal control procedures are respected. It therefore fulfils a number of duties:

- examining the interim and annual financial statements before they are presented to the Supervisory Board, ensuring in particular that the accounting methods used are both appropriate and consistent, as well as soliciting the opinion of the Auditors;
- ensuring that internal control mechanisms are functioning properly and that the corresponding regulatory measures are being applied;
- issuing an opinion on the appointment of the Auditors and their work programme;
- monitoring exposure to the various types of risk (market, counterparty etc.) and the various mechanisms for tracking such risks.

The Financial and Internal Control Committee convened on four occasions in 2003. The average attendance rate for Committee members was 91%. These meetings primarily examined:

- the 2002 annual financial statements and 2003 interim financial statements;
- the reports to the Supervisory Board on risk monitoring and internal control, together with the report to the AMF (the French stock-market regulator and successor to the CMF) on the control exercised over investment services supplied by the Company;
- the projects undertaken during the year;
- the Basle II and IAS projects (Risk Control, Compliance, Accounting);
- the cost-cutting action plan (Cost Control).

The Remuneration Committee

The Remuneration Committee is a four-member committee chaired by a personality from outside the Group and which is responsible for issuing an opinion on the remuneration of the members of the Executive Board. The Committee met on one occasion during 2003, with all members present.



Opinion of the Supervisory Board on the 2003 financial year

The Supervisory Board does not have any comments to make on the Parent Company and Consolidated Financial Statements for the 2003 financial year, nor concerning the Management Report presented by the Executive Board. It therefore asks shareholders to approve the accounts for the year, together with the resolutions proposed by the Executive Board.

The Supervisory Board wishes to thank all personnel for the work accomplished over the past year and the quality of the information supplied to it.

(3) See pages 48 to 55.

The Company's internal control procedures ⁽⁴⁾

General objectives of internal control procedures

CDC IXIS Capital Markets' internal control procedures are designed to ensure that at the operational level:

- transactions are processed correctly and that the Company's activities and behaviour are consistent with the diverse regulations and internal and external professional standards applicable to it,
- new products, engineered solutions and activities are developed in a secure manner,
- the risks associated with processes are evaluated and managed,
- IT systems are secure,
- systems and procedures are capable of producing reliable and pertinent financial, accounting and managerial information.

From an overall standpoint, the objective is to provide shareholders and investors with reasonable assurance that CDC IXIS Capital Markets has set up an internal control mechanism comprising secure and optimised risk management, control and compliance processes, and which is suitable for achieving the financial and economic performance targets set as part of the strategy drawn up with its shareholders.

References

The internal control mechanisms in use at CDC IXIS Capital Markets and its subsidiary CDC IXIS Securities apply the following regulations and standards as references:

• External references (legal or professional)

- As a credit institution licensed as a financial company under French law: the measures contained in France's Monetary and Financial Code (*code monétaire et financier*, essentially comprising the measures included in France's Banking Act/*loi bancaire* of 24 January 1984 and the Financial Activities Modernisation Act/*loi de modernisation des activités financières* of 2 July 1996) and from a

more specific internal control standpoint, the specific provisions pertaining to banking activity in CRBF regulation n° 2001-01, which amended the previous regulation n° 97-02.

- As a provider of investment services: the measures dictated by France's market regulator, the *Autorité des marchés financiers* (AMF), and particularly the rules of good conduct pertaining to market intervention and client relations.
- The codes of good conduct published by professional associations, whenever these codes are recommended or imposed by the regulator (for example, the Financial Analysts' Compliance Code/*Code de déontologie des analystes financiers*).
- The regulations concerning money laundering, which fall under the control of France's Banking Commission.
- As regards foreign branches: the regulations decreed by local market regulators (the Financial Services Authority in the UK, the Bundesanstalt für Finanzdienstleistungsaufsicht/BAFIN in Germany, the Financial Supervisory Authority in Japan), wherever activities exercised locally are subject to these regulations.

• Internal references

CDC IXIS Capital Markets' internal control system is organised according to several sets of internal rules:

- The "general internal control principles" established by CDC IXIS for all Group entities. In view of the nature and increasing complexity of the Group's activities, these principles are primarily focused on monitoring and managing risks via risk assessment or risk cartography models.
- The "Compliance Manual", which contains all the personal and professional compliance rules applicable to CDC IXIS Capital Markets employees (rules of good conduct, prevention of conflicts of interest, transparency as regards personal securities transactions, etc.).

(4) Pursuant to the final paragraph of article L.225-68 of the French Companies Act, this forms an integral part of the Chairman of the Supervisory Board's report on the preparation and organisation of tasks undertaken by the Board and the Company's internal control procedures.

■ The CDC IXIS Capital Markets Accounting Charter, which defines the responsibilities, roles and scope of action of the different members of the accounting function, and also describes the chain of controls implemented to ensure that both the information produced and the audit trail are exhaustive and exact.

■ The CDC Group's Internal Audit Charter, which specifies the objectives, organisation and methods for audit assignments, as well as the rights and duties of the auditors and those audited.

■ Organisational principles

The internal control mechanism is underpinned by various principles:

- Making operational managers accountable for ensuring rules are effectively applied and for setting up control procedures and methods so as to ensure activities are exercised in a secure manner.
- Decentralising operational methods to business lines, all of which are subject to specific risk limits and reporting obligations.
- Separating functions on a widespread basis by:
 - Maintaining strict separation (including physical) between front-office personnel initiating financial commitments and back-office personnel processing transactions.
 - Ensuring contractual documentation is prepared in a secure manner, by placing Legal Officers as close as possible to operational personnel in the front office while at the same time maintaining hierarchical links with the Legal Department.
 - Applying the "double check" rule so as to ensure that two participants are always involved in operational processes (monitoring deadlines and timetables for complex products, entering/validating payments, sending valuations to clients, etc.).
 - Erecting "Chinese Walls" in order to prevent confidential information circulating between departments, activities or entities, and to avert potential conflicts of interest.



- Ensuring three levels of control are applied within CDC IXIS Capital Markets:

■ Permanent first-level controls are undertaken by hierarchical managers and complemented by monitoring and control functions that are independent of these hierarchies but integrated within operational activities, the aim being to monitor personnel as closely as possible. For example:

- within trading rooms, risk managers independent of desk managers are responsible for ensuring front-office personnel respect individual limits and also for overseeing P/L production and validation,
- within back offices, accounting cells exist to ensure the separation of trade processing/unwinding and accounting validation/reconciliation.

■ Regular second-line controls are carried out by departments other than those initiating the transactions concerned, e.g. Legal and Fiscal, Accounting, IT Systems Security, P/L and Risk Control, Compliance and Investment Services Control, etc. As regards international branches, P/L and Risk Control is exercised with the help of local correspondents reporting to Paris either on a hierarchical basis or via a strong functional link.

■ Periodic third-level controls independent of all others are carried out via the Internal Audit Department.

- In order to ensure the independence of their assignments, the heads of P/L and Risk Control, Compliance and Internal Audit all report to the Chairman of the Executive Board.
- Strong links also exist between these functions and the corresponding departments within CDC IXIS (Risks, General Inspection).

The operational mechanism (main participants and methods)

In order to manage the full spectrum of risks linked to the Company's activities, CDC IXIS Capital Markets' internal control mechanism makes use of a tight-knit system of:

- participants (intervening directly or via internal committees),
- procedures (validation, authorisation, processing, control),
- measuring and monitoring tools,
- operational and management reports.

This mechanism functions in different areas:

• The launch of innovative activities and products:

- A Transactions Committee, manned notably by the heads of the Capital Markets, Risk Control, Legal and Compliance Departments, issues:
 - hierarchical authorisations for large or particularly risky transactions,
 - authorisations in principle for innovative transactions (subject to approval by the New Products Committee).

- The New Products/New Activities Committee (preceded by technical pre-committees where necessary) brings together all the relevant support functions concerned (including Risks and Compliance), in order to conduct a collegial, cross-departmental and concerted analysis prior to authorising launch.

- The "technical visa" procedure, which notably involves the Legal, Compliance and Back-Office functions, is more specific in purpose and focuses on the content of contractual documentation and ensures IT systems can process new products correctly.

• Trading on financial markets:

Employees exercising trading functions and credit analysts are required to have professional registration cards.

Procedures exist to govern:

- the opening of relations with the client (the Referencing Committee),

- the choice of intermediaries (the Brokers Committee),
- the acceptance of credit risk (the CDC IXIS Capital Markets/CDC IXIS Credit Committee and counterparty limits),
- the acceptance of market risk (each operator is subject to behavioural limits organised by activity and formalised via individual "road maps").

• Trade confirmation signatures and, more broadly, the legal and contractual documentation related to trading:

CDC IXIS Capital Markets' signature rules are based on strict front/back-office separation and are organised by business line and type of legal commitment, as well as being subject to hierarchical visas at different levels.

• Recording transactions:

Transaction recording systems convey information concerning the underlying management intention with the transaction, based on a front-to-back accounting process that ensures the audit trail is both exhaustive and sound.

• Measuring/monitoring risks:

- Market risks
 - Risk Management carries out a daily control to verify road maps are being respected (markets, authorised products and classes of risk, stop-loss indicators, etc.).
 - Behavioural limits are complemented with VaR limits calculated for the portfolios. P/L and Risk Control uses the Scenarisk tool on a daily basis to ensure VaR limits are being respected. These measures are rounded out with stress tests based on crisis scenarios.
- Counterparty risks
 - Exposure limits are monitored daily by the Counterparty Risk Department, which reports to CDC IXIS Capital Markets' General Secretariat and to CDC IXIS's Risk Department.
 - The AMeRisC software tool calculates a Monte-Carlo type VaR on a daily basis in order to assess potential losses related to counterparty risks.

■ Operational risks

- CDC IXIS Capital Markets has drawn up a Company-wide operational risk cartography. Risk indicators are also currently being developed under the supervision of the Operational Risk Steering Committee.
- In response to Basle II requirements, a new incident recording tool has been in use in the front and back offices since mid-2003. This tool is used to organise the operational risk IT system.

The branches are treated as part of the Paris business lines and their risks are therefore monitored according to the same rules.

• Calculating profits:

The process of calculating management profit is overseen by Risk Management. Management profit is verified by the P/L and Risk Control function, notably by:

- validating front-office pricers,
- controlling market data using independent sources,
- reconciling management profit with accounting profit.

This process involves the Back-Office accounting cells and the Central Accounting function which has final responsibility for ensuring profits are exact.

• IT systems security (ITSS):

Given the importance of ITSS, the head of ITSS oversees:

- the quality of the diverse components of the IT security mechanism (firewalls, procedures for managing IT access, recovery plans),
- the application of a common methodology for developing IT projects.

In addition, as part of projects to respond to user IT needs, systems are regularly adapted in order to enhance STP (straight-through-processing) capability.

• Ensuring compliance with rules of good conduct and professional standards:

The Compliance Officer derives a set of standards from the regulations applicable to market intervention and brings these to the attention of operational personnel.

This procedure involves:

- Prior-event surveillance via the use of pre-approvals issued by the Compliance Officer on a case-by-case basis,
- Post-event controls carried out by the Compliance Officer (personal compliance) or by Internal Audit.

• Insurance cover:

The risk-coverage mechanism is rounded out with professional civil liability insurance policies covering all of CDC IXIS Capital Markets' activities.

• Assessment of the internal control mechanism:

Within the framework of a co-ordinated work programme approved by the shareholders' own audit structures, CDC IXIS Capital Markets' Internal Audit function periodically checks the quality of risk management, control and compliance procedures, via audit assignments or more specific controls based on a risk-oriented approach.

These measures also encompass the foreign branches, within which the Paris-based Internal Audit function has local correspondents that report regularly on the work undertaken. Similar measures are applied with the Internal Control arm of the Company's equity-broking subsidiary.

In addition, the Company's shareholders' audit units (CDC Group Central Audit, Compagnie Financière EULIA Audit Department, CDC IXIS General Inspection) carry out their own audit assignments directly on the Company's capital markets activities and its equity-broking subsidiary.



Key points of the internal control mechanism and reporting

Structural factors such as the separation of functions, the system of limits and the different levels of control, have been described in previous parts of this chapter.

Another key element of risk monitoring and management concerns the quality of the reporting system.

This system is organised as follows at CDC IXIS Capital Markets:

- **Reports submitted to the Executive Board**
Reports concerning the following aspects are compiled by control or management functions independent of the operational functions intervening in the markets:
 - New products/engineered solutions,
 - Risks:
 - reports on market risks (daily on VaR, weekly and monthly updates on the main variations),
 - reports on breaches of counterparty risk limits (daily monitoring of limits and weekly update),
 - reports on operational risks based on ad hoc indicators,
 - Profits: daily P/L report by activity, weekly and monthly updates on the main variations,
 - Accounting: summary notes on accounting controls (quarterly),
 - Management: ALM reports from the Asset-Liability Committee, reports to monitor risk limits for special-purpose vehicles,
 - The application of good conduct rules together with the list of stocks under surveillance, the aim being to prevent conflicts of interest,

- The compliance requirements relating to the entry into relations with clients.

• Reports used by operational departments

These reports notably focus on:

- ensuring operational limits are being respected (behavioural, VaR),
- contractual guarantees (collateralisation),
- the existence of master contracts with counterparties, and more generally, the conservation of legal documentation relating to transactions,
- the smooth-functioning of processing procedures (confirmations, payments, suspense),
- errors and incidents.

Conclusion on CDC IXIS Capital Markets' internal control mechanism:

CDC IXIS Capital Markets has set up a tight-knit system designed to anticipate the essential issues related to the complexity of its activities and the risks they entail.

This mechanism needs to be constantly amended in response to developments in the Company's activities and their innovative nature. CDC IXIS Capital Markets is currently focusing its efforts on the following areas:

- standardising procedures for recording and processing complex transactions,
- extending Monte-Carlo VaR market-risk measuring methods,
- strengthening credit-risk monitoring processes,
- enhancing client referencing procedures,
- further improving IT channels to reinforce STP (straight-through-processing) capability,
- developing further operational-risk indicators and automating certain recurrent controls so as to improve efficiency,
- amending the disaster recovery plan in the light of new regulatory requirements.

Production and processing of accounting and financial information ⁽⁵⁾

The Central Accounting function

The Central Accounting function reports to the General Secretary, who is a member of the Executive Board. It is organised into four main segments:

- production of financial statements, consolidation reports and all regulatory reports,
- accounting processing of non-operational activities,
- accounting control,
- accounting standards, procedures and systems (definition of user needs and maintenance of interpretation and production systems).



Production and control of information

CDC IXIS Capital Markets produces parent-company and consolidated financial statements each half year.

Note that the consolidated accounts include the subsidiary CDC IXIS Securities. They are produced by the CDC IXIS holding company from CDC IXIS Capital Markets' and CDC IXIS Securities' consolidation reports. CDC IXIS's consolidation procedures ensure a high level of control and are complemented by the critical review carried out by CDC IXIS Capital Markets' Central Accounting function.

The financial statements are compiled in accordance with prevailing legislation and regulations (the set of rules specific to financial institutions established by France's Banking Commission/*Commission Bancaire*, and by the National Accounting Council's Accounting Regulations Committee/*Comité de la réglementation comptable du Conseil national de la comptabilité*). These rules specify the information to be included in the reference document of the French financial market regulator, the AMF (*Autorité des marchés financiers*).

Accounting and valuation rules are established in accordance with the CDC IXIS holding company and with CDC Group standards.

Half-yearly information is subject to an attested limited review while full-yearly information is subject to certification by the Auditors.

Accounting information production systems and organisational structure

In view of the highly interlinked nature of Back-Office work and accounts processing within the Company, accounting information is produced in a decentralised manner:

- front office operational activities and their results (net banking income) are recorded by the Back Office using application software or manual data entry,
- other transactions are recorded in a centralised manner by the Accounting Department.

⁽⁵⁾ Pursuant to the final paragraph of article L.225-68 of the French Companies Act, this forms an integral part of the Chairman of the Supervisory Board's report on the preparation and organisation of tasks undertaken by the Board and the Company's internal control procedures.

Corporate governance



Accounting information is organised by analytical centres that correspond to the elementary levels in the production of a balanced ledger.

Accounting sections are specialised according to the geographic location of activity (i.e. France or one of the three countries where the Company has branches).

Period-end reporting work is co-ordinated by the Central Accounting function, notably via an instruction note which covers the stages in the period-end process and the information expected from the various decentralised contributors.

In order to ensure the independence of the accounting function, accounts processing systems are organised so as to disassociate management applications and the accounting interpretation of events:

- management applications, which are under Back-Office responsibility, produce reports of events;
- this information is interpreted by the Central Accounting function using the “*règles du jeu*” application, which produces accounting entries that are inputted to the central accounting system;

- results from complex transactions are accounted for by the Back Office using information rendered reliable and justified by the P/L and Risk Control function;
- non-operational transactions are processed in an auxiliary system which feeds into the central accounting system on a daily basis;
- manual entries are recorded by the Back Office or by the Central Accounting function in the central accounting system;
- lastly, a summary report production system under the responsibility of the accounting function is used to produce the financial statements and appendices based on the ledger extracted from the accounting system.

The accounting control channel and responsibilities

Within the scope of the New Products Committee, the Accounting Department is involved in launching new or complex transactions identified by the P/L and Risk Control function. This notably requires it to establish the regulatory and account processing principles in conjunction with the Back Office and Tax Department.

The written analysis produced during this process is systematically transmitted to the Auditors.

From a general standpoint, production and control functions are disassociated, both as regards accounts processing and the calculation of management profit derived from operational activities.

This decentralised accounting production also entails a responsibility to produce an inventory to justify the general ledger corresponding to the accounting sections managed (including work to reconcile front-office stocks with general accounting balances). On completion of period-end work, the Back Office submits a report to the Central Accounting function.

Accounting control is carried out by a dedicated team housed within the Central Accounting function. The team's responsibility also extends to sections that do not correspond to operational activities.

Management profit is produced by the Risk Management Department and is subsequently controlled by the P/L and Risk Control function (parameters and valuation models in particular).

Accounting profit from operational activities (net banking income) is rendered reliable by periodic reconciliation with management profit. This reconciliation is carried out by the Back Office and co-ordinated by the P/L and Risk Control function, the latter having responsibility for the application software that holds this information.

P/L and Risk Control produces a period-end report for the Central Accounting Department.

Central Accounting Control exploits and analyses the justificative data and the reports produced by the Back Office or the P/L and Risk Control function. It also undertakes complementary classical controls (analysis of variations, etc.). Last of all, it produces a summary of its work, conclusions and recommendations, which are subsequently included in a formalised accounting control summary submitted to the Members of the Executive Board and transmitted to both the Auditors and Internal Audit.

Work-in-progress is geared to consolidating the accounting information processing and production mechanism

Over the last few years, priority has been assigned to shortening period-end reporting timescales and industrialising the production and summary report process. Efforts have also been made to ensure the interpretation of accounting information is disassociated from management applications on a wide-spread basis.

Elsewhere, a number of measures were identified and gradually implemented in 2003 with the aim of enabling accounting profit and management profit to be reconciled on a monthly basis.

The regular production of monthly accounts earmarked for 2004 will enhance the fluidity of the production and accounting information control processes.



Report of the Auditors,

established in accordance with the final paragraph of article L. 225-235 of the French Companies Act, and concerning the report of the Chairman of the CDC IXIS Capital Markets Supervisory Board describing the internal control procedures relating to the production and processing of accounting and financial information.

Financial year ended 31 December 2003

To the Shareholders
CDC IXIS Capital Markets
47, quai d'Austerlitz
75648 Paris cedex 13

Ladies and Gentlemen,

In our capacity of Auditors of CDC IXIS Capital Markets and in accordance with the provisions of the final paragraph of article L.225-235 of the French Companies Act, we hereby present our report on the report of the Chairman of the CDC IXIS Capital Markets Supervisory Board pursuant to the provisions of article L.225-68 of the French Companies Act, and concerning the financial year ended 31 December 2003.

Under the responsibility of the Supervisory Board, management is responsible for defining and implementing appropriate and effective internal control procedures. In his report, the Chairman of the Supervisory Board is required to describe the conditions under which the Supervisory Board prepares and organises its tasks and the internal control procedures implemented within the Company.

It is our responsibility to inform you of our observations regarding the information and statements contained in the Chairman's report concerning internal control procedures relating to the production and processing of accounting and financial information.

In accordance with prevailing professional doctrine in France, we have acquainted ourselves with the general objectives and organisation of the internal control mechanism, together with those internal control procedures relating to the production and processing of accounting and financial information presented in the Chairman's report.

Based on our work, we have no observations to make on the description of the Company's internal control procedures relating to the production and processing of accounting and financial information, as contained in the report of the Chairman of the Supervisory Board, established in accordance with the provisions of the final paragraph of L. 225-68 of the French Companies Act.

Paris, 16 April 2004

The Auditors

PricewaterhouseCoopers Audit

Étienne Boris



Mazars & Guérard

Guillaume Potel



The Executive Board

General responsibilities of the Executive Board

The Executive Board is granted full powers to act on behalf of the Company in all circumstances, in compliance with the purpose of the Company and subject to the powers attributed by law to the Supervisory Board and shareholders' meetings.

The Executive Board presents the Supervisory Board with a report on the Company's activity at least once per quarter. It also presents annual parent company and consolidated accounts no later than three months after each financial-year end.

It also draws up and presents the management report at the annual meeting of shareholders.

The Executive Board also has responsibility for ensuring the Employee Representative Council is suitably informed and consulted.

Composition and organisation of the Executive Board

CDC IXIS Capital Markets' Executive Board comprised four members during 2003 (five since 14 January 2004)⁽⁶⁾, each of whom held a four-year mandate.

⁽⁶⁾ See pages 48 to 55 for the full list of mandates and functions exercised on various Company boards by the members of the Executive Board.

The Executive Board is organised in accordance with internal regulations that notably specify the methods by which it operates, its powers, the allocation of tasks between members and the signature delegation mechanism (which involves establishing a list of approved signatories).

Activity of the Executive Board in 2003

CDC IXIS Capital Markets' Executive Board convened on a weekly basis during the year (54 meetings). The average attendance rate for Board members was 84%.

Executive Board meetings systematically examined and commented on the regular spreadsheets detailing each business line's activity and risk exposure during the previous week. They also assessed the risks to be assumed by the Company during the course of its activities, as well as approving all projects prior to implementation and taking the decisions needed to ensure the smooth-functioning and development of the Company. Minutes were drawn up after each meeting.

Auditors

			First appointed	Expiry of Mandate
Auditors	PricewaterhouseCoopers Audit represented by Étienne Boris	32, rue Guersant 75833 Paris Cedex 17	AGM of 30/6/97	AGM voting on 2004 financial statements
	Mazars & Guérard represented by Guillaume Potel	Tour le Vinci 4, Allée de l'Arche 92075 Paris La Défense	AGM of 11/6/96	AGM voting on 2007 financial statements
Substitute Auditors	Mr Dominique Paul	32, rue Guersant 75017 Paris	AGM of 30/6/97	AGM voting on 2004 financial statements
	Mr Michel Rosse	Tour le Vinci 4, Allée de l'Arche 92075 Paris La Défense	AGM of 15/5/97	AGM voting on 2007 financial statements

Auditors' fees ⁽⁷⁾

Entity	Description of work	2003 €	2002 €
CDC IXIS CAPITAL MARKETS (PARIS)			
PricewaterhouseCoopers Audit	Compulsory auditing of period-end accounts	275,000	286,373
Mazars & Guérard	Other non-auditing services	2,392	
	Compulsory auditing of period-end accounts	275,000	286,373
	Special accessory assignments (risk control)	5,023	216,915
	Total	557,415	789,661
CDC IXIS CAPITAL MARKETS LONDON BRANCH			
PricewaterhouseCoopers	Compulsory auditing of period-end accounts	59,067	39,932
	Special regulatory assignment	16,139	
	Total	75,206	39,932
CDC IXIS CAPITAL MARKETS TOKYO BRANCH			
PricewaterhouseCoopers	Compulsory auditing of period-end accounts	23,109	23,413
	Regulatory control and internal control of accounting procedures		19,832
	Special assignment – tax services	11,688	21,283
	Total	34,797	64,528
CDC IXIS CAPITAL MARKETS ZWEIGNIEDERLASSUNG DEUTSCHLAND			
PricewaterhouseCoopers	Compulsory auditing of period-end accounts	60,000	63,060
	Special assignment – trading room procedure	12,381	13,340
	Tax services	11,272	20,053
	Total	83,653	96,453
CDC IXIS SECURITIES			
Ernst & Young Audit	Compulsory auditing of period-end accounts	47,481	39,000
	Special assignment – tax and legal services	17,462	18,000
Cabinet Touber	Compulsory auditing of period-end accounts	20,691	22,000
	Total	85,634	79,000
CDC MARCHÉS INFORMATIQUE			
Mazars & Guérard	Compulsory auditing of period-end accounts		11,200
	Total		11,200

⁽⁷⁾ Fees are assigned to the financial year audited and stated on a tax-inclusive basis.

The economic and financial environment

Two distinct halves to 2003: the first dominated by deflationary fears and the second by robust recovery in the US.

Economic activity remained depressed in most of the developed world in the first half of 2003. US GDP growth was largely below potential and was hit by slowing consumer spending and the corporate sector's reluctance to invest. Several eurozone countries were in recession, while in the UK, the Bank of England (the BOE) even feared the property bubble was about to burst.

The brevity of the Iraqi conflict helped dispel some of the geopolitical uncertainty. However, central banks continued to show concern over the risk of deflation and took further steps to loosen monetary policy, with the European Central Bank (the ECB) altering its inflation target and the US Central Bank (the Fed), considering adopting "non-conventional" monetary policy measures (e.g. buying back US treasury notes, or Tnotes).

The situation nevertheless improved markedly in the second half.

Spurred by exceptionally growth-friendly monetary and fiscal policies and by the fall in the dollar, the US economy finally bounced back spectacularly and even grew at an annualised rate of 8.2% in the third quarter. The US locomotive benefited European economies, while China had a similar effect on Japan. Confidence indices picked up everywhere and the BOE ended up increasing rates at the end of the year.

The suspension of the Growth and Stability Pact (GSP), which acted as the prime guarantor of concerted budget policy within the Economic and Monetary Union (EMU) countries, was another key event in the second half in the eurozone. Ecofin's decision not to fine France and Germany for failing to respect GSP rules triggered a degree of tension which amongst other effects, resulted in the failure of negotiations on the European constitution and

the postponement of Sweden and Denmark's participation in Monetary Union (the failure of the Swedish referendum was partly due to the budget debate within the zone).

The markets pretty much mirrored the fundamental profile

Fixed-income markets

Although bond markets rose in the first half thanks to a combination of geopolitical uncertainties, further growth-friendly monetary policies in the major economies and fears of deflation, they turned down in June as growth expectations became more optimistic. The yield on German sovereign bonds (10-year Bunds) ended the year where it had started, at 4.30%, while that on US sovereign bonds (10-year Tnotes) gained 20 basis points to 4.20%.

Over 2003 as a whole, the yield spread between US Tnotes and German bunds widened and thus reflected US bonds' greater sensitivity to equity-market trends. This underperformance by Tnotes was nevertheless restricted by massive purchases of US securities by Asian central banks and even US commercial banks.

The spread between the swap rate and the yield on sovereign bonds (the swap spread), remained slender, notwithstanding a short-lived spike in the US in July when mortgage funds paid the swaps in order to shorten their duration.

Private bonds fared well, largely thanks to the plunge in corporate defaults. Linked bonds were much in demand, partly due to uncertainties over future inflation.

Overall, volatility remained high throughout the year.

Equity markets

The correlation between bond yields and equity prices remained very strong in the early part of 2003, before weakening and becoming temporarily negative in the third quarter. All the major equity indices made progress in 2003. However, the stocks that rallied the most were those that had previously fallen the most. In euro terms, the Nikkei gained 16%, the Eurostoxx 50 10%, the S&P 500 6% and the FTSE 100 5%.

Stock-market volatility fell virtually continuously in 2003, with the VDAX volatility measure more than halving from 42% to 20%.

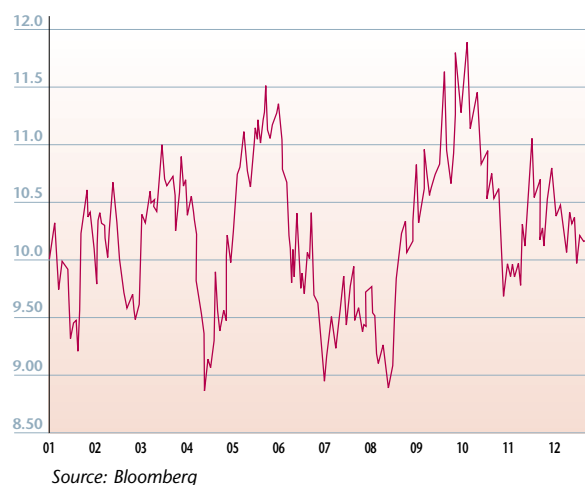
Foreign-exchange market

The major event of the year was the continued decline in the dollar. Its effective exchange rate, as calculated by the BOE, fell by over 14%. The euro-dollar broke through the 1.25 mark right at the end of the year and reached 1.2650 on 31 December. The dollar's decline was logical, notably in view of the US administration's de-facto abandoning of its strong-dollar policy. Despite the Bank of Japan (BOJ), ramping up its currency-market interventions, the dollar-yen retreated as far as 107. The Australian dollar (AUD), the South African rand (ZAR) and the New Zealand dollar (NZD) chalked up the best performances against the dollar and the euro in 2003, reflecting Australia and New Zealand's heavy trade exposure with Asia, together with the three currencies' sensitivity to raw material prices and in South Africa's case, investors' appetite for emerging markets. China resisted US pressure to revalue or float the yuan.

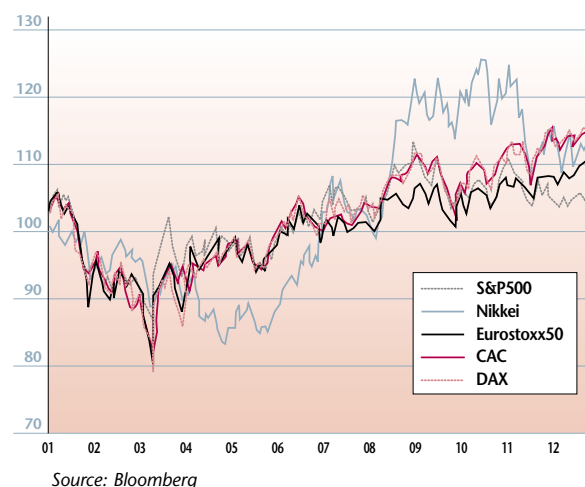
EUR/USD



EUR/USD: one-month implicit volatility



Stock-market indices





Management report



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Business lines in 2003

Analysis of consolidated profit

Consolidated profit & loss statement		Year-on-year change		
	2003 (€m)	2002 (€m)	amount (€m)	%
NET BANKING INCOME	632.9	500.4	132.5	26.5
Operating expenses	(399.9)	(364.8)	(35.1)	9.6
GROSS OPERATING PROFIT	233.0	135.6	97.4	71.8
Non-operating items	(70.8)	0.5	(71.3)	NA
Corporate tax	(50.4)	(40.3)	(10.1)	25.0
NET PROFIT	111.8	95.9	15.9	16.6

Comments on the profit & loss statement

In another highly competitive year in financial markets, net banking income amounted to €632.9 million in 2003, a 27% increase on 2002.

This growth was primarily driven by our fixed-income business, which posted a 47% increase in NBI for the year. Fixed-income derivatives had a record year in revenue terms, notably thanks to sustained demand and an active market encouraged by growth-friendly monetary policy. 2003 also reaped rewards from our expansion in high value-added market niches.

The equities business line put up strong resistance in the face of lower volumes and modest volatility. Our convertible bonds activity stood out with some very fine results for the year.

International operations continued to expand well, as witnessed by the 28% advance in profits from our three foreign branches.

The 9.6% increase in operating expenses in 2003 stemmed primarily from the move to locate all of CDC IXIS Capital Markets' personnel on one single

site. At the same time, we stabilised our headcount pending an upturn in market conditions. The cost-income ratio improved by over 9 points to 63.2% during the year.

Non-operating items included a €75 million risk provision.

Our corporate tax bill rose by 25%, in line with growth in pre-tax underlying profit.

Consolidated net profit reached €111.8 million, a 16.6% advance on the previous year. This was the Company's best performance to date.

Business lines in 2003

Fixed income and foreign exchange

A third record year on the trot for revenues and profits from fixed-income trading, sales and structuring.

Interest-rate, forex derivatives and spread products

Over-the-counter interest-rate and forex derivatives trading

2003 brought further improvements in traded volume and the profitability of interest-rate and hybrid (forex and credit) derivatives transactions executed from Paris, London, Frankfurt, New York and Tokyo.

The extensive experience of our trading teams and our high-quality Research unit helped us to carry out several high profile transactions in the simple and complex derivatives field, as well as in certain niches like interest-rate and forex hybrids, securitisation swaps or inflation-linked derivatives.

Thanks to greater commercial activity in both France and international markets, together with help from the Structuring arm, earnings made sustained progress in a context of tight risk control.

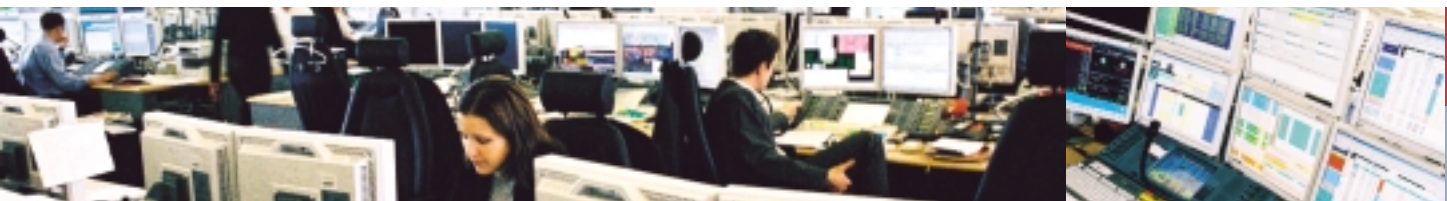
Our internet-based online offering was further enhanced in the transaction pricing and online trading areas, with an automated trading facility for standard derivatives in euros. This opened up new growth prospects and gives the business the

potential to rank among the leading global players in the sector.

The primary bond market

Despite an increasingly competitive market, CDC IXIS Capital Markets managed to progress from 18th to 16th in the league table of lead-managed euro-deals in 2003, with more than 100 issues to its credit representing over €21 billion in overall volume.

We maintained our strong presence in collateralised bonds, ranking 1st in France in these markets and 6th in the European league table. We also stepped up our activities in the asset-backed securities (ABS) field by lead-managing eight transactions in 2003, and also obtaining the lead for the first tier-1 subordinated issue on behalf of Caisse Nationale des Caisses d'Épargne et de Prévoyance (CNCEP), which proved a big success with a large number of French and European investors. We continued to expand our EMTN (euro medium-term notes) business. CDC IXIS Capital Markets was nominated by MTNi magazine as one of the most innovative institutions for structure, notably for launching the first inflation-linked subordinated transaction.



Primary bond market

CDC IXIS Capital Markets was nominated by MTNi magazine as one of the most innovative institutions for structure, notably for launching the first inflation-linked subordinated transaction.



Business lines in 2003

Fixed income and foreign exchange

The secondary credit market

Against an attractive backdrop of rate cuts and narrowing spreads, CDC IXIS Capital Markets had an excellent year in terms of profits and continued to strengthen its presence in the ABS and corporate segments. We also maintained our leadership in the repo credit market in volume terms in 2003.

■ Structuring

The investments in past years continued to bear fruit in 2003.

In alternative management fund structuring, CDC IXIS Capital Markets ranks in the world top five and bolstered its presence in Asia with eight public offerings in Japan and expansion in Hong Kong and Singapore.

We also continued to expand and develop our expertise in property structuring, notably via a pan-European property outsourcing deal for Alstom. This success positioned CDC IXIS Capital Markets attractively for further major transactions.

Strong growth was achieved in Alternative Risk Transfer (ART), where we concluded several weather

risk insurance transactions on behalf of clients and arranged the first catastrophe bond for a major European corporate.

Lastly, we also concluded several mandates in our balance-sheet and hybrid product structuring activity in 2003, including France's first tier one direct deal on behalf of a French client, for €800 million.

■ Securitisation

CDC IXIS Capital Markets successfully confirmed its presence in Europe's still fast-growing securitisation market, with a more-than 25% increase in issues. In addition to asset deconsolidation, financing and access to liquidity are becoming key factors for vendors.

CDC IXIS Capital Markets helped Axa Investment Managers with the Overture deal, the largest managed Collateralised Debt Obligation (CDO) issue to date.

Also in 2003, CDC IXIS Capital Markets lead-managed the placement of three securitisation deals involving German assets. We plan to capitalise further on this promising market in 2004, by developing true-sale securitisation transactions, involving true sale and financing of all assets.

■ Complex credit

Our arbitrage and structured-product business posted excellent results and robust volume growth in attractive conditions. From a qualitative standpoint, we broadened our product range in 2003, especially in Collateralised Debt Obligations (CDOs) and products structured on Asset Backed Securities (ABS), and enhanced our risk management capacity by recruiting several quantitative finance specialists. These developments enabled CDC IXIS Capital

Weather risk insurance

CDC IXIS Capital Markets arranged the first catastrophe bond for a major European corporate.



Markets to deliver an even more effective service to our clients and also improved our ability to position these products on our balance sheet.

Strategy in 2003 was tilted towards relative value and arbitrage positions and proved well suited to the prevailing environment, with narrower spreads and modest volatility reducing the attractions of directional risk-taking.

Money market and government debt

Our activities in the money market and government-debt market were subject to intense competition during the year, especially in the first half, as a result of geopolitical uncertainties.

Against this backdrop, we extended the initiatives of the last few years, notably via the widespread roll-out of automatic transaction processing and electronic quotation and trading tools.

At the same time, the development of front-office tools increased our reactivity in this area as well as our risk monitoring capability, both of which are essential in highly volatile market conditions.

CDC IXIS's group cash management activities were reorganised so as to establish more seamless links with the Company's capital markets businesses. Emphasis was also placed on developing refinancing tools backed by all types of securities collateral. These measures improved liquidity and positioned CDC IXIS Capital Markets as one of the major players in Europe's tri-party repo market.

We also paid particular attention to further improving the quality of the refinancing services furnished to Caisses d'Épargne Group, in accordance with the agreements signed in 2001. One product of this in 2003 was the development and implementation of



a dedicated asset-liability management (ALM) tool, capable of providing very fine analysis of interest spreads.

Our short-term credit instrument arbitrating business, which we developed in 2002, was highly buoyant again in 2003, as was the case for all our interest-rate arbitrating activities.

Lastly, in eurozone government-debt trading, CDC IXIS Capital Markets carried out a sizeable study on the MTS indices which will pave the way for us to take an active role in launching a major innovation on the bond market in early 2004, namely tracker funds based on the MTS index.

The work undertaken in this area also helped CDC IXIS Capital Markets obtain a place on the technical committee set up by EuroMTS to monitor the management of the MTS indices.

Proprietary activities

Narrowing spreads meant that credit-market conditions were much more attractive in 2003, with the result that the portfolio registered one of its best-ever annual performances.

Results were also leveraged by robust growth in traded volume and portfolio rotation, especially via greater use of credit derivatives. In response to the continuous narrowing of credit spreads, the portfolio was reduced to €4 billion, while quality was further improved.

Equities

Our equities business line capitalised on the gradual stock-market revival in 2003

■ The primary market

Despite the total lack of IPOs in 2003, there were a number of major recapitalisations during the year, as companies sought to repair balance sheets that had been hard-hit during previous years.

CDC IXIS Capital Markets acted as co-lead on the year's landmark operation, France Telecom's €15 billion capital increase, which was the largest transaction of this type ever launched in France.

More recently, CDC IXIS Capital Markets took part in Alstom's refinancing, acting as underwriter for the capital increase and advisor to CDC IXIS on the issue of bonds redeemable in shares.

Partnerships reinforced

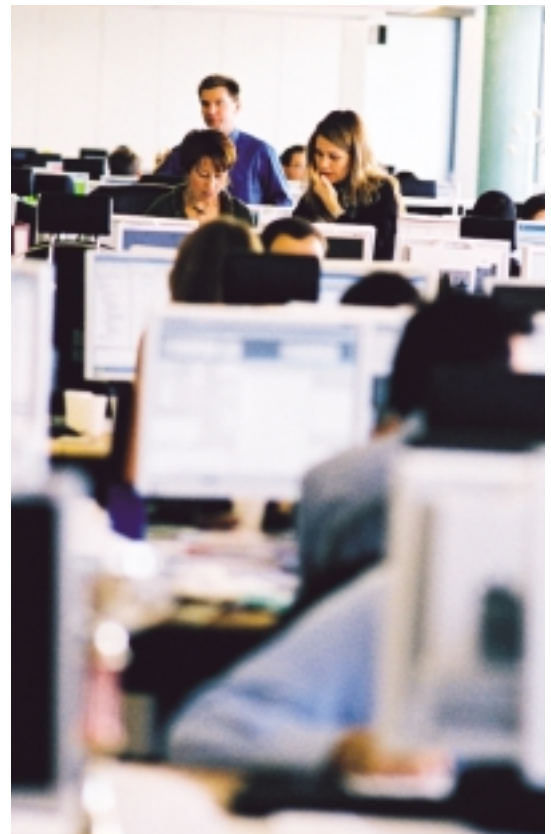
As part of the continued partnership with IMI Bank, CDC IXIS Capital Markets acted as one of the underwriters for Fiat's €1.8 billion capital increase in June 2003.

In the convertible bond market, as part of our partnership with KBC Financial Products, we co-managed the issue launched by Pinault Printemps Redoute in May 2003.

Advisory business very brisk

As in 2002, our advisory activities were again highly varied in 2003. Beneficiaries included:

- Sagem, in an operation to simplify its capital structure in December 2003,
- Compagnie des Alpes, as part of its ongoing privatisation,
- Norcan, for its delisting,
- C3D, with the extension of a remit to find an industrial partner for EGIS,
- and Caisse Nationale des Caisses d'Épargne et de Prévoyance (CNCEP), for various assignments.



■ Structured products

The rally in global markets in 2003 was coupled with a steep decline in the volatility of underlying indices and equities. Although these conditions were theoretically unhelpful for derivatives, demand remained brisk and tended towards more complex products.

Enhanced offering

In response to the desire for diversification manifested by our counterparties, we continued to broaden our offering, notably by marketing products based on still-scarcely used underlyings (inflation rate, shares in investment funds etc.). This diversification was undertaken with a constant concern for risk limitation and confirmed the Company's position at the forefront of financial innovation.

At the same time, our efforts to strengthen local equity-derivatives teams ensured we took full advantage of the robust economic recovery in North America. This geographic diversification positioned CDC IXIS Capital Markets attractively to identify the best potential returns across the full spectrum of world financial markets and also enhanced the global nature of our product offering.

Lastly, the Company also launched a recruitment drive in 2003 geared to bolstering our commercial presence. Thanks to these efforts, we can now offer clients full coverage of global markets and hence service their needs wherever they are located.

All in all, the main advances of 2003 concerned the increasingly innovative nature of our product offering and the geographic extension of our commercial reach. These advances ensured our structured products business remained highly profitable, despite fairly unhelpful economic conditions.

Arbitrage

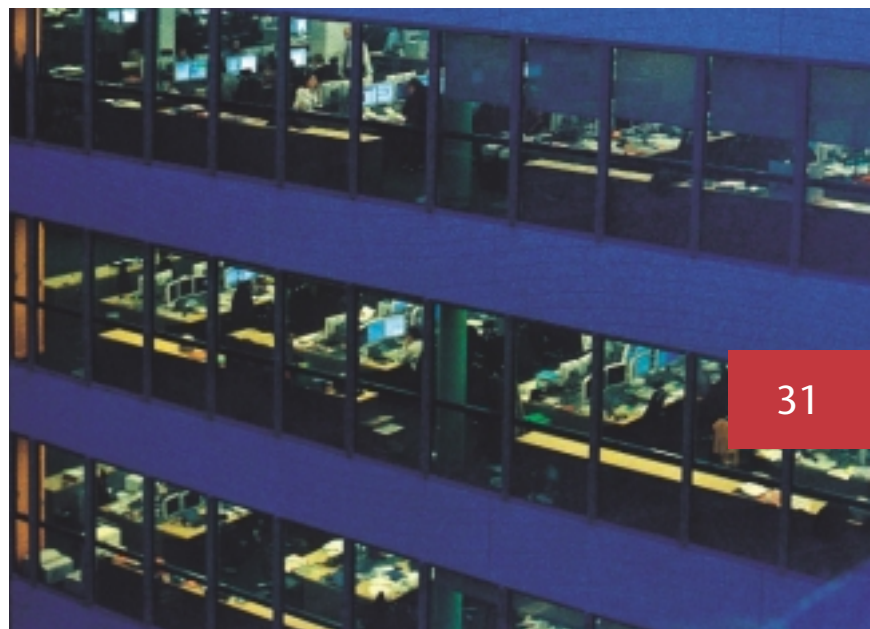
The benefits of integration

2003 brought a gradual, but solid, upturn in M&A activity in the US and a revival in convertible bond business. Against a backdrop of declining volatility, which was offset by tighter credit spreads, our trading team managed to identify highly profitable investment opportunities, while maintaining a conservative risk policy.

The rally in financial markets in the second half created plenty of opportunities for taking arbitrage positions, both in Europe and the US. Although the business line's global coverage already proved

to be a real asset in this context, we plan to further enlarge it in 2004, by positioning dedicated arbitrage specialists in Asia.

Profitability in equity finance also continued to improve, spurred by sharp volume growth as institutional investors gradually returned to the market and by the continued hedging needs generated by derivatives business. As is the case for arbitrage, this business is shortly to extend geographic coverage to North America.



Business lines in 2003

Equities



CDC IXIS Securities is CDC IXIS Capital Markets' equity-broking arm for European equities. The Company is headquartered in Paris and also has sales teams in New York and Frankfurt.

Recognised for its quality research

CDC IXIS Securities registered further progress in the 2003 rankings published by the l'Agefi financial newspaper, climbing to 4th place among French equity research teams. With nine nominations, including three first places and three second places, CDC IXIS Securities confirmed its status for top-quality research in all major sectors of activity.

This growing recognition was also evidenced by Extel Focus France's June 2003 survey, which ranked CDC IXIS Securities third in France for sector research.

► CDC IXIS Securities was
ranked 4th
among French equity research teams
by the Agefi financial newspaper.

A high-powered marketing function

The measures taken in previous years to respond to each client's specific needs were further enhanced in 2003. In addition to reinforcing and further internationalising sales teams, CDC IXIS Securities stepped up its marketing thrust by organising some 360 marketing events during the year, a 16% increase on 2002. Half of these events were organised in conjunction with the companies it tracks. Clients are offered several roadshows every month in all the main European markets.

Business stable in France and mixed in international markets

Amid taxing conditions for the third year on the trot, CDC IXIS Securities continued to increase its share of the domestic market, by holding broking income from French institutional clients virtually steady. Business with the networks grew by over 30%.

Revenues from international clients, excluding securities houses, dipped by 5%. The decline in broking income from US and German clients was only partly offset by revenue growth in the UK and Scandinavia.

CDC IXIS-LCF Rothschild Midcaps, the midcap equity-broking venture in which CDC IXIS Capital Markets owns a 50% share, continued to develop commercially in an even tougher market than that for large caps.



Business lines in 2003

Research

Client-driven expertise

The macroeconomic and financial research team headed by Patrick Artus continued its client-driven analysis and evaluation of financial markets during the year. The range of publications is primarily distributed in hard-copy form to CDC IXIS Capital Markets' domestic and international clients and can also be consulted on the Group's website.

The Research unit also takes an active role in developing CDC IXIS Capital Markets' commercial relations, notably by delivering regular economic news presentations for clients and taking part in major events organised for domestic and international clients.

A diversified and evolving range of publications

Economic monitoring and forecasting is carried out for the euro-zone countries (primarily Germany, France, Italy and Spain), the USA, Japan and non euro-zone European economies. All the results of this analysis are published in our "Monthly" note, which was updated both for content and layout in the first quarter of 2003.

Two new indicators were provided for clients in 2003: the Eurozone GDP Leading Indicator which projects eurozone GDP for the current and following quarters, and the Monetary and Financial Conditions Index (MFCI), which calculates and highlights the direction of monetary policy in the main economic blocks (the eurozone, the US and Japan).

These new indicators enhance the existing range of publications which includes:

- "Flashes": short notes providing in-depth themed analysis on economic or financial market trends. A total of 341 Flashes were published in 2003, a 10% increase on the previous year,
- "Markets Weekly": reports assessing macroeco-

nomic data released during the week and the anticipated consequences for the markets,

- Special reports: providing rapid updates on current economic and market issues.

The Research unit also continued to analyse credit markets and regularly contributed to the monthly "Spread & Credits" publication, in conjunction with the credit analysis team.

Stringent quantitative analysis

Quantitative analysis techniques (econometrics) are used to analyse and forecast trends in fixed-income and equity markets.

Studies of interest-rate markets were primarily focused on interest-rate term structures. Specific attention was paid to the factors determining yield spreads between sovereign bonds and private-sector bonds (agency, corporate, Pfandbriefe etc.). Yield spreads between sovereign bonds and swap rates were also monitored carefully; break-even inflation is studied as well.

Compiling investment strategies

Our research activities focus on providing advice and analysis on investment and arbitrage strategy in interest-rate markets. To do this, we use economic and financial scenarios established by country specialists as well as relative value analysis.

The results primarily concern money markets, government bonds, swaps and foreign exchange, the aim being to facilitate arbitrage and thereby enhance profitability (derivatives and structured products).

Live research

Our economists continued to provide daily analysis and comment on market conditions and economic indicators for Bloomberg TV France.

Balance sheet, off-balance sheet items and regulatory ratios

Analysis of consolidated balance sheet and off-balance sheet items

Consolidated balance sheet (Billions of euros)	2003	2002	Year-on-year change	
			amount	%
ASSETS				
Loans and money market	18.1	24.7	(6.6)	-26.7
Securities received under repo	43.7	38.0	5.7	15.0
Trading securities	45.1	42.4	2.7	6.4
Marketable securities	8.9	9.6	(0.7)	-7.3
Investment securities	3.8	4.4	(0.6)	-13.6
Other assets	14.6	11.4	3.2	28.1
TOTAL ASSETS	134.2	130.5	3.7	2.8
LIABILITIES				
Borrowings and money market	61.3	54.2	7.1	13.1
Securities sold under repo	22.8	30.8	(8.0)	-26.0
Securities issued	10.0	13.6	(3.6)	-26.5
Debt securities	22.0	16.4	5.6	34.1
Other liabilities	16.6	14.2	2.4	16.9
Equity and subordinated debt	1.5	1.3	0.2	15.4
TOTAL LIABILITIES	134.2	130.5	3.7	2.8

Comments on the consolidated balance sheet

The balance sheet total amounted to €134.2 billion, a €3.7 billion increase during the year, and included €16 billion (11.9%) for foreign branches.

The increase was driven by growth in the business of our London and Frankfurt subsidiaries (balance sheet total up €5.9 billion, primarily stemming from derivatives and equities), whereas Paris's balance sheet total dipped by almost €2 billion.

On the asset side, the variation stemmed principally from the rise in other assets, this being linked to transactions on financial instruments (option premiums, margin calls and deposit guarantees) and from the increase in the trading securities portfolio, which now accounts for 78% of the overall securities portfolio.

There was also a decline in lending operations and an increase in securities received under repo transactions.

The variation on the liability side essentially stemmed from a €12.7 billion increase in borrowing and debt securities at the expense of securities sold under repo transactions and securities issued.

Other liabilities concerning financial instruments varied in a symmetrical manner to other assets, and with the same items concerned.

As for the structure of the balance sheet in terms of time-to-maturity, assets with less than one year to run and liabilities with less than one year to run represented 85% of assets and 90% of liabilities, respectively.

Off-balance sheet items

The notional amount of instruments traded on **organised markets** amounted to €485 billion, a €245 billion increase on the year-end 2002 figure of €240 billion.

The growth in the notional amount stemmed primarily from the volume of interest-rate arbitraging activity (purchases and sales of options are recorded in absolute value terms).

The notional amount of **OTC-traded** instruments remained fairly steady and totalled €1,576 billion versus €1,530 billion at year-end 2002.

The credit equivalent value (CEV) weighted for derivatives amounted to €5.3 billion at 31 December 2003, a 43% increase on the year-end 2002 figure of €3.7 billion.

Regulatory ratios

All regulatory ratios comply with statutory requirements.

Capital adequacy ratio

The capital adequacy ratio worked out to 118% at year-end 2003 versus 116% a year earlier.

Regulatory liquidity ratio

The regulatory liquidity ratio stood at 154% at year-end 2003 versus 174% a year earlier. It remained above the regulatory minimum of 100% throughout 2003.



Major risks

The Company is obliged to ensure its major risks comply with regulatory limits, namely that individual risks do not exceed the equivalent of 25% of equity and that the sum of individual risks does not exceed eight times equity.

As at 31 December 2003, the total of counterparty-weighted individual risks that exceeded 10% of equity amounted to €4.2 billion, as compared to an overall limit equivalent to eight times equity of €11 billion. Moreover, no individual counterparty-weighted risk exceeded the 25% limit.

These same indicators stood at €6.4 billion and €9.9 billion, respectively, at year-end 2002.

Equity and investment capital ratio

This ratio is subject to a minimum requirement of 60% and stood at 285% at year-end 2003 versus 383% a year earlier.



Risk control

Market risks

■ Systems in operation

CDC IXIS Capital Markets' P/L and Risk Control function reports directly to the Chairman of the Executive Board and is totally independent from operational units. It is responsible for establishing the principles for measuring market and counterparty risk in accordance with Group standards, and develops its own tools for monitoring such risk (e.g. the Scénarisk model for market risks and the Amerisc model for counterparty risks). With the aim of managing activity, it also informs the various departments of their specific market risk limits.

Variations in the main market parameters such as interest rates, exchange rates, share prices, issuer spreads, as well as the implicit volatility of each of these items (and potentially all other market data), may have either a positive or negative direct impact on the valuation of the stock of transactions in CDC IXIS Capital Markets' books. The potential loss arising from these variations represents the market risk harboured by the whole of the CDC IXIS Capital Markets Group, including internationally (Tokyo, Frankfurt and London).

Measuring market risks

Different techniques are used for measuring market risks:

■ synthetic measures of **Value at Risk** (or VaR) are used to identify the potential losses that each activity may engender, based on pre-determined confidence intervals (e.g. 99%) and assumptions as to the length of time positions are held (e.g. 1 day). These measures are compiled and monitored on a daily basis for all the Group's trading activities. To this end, a model is built based on a statistical analysis of the behaviour of all the market parameters affecting the value of the portfolios over a period of 365 days. Our Scénarisk software currently models more than 1,600 market risk factors. The fundamental indicator is a parametric VaR which breaks down overall risk into its different factors with respect to the positions held in portfolios. As regards options risk, the parametric VaR is progressively complemented by a VaR calculated using simulation techniques based on a Monte

Carlo-type method that takes into account the portfolio's non-linear characteristics with respect to the different factors of risk.

■ **stress tests** are also employed to measure the losses potentially sustained by portfolios in extreme market circumstances. These circumstances are developed from market scenarios based on historical studies (economic scenarios) and hypothetical scenarios, specific to each portfolio. All of these scenarios were reviewed in 2003.

■ **operational indicators** are used to manage activity on an overall and/or by trader basis, by focusing on more directly observable criteria such as nominal size, sensitivity, stop-loss indicators, diversification indicators and degree of influence on the market, etc.). The limits derived from these operational indicators are used to complement VaR and stress-test limits. They are also set in accordance with the latter, especially when they apply to the front office. This is particularly the case for stop-loss indicators which trigger alerts on losing strategies to a very precise level of detail (e.g. limits per trader). These stop-loss indicators are permanently monitored and in the event they are exceeded, prompt a managerial decision on the position in question (e.g. close, hedge, retain, etc.).

Controlling market risks

Market risks are controlled by comparing these various measures with the Group's permanent risk limits, which are fixed annually by the Executive Board of CDC IXIS Capital Markets and revised during the course of the year when necessary. When based on VaR measures, these limits represent economic equity and are established on the basis of observed or targeted return/risk pairings. They incorporate a 99% confidence level, the assumption that positions are held for 10 days and a security multiplier of 2.71 (20 standard-deviation VaR).

Daily and weekly control reports are then produced for inspection by the Chairman of the Executive Board and by the Executive Committee. The risk situation is also presented on a monthly basis to the Chairman of the Supervisory Board.

Lastly, all of these market-risk measures and limits are presented and validated by CDC IXIS's Monthly Market Risks Committee, which was set up in 2003 and is chaired by the Chairman of the CDC IXIS Executive Board.

In accordance with French banking regulation CRBF n° 95-02, CDC IXIS Capital Markets declares its overall risk provisioning ratio to France's banking commission (Commission Bancaire). Since 1997, it has also been authorised to monitor market risks (general interest-rate/equity/forex risk and specific equity risk) via its own internal model, Scénarisk.

Other duties

The P/L and Risk Control function also has the following duties:

- validating management profits,
- validating valuation models (pricers),
- establishing securities fair-value adjustment policy (for liquidity risk, statistical risk, non-hedgeable parameters, modelling risks etc.),
- responsibility for the New Product and New Activity Committees, whose remit is to validate the feasibility of new products and activities before they are effectively launched, and especially risk-measurement methods, the corresponding limits and the full spectrum of internal control procedures (risks, compliance, back-office processes, legal, fiscal, accounting, etc.),
- measuring credit/counterparty risks (note that the Credit Risks Department has responsibility for controlling and validating these measures),
- measuring Capital Adequacy Directive (CAD) ratios.

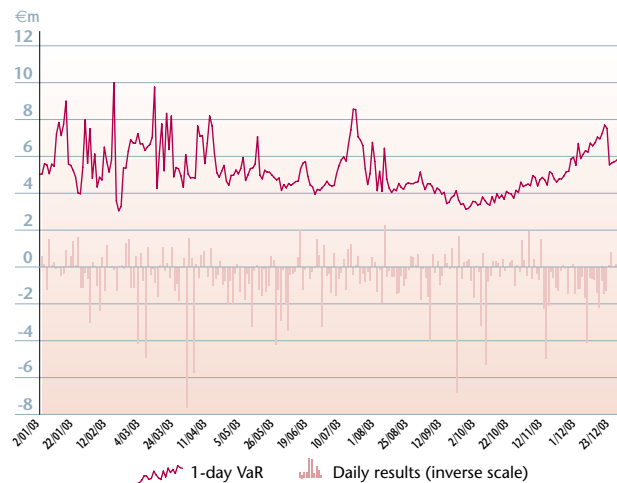
Quantitative data on market risks

During 2003, 1-day 99% VaR averaged €8.95 million for fixed-income and foreign exchange and €5.44 million for equities.

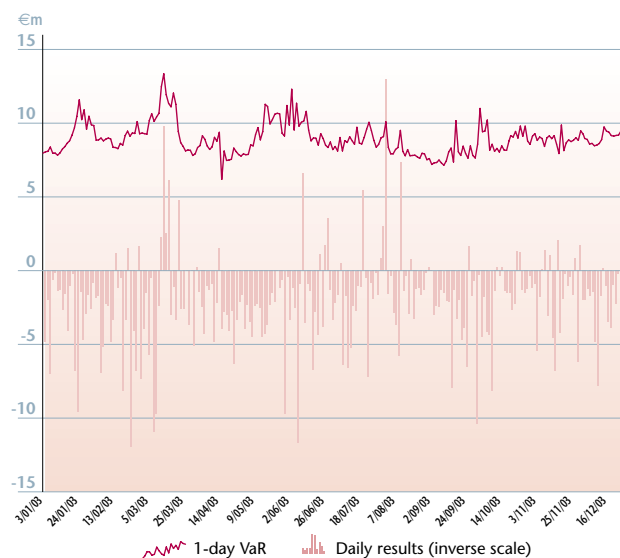
The reliability of the VaR indicator is measured regularly by comparing it with daily trading results in order to match the potential loss predicted by the VaR indicator with the profit or loss effectively realised.

The following two charts show the results of this exercise carried out for fixed-income and foreign exchange, and for equities. They verify that the number of times daily results (shown on the inverse scale) exceeded potential losses (as defined by the VaR indicator), was effectively below the number of excursions permitted by the statistical limit (in this case, no more than 4 excursions beyond this limit are permitted for 250 data items).

Equities



Fixed income and foreign exchange



In addition, the main stress tests carried out on positions as of 31 December 2003 yielded the following data concerning the impact on the profit & loss account in absolute value terms:

- Fixed Income and Foreign Exchange:

Variation of interest rates (+100bps):	€79.m
Variation of volatility (homothety of +50%):	€3.8m
Paper/swap spreads (+20bps):	€110.3m
(+35bps on AA and above; +90bps elsewhere)	

- Equities:

Variation of indices/equities (+25%):	€16.1m
Variation of index/equity volatility: (+20% for ST, +10% for LT)	€52.1m



Risk control

Credit risks

■ Risk analysis and limit allocation

Credit risks (i.e. issuer and counterparty risks) are managed in accordance with the CDC IXIS Group's general policy. Credit risk is defined in the strict sense as the risk of incurring a loss at a given point of time in the future, following default by a counterparty. Credit risk also incorporates the risk of a deterioration in the quality of the counterparty's signature over the duration of transactions initiated by CDC IXIS Capital Markets for its own account. In other words, credit risk corresponds to the risk of a loss of value on a position following a decline in counterparty solvency. It therefore requires portfolio commitments to be monitored on a dynamic basis.

In view of this situation, CDC IXIS Capital Markets' counterparty risk service is responsible for selecting credit risks and co-ordinating limit requests emanating from the different capital-market business lines. Counterparty risk-limit allocations are decided by a Credit Committee established at the CDC IXIS Group level, which validates limits for all capital markets' business lines. In addition to this Committee, a specific delegation system exists for capital markets that has the power to authorise one-off transactions occurring between two Committee meetings.

An in-depth analysis is undertaken to assign an internal credit rating to the counterparty (using a similar scale to those of credit rating agencies). This rating is then used to set limits according to the type of activity (fixed-income, foreign exchange, equities), the type of transaction (balance sheet and off-balance sheet) and the transaction maturity (short or long-term). A formal credit analysis is conducted prior to each limit opening, during which the counterparty's economic and financial situation is studied from both quantitative and qualitative aspects in compliance with the group's credit procedures.

Credit analysis is divided into three sectors – Corporations, Banks and Securitisation – so that each counterparty is under the responsibility of analysts covering the sector in question. The effectiveness of Risk Control within the CDC IXIS Group is founded on a high degree of integration and a mechanism of specialised committees covering Markets & Corporate Financing on the one hand and Financial Counterparties on the other.

The credit risk portfolio is also subject to an annual review of counterparty limits, again in accordance with CRBF regulation n° 97-02. This monitoring process is then completed by regular revisions by country and economic sector.

■ Risk control

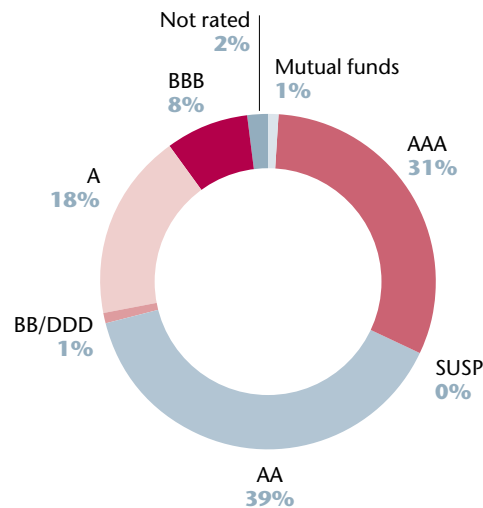
Counterparty risks are managed at the operational level by CDC IXIS Capital Markets, and centrally by CDC IXIS, a daily report being submitted to CDC IXIS for this purpose.

Risk and credit-limit monitoring is facilitated by an internally-developed, dedicated software tool (Amerisc), which traders can access in real time. This tool calculates both "potential exposure" (i.e. a statistical assessment of CDC IXIS Capital Markets' present and future commitments) and the economic equity and provisions needed to support credit risks. The process involves numerical simulations combining master netting agreements and market scenarios compiled in accordance with VaR techniques (referred to in this case as C-VaR or Credit-Value at Risk).

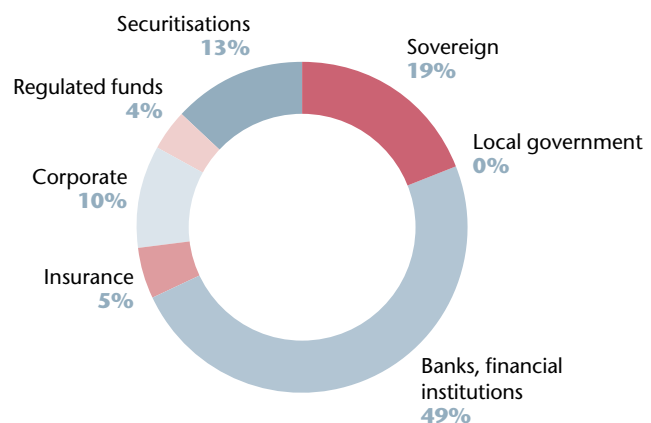
Overall risk management is carried out via a monthly review of portfolio exposure covering CDC IXIS Capital Markets' 2,100 active counterparties, classified by credit rating, sector and country.

Major risks are managed via specific monitoring, involving a monthly review of the 50 largest counterparties with which we have the highest exposure, ranked in order of importance. Overall, major exposure essentially concerns G7 sovereign risks and leading eurozone financial institutions.

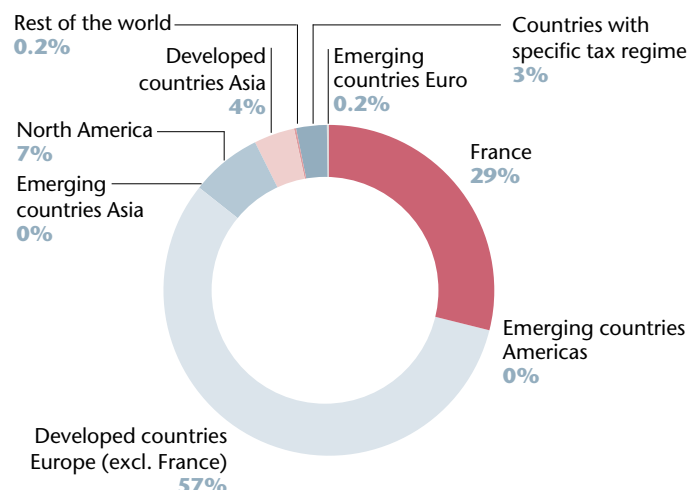
MtM exposure by credit rating



MtM exposure by sector



MtM exposure by geographic region



89%

of marked-to-market (MtM)
exposure concerned signatures rated
AAA to A as at 31 December 2003.

In order to reduce credit-risk exposure, CDC IXIS Capital Markets has also set up master collateralisation agreements with its main counterparties so as to reduce bilateral risk via the use of margin calls. To this end, CDC IXIS Capital Markets concluded slightly over 200 Derivative Instrument Guarantee Agreements in 2003, the purpose of which is to cover risk on these instruments via the use of margin calls for its largest counterparties. As a result of these agreements, CDC IXIS Capital Markets collected €3.8 billion of margin compared with an overall MtM risk valuation for its derivatives portfolio of €10.47 billion (taking into account collateralisation).

Credit derivatives

As at 31 December 2003, the credit-derivatives portfolio represented an overall notional amount of €31.2 billion, comprising credit-default swaps, credit-linked notes and credit-linked loans. This overall notional amount broke down into €14 billion of credit-risk call positions and €17.2 billion of credit-risk put positions.

The market risk generated by these instruments (underlying spread risk) is captured in the usual Value-at-Risk measures.

Exposure to credit risk (i.e. default risk) is measured using our AMeRisC internal credit-risk measurement tool, which authorises netting between credit derivatives and securities with similar characteristics (i.e. similar management intention, maturity, seniority, etc.), where necessary.

The associated counterparty risk is also measured via AMeRisC (off-balance sheet risk).

Credit-derivatives positions are subject to specific fair-value adjustments designed to correct for uncertainties affecting certain illiquid or not-easily-hedgeable parameters (notably the recovery rate). The usual fair-value adjustment measures are also applied to counterparty risk (statistical risk, e.g. anticipated losses are subject to fair-value adjustment).

Notional amounts on the credit-derivatives portfolio as at 31 December 2003 (excluding intra-group transactions):

Position\type of regulatory portfolio Euros	Banking	Trading	Total
CREDIT RISK CALL	209,848,138	13,797,193,893	14,007,042,031
- up to 1 year		3,038,815,911	3,038,815,911
- from 1 to 5 years	209,848,138	7,877,806,801	8,087,654,939
- over 5 years		2,880,571,181	2,880,571,181
CREDIT RISK PUT	2,674,088,346	14,468,902,668	17,142,991,014
- up to 1 year	9,028,711	2,173,617,245	2,182,645,956
- from 1 to 5 years	276,706,488	7,409,691,857	7,686,398,345
- over 5 years	2,388,353,147	4,885,593,566	7,273,946,713
OVERALL POSITION	2,883,936,484	28,266,096,561	31,150,033,045
- up to 1 year	9,028,711	5,212,433,156	5,221,461,867
- from 1 to 5 years	486,554,626	15,287,498,658	15,774,053,284
- over 5 years	2,388,353,147	7,766,164,747	10,154,517,894

Risk control

Operational risks

In order to comply with the demands of the Basle reform, and as part of a process underway within the CDC IXIS Group, CDC IXIS Capital Markets has been setting up systems for identifying, measuring and controlling operational risks for the last two years.

Definition of operational risks

The notion of operational risk applied by CDC IXIS Capital Markets is consistent with that defined in the Basle Committee's proposed text of September 2001. Operational risks concern the adverse legal, regulatory or financial impacts resulting from deficiencies or breakdowns related to procedures, personnel, internal systems or external events.

probability of an event occurring, the estimated potential losses, an exposure indicator and a weighting coefficient, this latter to be fixed by the Basle Committee after cross-checking the first results produced by this model with those for the rest of the profession,

- by using a predictive equity allocation derived from a scoring procedure for the different business lines. The resulting allocations are adjusted over time according to the effectiveness of the action plans.

Risk management tools and a network of correspondents

CDC IXIS Capital Markets continued to implement Operational Risk Management mechanisms in 2003. These mechanisms now include some 20 Operational Risk Correspondents, located in all the Company's units in France, as well as in subsidiaries and foreign branches. Correspondents act as local supervisors for the use of ORIS, the software tool developed by CDC IXIS and which forms the hub of its Operational Risk Information System.

Already 6 months of historic data in the Incidents Database

CDC IXIS successfully introduced its Incidents Database to all of its business lines in the first half of 2003, thus ensuring that all the Operational Risks identified within CDC IXIS Capital Markets during the last six months of the year were effectively recorded.

The statistics drawn from the Incident Database can be used to calculate the amount of equity to be allocated to operational risk, according to one of the following three methods:

- by calculating an "operational risk VaR" for the most frequent incidents (via a loss distribution model),
- by using an internal measurement model for the least frequent incidents; this model combines the

Implementing the first action plans and defining risk indicators

In addition to regulatory aspects (i.e. calculating equity capital), the project underway within CDC IXIS Capital Markets is geared to achieving the managerial objectives drawn up by CDC IXIS's Risk Department, and in particular:

- facilitating control of operational risks, by drawing up action plans aimed at reducing the incidence of factors liable to cause risks (preventative action plans) and, where applicable, diminishing the impact of risks (corrective action plans),
- ultimately setting up operational risk indicators for alerting management to an imminent risk or for measuring the effectiveness of preventative action plans.

By analysing production processes it has been possible to identify areas of fragility within the Company. The findings of this analysis were used by the Operational Risks Committee to select the 10 action plans implemented in the second half of 2003, and which are monitored regularly by Internal Control.

The last stage of the project is due for the first half of 2004, the Committee's objective being to measure a first set of a dozen risk indicators during this period.



Note, lastly, in a move that testifies to the importance we assign to controlling operational risks, CDC IXIS Capital Markets has appointed a full-time Operational Risk Administrator, as a complement to the P/L & Risk Control and Internal Control teams.

claims made against directors and which result from personal misconduct entailing their civil, personal or joint liability) and motor vehicles. The amount insured per operating civil liability claim exceeds €7.5 million.

■ Covering risk through insurance

With insurance markets contracting and under pressure, CDC IXIS Capital Markets used its global insurance programme to maintain exhaustive risk coverage via policies with leading insurers possessing impeccable finances.

As a result, we were able to extend all of our existing insurance protection in 2003 under the same terms of guarantee.

After analysing risks and measures to prevent them, we subscribed to a number of insurance policies designed to remedy significant adverse potential impacts resulting from fraud, embezzlement or damage, or from cases entailing the liability of the Company or its employees.

These policies concern the following risks:

- damage to premises and their contents, including IT and telephone equipment. These assets are insured for their replacement value,
- professional civil liability and fraud. These risks are covered for the sum of €60 million, based on the best offers available on the market. Compensation covers financial losses sustained as a result of fraud or where our civil liability is entailed as a result of damage caused to third parties as a consequence of professional misconduct,
- Loss of activity, covering financial prejudice sustained through material loss or damage.

Forms of civil liability other than professional civil liability are also covered by insurance policies corresponding to operating needs. Examples of such types of liability concern operations (bodily, material or immaterial damage caused to third parties), Company directors (the financial consequences of

■ Controlling legal risks

CDC IXIS Capital Markets has a Legal Department which reports to the General Secretariat and is responsible for the documentation and upstream legal validation of transactions executed by our trading rooms in Paris and in our London, Tokyo and Frankfurt branches. The Department also provides legal services to support functions and especially to the back office.

The Legal Department's remit is to ensure the security of transactions. In this respect, it intervenes in the various internal committees and internal control procedures with the aim of assessing legal risk. It notably takes part in the New Product Committees where its role is to identify the legal consequences of new products for CDC IXIS Capital Markets and also chairs the "master agreements" committee where it verifies the progress with negotiations regarding such agreements.

A report on legal disputes is provided for the CDC IXIS Group as a whole. When required, a report on legal risk is periodically submitted to CDC IXIS Capital Markets' Financial and Internal Control Committee.

The legal department has developed a digital system for managing and archiving all of CDC IXIS Capital Markets' legal commitments. This system, named *Thémis*, continued to be updated in 2003.

Exceptional events and lawsuits

There are currently no exceptional events or lawsuits, other than those described in the appendix to the 2003 financial statements, liable to have a significant effect on CDC IXIS Capital Markets' revenues, profits or financial situation, or those of its Group.

Internal control and compliance

Internal control and compliance

Permanent supervision

Internal Control

The Internal Control function reports directly to the Chairman of the Executive Board and ensures that the regulations pertaining to CDC IXIS Capital Markets' status as a credit institution and its obligations as a provider of investment services are respected.

Internal Control is carried out by a multi-disciplinary team of capital markets specialists with a remit covering three objectives:

- to assess the reliability of risk management, control and compliance processes for complex activities and structured products,
- to ensure new products are developed in a secure manner,
- to make regular checks on the state of progress concerning the implementation of issued recommendations and their concrete translation into working practices.

In recognition of the importance of the risks entailed, the Department fulfils this remit via a number of methods, some of which focus on reacting to changes in businesses, systems and regulations, while others rely on more fundamental analysis. Methods include:

- in-depth assignments, more often than not involving a front-to-back accounting process,
- targeted controls, periodically triggered by internal indicators and reports from support functions, and which notably ensure that the permanent controls exercised within each business line are functioning effectively,
- preventative action, which involves members of the Internal Control team attending certain internal committee meetings and providing the impetus needed to develop the system of internal controls.

■ Priorities in 2003

Internal Control focused its efforts in 2003 on back-office control, preventing operational risks and managing market and credit risks.

Back-office control

The back office was subject to in-depth controls designed to ensure organisation, processes and tools were compatible with the growth and complexity of the business being handled.

As part of these controls, OTC derivatives transactions (particularly the order confirmation and collateralisation processes) were analysed specifically from the standpoint of normalised processing, reinforcing control points and the fluidity of front-back office relations.

Preventing operational risks

Further to the efforts made to prepare a cartography of operational risks in 2002, the prevention of operational risks remained a priority in 2003.

Ongoing action plans were complemented with new ones and were checked to ensure they were being applied correctly.

We also launched a project to define operational risk indicators capable of triggering alerts when business-line processes are executed under sub-professional standards.

The Department also undertook targeted controls concerning methods for managing IT access, relations with intermediaries, the content of reports and the respect of compliance standards (especially in terms of separating activities/Chinese Walls).





Managing market and credit risks

Verifications concerned two activities in particular:

- the recently-launched real-estate structuring activity, which was reviewed through a real-life transaction,
- the generic long-term interest-rate derivatives activity (vanilla and complex derivatives, interest-rate/credit and interest-rate/forex hybrids), this being an important contributor to CDC IXIS Capital Markets' profits. Analysis centred on the recognition of exotic instruments in systems and the development and validation of their pricers.

Specific verifications concerning both internal-control mechanisms and risk systems were also undertaken on a broader range of activities. The goal with these verifications was to ensure compliance with the requirements of appendix VII of French banking regulation CRBF n° 95-02 concerning the use of internal models for measuring market risks.

The main conclusions from audits and controls carried out during the year were periodically presented to the Financial and Internal Control Committee, the body responsible for supervising the quality of the internal control system and all of its components, and for reporting its findings to the Supervisory Board.

■ Outlook

In 2004, controls are set to focus on:

- monitoring credit risk, the results production/reconciliation process, controlling risks associated with financial engineering solutions involving specific vehicles (cross-departmental/themed audits),
- primary-market transactions, the money market and government bond business, together with complex credit activities (business-line audits),
- foreign branches (entity audits).

New activities and new products will continue to be monitored on a periodic basis.

Compliance

The Compliance Department continued to integrate itself into decision-making processes and undertook new fundamental initiatives.

Effective positioning

The Compliance Department's increasing degree of integration within the Company's activities is the fruit of its efforts to sensitise all staff to the rules of good conduct. Thanks notably to the presence of compliance officers in trading rooms, to field-level training initiatives and to our role in new committees, the Department participated in the development of complex products and the launch of new cross-border activities in 2003.

As regards the staff relocation to the new Paris offices, the Department worked actively to set up Chinese Walls and fine-tuned the rules for managing confidential information.

With a view to ensuring compliance officers are widely involved in the Company's international activities, the Department organised a first seminar for compliance officers operating in the Company's subsidiaries and branches. This event provided the arena for an in-depth exchange concerning the regulatory constraints in the countries in which the Company operates. Another project focused on the functioning of the network and will culminate in the publication of a Network Charter.

The fundamental initiatives carried out in 2003 were notably geared to ensuring credit analysts were complying with the new regulations pertaining to their profession, as well as continuing the fight against money laundering.

Credit analysts, who are now required to possess professional registration cards, received specific training and advice to help them maintain good professional conduct.

In the anti-money-laundering field, the Department took over responsibility for the client-referencing team and oversaw the implementation of a system which triggers alerts on transactions involving unreferenced clients and which provides it with one of the best automated tools for fighting money laundering in the industry.

Alongside these initiatives, the Department enhanced standards with procedures tailored to each business line and continued with all of its recurrent assignments, notably those concerning monitoring personnel declarations and taking part in market-wide projects.

Resources

Human resources

I Growth in headcount controlled

As at 31 December 2003, CDC IXIS Capital Markets and its subsidiary CDC IXIS Securities employed 911 staff on permanent contracts, versus 933 a year earlier. This 2.4% reduction only concerned the Paris offices, whereas the number of employees in the branches held steady.

In addition, the number of back-office personnel (employed by structures not included in the Company's scope of consolidation) showed no increase and amounted to 199 employees on permanent contracts at the end of 2003.

These figures reflect CDC IXIS Capital Markets' vigilance on the recruitment front, whether to replace staff or create new positions. In Paris, for example, although there was a sizeable 12% reduction in the number of staff departures in 2003, recruitment was halved during the year. All in all, 43 recruitments were made in 2003, split equally between support functions and the front office.

On the collective-agreement front, employee-savings mechanisms were overhauled so as to optimise

employees' capacity to save. A new contractual profit-sharing scheme was concluded for a period of three years.

At the same time, as part of the Company's measures to ensure professional equality is maintained, a collective agreement was signed regarding payment for paternity leave.

Lastly, a specific function for managing senior management and synergies was set up in October 2003. This function reports to the Chairman of the Executive Board and makes use of the Human Resources Department's operational resources.

Breakdown of workforce by socio-professional category

Executives	700
Superior-level technicians	29
Employees	36
Total workforce France	765
Total workforce France	146
Total workforce	911





Resources

IT systems, back office and support functions

Architecture and work stations

The IT Department capitalised on CDC IXIS Capital Markets' move to its new headquarters at 47 quai d'Austerlitz in Paris's 13th arrondissement to continue optimising and enhancing the reliability of a large part of the Company's technical architecture (cabling, servers, routers etc.). Users now have access to a highly efficient and secure network that is perfectly tailored to the technical demands of their activities.

As regards work stations and systems, further progress was made with technical migrations (new versions of Windows, Kobra architecture, SUMMIT, E-toolkit, messaging, etc.) and all users are now equipped with flat screens, which save energy and space, while also enhancing visual comfort.

Security

The day-to-day efforts of the IT Systems Security unit ensured IT security was consistent with the demands of CDC IXIS Capital Markets' business.

Efforts in 2004 will focus on furthering work on the Disaster Recovery Plan (incorporating business-line reorganisations, telecoms assistance, return-to-normal procedures etc.) and enhancing the reliability of the system for managing IT systems access.

Changes in IT systems and prospects

The overhaul of the equity back-office IT channel for OTC trades was one of the year's major IT projects and work should be completed in this area in 2004. As part of this initiative, SOPHIS front-office software will be extended to incorporate the back-office features required for this activity. Implementation will ensure straight-through-processing (STP) capability for trades in this channel and thereby help reduce operational risks.

Modernisation work continued in the securities processing area and involved the implementation of the accounting phase on the back-office platform (SUMMIT Bonds B/O for bond processing). A secured tool for managing scanned signatures for trade confirmations was also introduced. This represented another significant advance for back-office IT systems, by automating processing and thereby eliminating manual intervention.

Lastly, numerous features were added to the front-office commercial database with a view to generalising its usage.

2004 will witness further efforts to align IT services with business-line strategy, notably via the completion of work on back-office securities processing, the launch of work on firm sales and lending-borrowing in the equity back-office channel, efforts to optimise databases (stocks, prices, third parties), together with an investigation into the implementation of a global confirmation management tool (workflow) and a company directory.

The purpose of these changes – whether completed, ongoing or still to come – continues to be to rationalise and optimise business-line processes with a permanent view to controlling operational risks and reducing costs.

New headquarters

The move to the new Paris Austerlitz headquarters was a major event for the Company in 2003.

As at the end of September 2003, the new 22,000 m² building housed 1,246 staff and was equipped with 340 trading room positions.

The decision to group employees of CDC IXIS Capital Markets and subsidiary CDC IXIS Securities on the same leading-edge technology site has already started to bear fruit in terms of daily work efficiency.

The IAS project

Given that the CDC IXIS Group is not publicly listed, the common objective with Caisse d'Epargne Group is to publish financial information consistent with IAS/IFRS standards as from period-end 30 June 2006. The project is co-ordinated by CDC IXIS.

The "Markets" aspect of the Group's IAS project is managed in decentralised fashion by CDC IXIS Capital Markets under the responsibility of the General Secretariat.

The phase of diagnosing and documenting the existing situation was completed in September 2003 using internal resources. Since then, CDC IXIS Capital Markets has called on specialised external assistance to steer the project and thereby free up resources to undertake detailed analysis.

The outlook for 2004

CDC IXIS Capital Markets will continue its policy of controlled expansion as a multi-specialist in a selection of high value-added businesses.

As in the last three years, we will strive to confirm our positioning as a multi-specialist in a selection of well-identified, high value-added businesses where we have the ability to leverage our reactivity, technical expertise and innovative capability.

We will also further our commercial development, especially in international markets.

This strategy is underpinned by regular and sizeable investments in the research field, spanning equity research, credit research, quantitative research for derivatives and economic research. It reflects our continuous desire to deliver customised solutions to clients by drawing on our extensive capacity to structure original solutions, thanks to a combination of an innovative culture and the ability to execute in fields as varied as guaranteed funds, sale-and-leaseback deals, property and weather derivatives.

We will continue to offer clients the benefit of our balance sheet, both for market-making operations (bonds, interest-rate and equity derivatives) and warehousing operations, particularly in the ABS and CDO fields.

With equity-market conditions expected to improve in 2004, particular emphasis will be placed on developing business with corporate clients by exploiting synergies with Nexgen, CDC IXIS's 40%-owned subsidiary specialising in complex corporate finance operations, a move in synch with the CDC IXIS Group's own expansion in the corporate finance field.

We will continue to work on implementing Basle II rules and completing the switch to IAS by the end of the year. Support functions and the back office will also maintain their efforts to ensure that the ever-increasing volume and complexity of our business entails no loss of control over transactions.



Recruitment policy in 2004 will focus on the expertise and seniority of our personnel, the concern being to reorganise and optimise our structures on a permanent basis.

Lastly, one of CDC IXIS Capital Markets' major challenges in 2004 will be to implement the tie-up with CNCEP, as provided for by the agreements between the Caisse des dépôts and Caisse d'Épargne Groups. To this end, support functions will work to ensure the new organisation is put into place successfully.



Legal elements (extracts)

Information concerning share capital

Amount of capital, shares issued

The Parent Company has total capital of €457,500,000, divided into 30,000,000 shares each with a nominal value of €15.25, all of the same category.

The shares are registered and all transfers to third parties require approval by the Company.

- Authorised capital not yet issued: nil
- Stock option programme: nil
- Other securities providing access to capital: nil
- Capital used as security or guarantee: nil

Changes in capital since creation of Company

YEAR	Nature of operation	Size of capital increase		Total capital	Total number of shares	Nominal value
		Capital	Premium			
Creation	Initial cash issue	5,000,000 francs	-	5,000,000 francs	50,000	100 francs
29/06/90	Asset transfer	8,000,000 francs	-	13,000,000 francs	130,000	100 francs
28/05/96	Cash issue	2,987,000,000 francs	-	3,000,000,000 francs	30,000,000	100 francs
01/09/01	Conversion of capital into euros and incorporation of reserve	152,948.30 euros	-	457,500,000 euros	30,000,000	15.25 euros

Ownership of capital and voting rights over the last three years

Shareholders	Situation as at 31/12/2003			Situation as at 31/12/2002			Situation as at 31/12/2001		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
CDC IXIS*	29,999,992	> 99.99	> 99.99	30,000,000	100	100	29,999,993	> 99.99	> 99.99
Others**	8	% n.s.	% n.s.	-	-	-	7	% n.s.	% n.s.
Total	30,000,000	100	100	30,000,000	100	100	30,000,000	100	100

* CDC IXIS is the trading name of CDC Finance-CDC IXIS.

** Members of Supervisory Board.

- Double voting rights: nil.
- As far as the Company is aware, no shareholding pacts have been signed.

Information concerning Company Directors

Members of the Executive Board

2003

Mr Anthony ORSATELLI

Company	Form	Country	Mandates/Functions
CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PRÉVOYANCE	SA	F	Member of Executive Board; Head of Financial and Investment Banking (since 15 December 2003)

Mandates and functions within the CDC IXIS Group

CDC FINANCE-CDC IXIS	SA	F	Member of Executive Board; Chief Executive Officer; Head of Capital Markets and Financing
SOGEPOSTE	SA	F	Vice-Chairman of Supervisory Board

FINANCIAL GUARANTY

CDC IXIS FINANCIAL GUARANTY	SA	F	CDC IXIS Financial Guaranty Holding's permanent representative on the Supervisory Board (since 16 September 2003; previously Censor)
CDC IXIS FINANCIAL GUARANTY EUROPE	SA	F	CDC IXIS Financial Guaranty's permanent representative on the Supervisory Board (since 25 September 2003; previously Censor)
CDC IXIS FINANCIAL GUARANTY HOLDING	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 16 September 2003; previously Censor)
CIFG NORTH AMERICA INC.		USA	Member of Board of Directors
CIFG SERVICES INC.		USA	Member of Board of Directors

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Chairman of Executive Board; Director of Central Functions
CDC IXIS LCF ROTHSCHILD MIDCAPS	SA	F	Vice-Chairman of Supervisory Board

CDC IXIS SECURITIES	SA	F	Chairman of Supervisory Board
CDC COMMERCIAL PAPER CORP.		USA	Chairman of Board of Directors
CDC DERIVATIVES INC.		USA	Chairman of Board of Directors
CDC FINANCIAL PRODUCTS INC.		USA	Chairman of Board of Directors
CDC FUNDING CORP.		USA	Chairman of Board of Directors
CDC IXIS CAPITAL MARKETS NORTH AMERICA		USA	Chairman of Board of Directors
CDC IXIS NORTH AMERICA		USA	Member of Board of Directors
CDC MORTGAGE CAPITAL INC.		USA	Chairman of Board of Directors
CDC MUNICIPAL PRODUCTS INC.		USA	Chairman of Board of Directors
CDC SECURITIES INC.		USA	Member of Board of Directors
NEXGEN FINANCIAL HOLDING LIMITED	IRL		Chairman of Board of Directors
NEXGEN RE LIMITED	IRL		Chairman of Board of Directors

ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	Member of Supervisory Board
CDC IXIS PRIVATE CAPITAL MANAGEMENT	SA	F	Member of Supervisory Board
CDC IXIS AM US CORPORATION		USA	Member of Board of Directors (since 6 November 2003)
CDC IXIS AM US LLC		USA	Member of Board of Managers (since 6 November 2003)

Mandates and functions within the CDC Group

CNP ASSURANCES (listed)	SA	F	Member of Supervisory Board (from 9 September to 18 December 2003)
CDC SP	SICAV	LUX	Chairman of Board of Directors

Other mandates and functions

CIF EUROMORTGAGE	SA	F	Member of Supervisory Board (resigned 8 September 2003)
ECUREUIL GESTION	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 17 July 2003)
ECUREUIL GESTION FCP	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 17 July 2003)
GIMAR FINANCE	SCA	F	CDC IXIS Capital Markets' permanent representative on the Supervisory Board
SAN PAOLO IMI SpA		ITA	Member of Board of Directors (since 12 September 2003)

Remuneration and benefits received in 2003 in exchange for mandates and functions exercised within CDC IXIS Capital Markets: €81,664.71.

2003

Mr Alain PRÉVOT

Company	Form	Country	Mandates/Functions
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Mandates and functions within the CDC IXIS Group

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Member of Executive Board; Chief Executive Officer; General Secretary
CICM INNOV	SAS	F	Chairman (since 22 April 2003)
LILLEREAU	SA	F	Liquidator (mandate ended 28 February 2003)
ARAMIS MANAGEMENT SA		LUX	Member of Board of Directors
CDC IXIS CAPITAL MARKETS NORTH AMERICA		USA	Member of Board of Directors
ICMOS LUXEMBOURG	SA	LUX	Member of Board of Directors (since 20 June 2003)

Mandates and functions within the CDC Group

CDC SP	SICAV	LUX	Member of Board of Directors
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Other mandates and functions: nil

Remuneration and benefits received in 2003 in exchange for mandates and functions exercised within CDC IXIS Capital Markets: €184,100.75

2003

Mr Nicolas FORT

Company	Form	Country	Mandates/Functions
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Mandates and functions within the CDC IXIS Group

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Member of Executive Board; Joint Head of Front Office
CDC IXIS SECURITIES	SA	F	CDC IXIS Capital Markets' permanent representative on the Supervisory Board
CDC IXIS LCF ROTHSCHILD MIDCAPS	SA	F	Member of Supervisory Board
CDC SP		LUX	Member of Board of Directors
MARTIGNAC FINANCE	SA	F	Member of Supervisory Board
CDC FINANCIAL PRODUCTS INC.		USA	Member of Board of Directors
CDC IXIS CAPITAL MARKETS NORTH AMERICA		USA	Member of Board of Directors
CDC MORTGAGE CAPITAL INC.		USA	Member of Board of Directors
CDC SECURITIES INC.		USA	Member of Board of Directors
ICMOS IRELAND LTD		IRL	Director
ICMOS PANGAEA GLOBAL HEDGE FUND PLC		IRL	Director
ICMOS UK LTD		GB	Member of Board of Directors
NEXGEN FINANCIAL HOLDING LIMITED		IRL	Alternate Director
NEXGEN RE LIMITED		IRL	Alternate Director

Other mandates and functions: nil

Remuneration and benefits received in 2003 in exchange for mandates and functions exercised within CDC IXIS Capital Markets: €830,833.00.

2003

Mr Bernard MIGUS

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Member of Executive Board; Joint Head of Front Office
CDC IXIS SECURITIES	SA	F	Member of Executive Board (since 24 April 2003; previously Chairman of Executive Board)
CDC IXIS LCF ROTHSCHILD MIDCAPS	SA	F	CDC IXIS Securities' permanent representative on the Supervisory Board

Other mandates and functions: nil

Remuneration and benefits received in 2003 in exchange for mandates and functions exercised within CDC IXIS Capital Markets and CDC IXIS Securities: €830,833.00.

Members of the Supervisory Board

2003

Mr Pierre SERVANT

Company	Form	Country	Mandates/Functions
CAISSE NATIONALE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE	SA	F	Member of Executive Board; Head of Finance and Risks (since 15 December 2003; previously Member of Supervisory Board)

Mandates and functions within the CDC IXIS Group

CDC FINANCE-CDC IXIS	SA	F	Chairman of Executive Board (from 16 July to 14 January 2004; previously Compagnie financière Eulia's permanent representative on the Supervisory Board)
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FINANCIAL GUARANTY

CDC IXIS FINANCIAL GUARANTY HOLDING	SA	F	CDC's permanent representative on the Supervisory Board
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CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Chairman of Supervisory Board (since 17 October 2003; previously Member of Supervisory Board)
CDC IXIS SECURITIES	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 17 July 2003)
CDC IXIS NORTH AMERICA	SA	USA	Chairman of Board of Directors (since 24 September 2003)

ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	Chairman of Supervisory Board (since 6 October 2003; previously Member of Supervisory Board)
CDC IXIS PRIVATE EQUITY	SA	F	Member of Board of Directors
CDC IXIS AM US CORPORATION		USA	Member of Board of Directors (since 6 November 2003)

Other mandates and functions within the CDC Group

CAISSE DES DÉPÔTS DÉVELOPPEMENT C3D	SA	F	Member of Board of Directors (resigned 19 December 2003)
CDC IXIS ITALIA HOLDING	SA	F	Chairman of Supervisory Board
CNP ASSURANCES (listed)	SA	F	Member of Supervisory Board (resigned 19 December 2003)
COMPAGNIE FINANCIÈRE EULIA	SA	F	Member of Board of Directors (since 11 September 2003; previously Deputy Chief Executive Officer, in charge of finance)
CRÉDIT FONCIER DE FRANCE (listed)	SA	F	Member of Supervisory Board (since 28 May 2003)
EULIA CAUTION	SA	F	Compagnie financière Eulia's permanent representative on the Board of Directors (from 28 May to 28 September 2003)

Other mandates and functions: nil

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Mr Antoine LISSOWSKI

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			

CDC FINANCE-CDC IXIS	SA	F	Member of Executive Board; Chief Financial Officer (resigned 16 December 2003)
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FINANCIAL GUARANTY

CDC IXIS FINANCIAL GUARANTY HOLDING	SA	F	Chairman of Supervisory Board (from 25 September to 16 December 2003; previously Member of Supervisory Board)
CDC IXIS FINANCIAL GUARANTY	SA	F	Chairman of Supervisory Board (resigned 16 December 2003)
CDC IXIS FINANCIAL GUARANTY EUROPE	SA	F	Chairman of Supervisory Board (resigned 16 December 2003)
CDC IXIS FINANCIAL GUARANTY SERVICES INC.		USA	Member of Board of Directors (resigned 16 December 2003)
CDC IXIS FINANCIAL GUARANTY NORTH AMERICA INC.		USA	Member of Board of Directors (resigned 16 December 2003)

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Vice-Chairman of Supervisory Board (since 17 October 2003; previously Member of Supervisory Board)
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MARTIGNAC FINANCE	SA	F	Chairman of Supervisory Board (resigned 22 December 2003)
CDC IXIS NORTH AMERICA		USA	Member of Board of Directors (resigned 16 December 2003)

ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	Vice-Chairman of Supervisory Board (from 6 October to 16 December 2003)
CDC IXIS PRIVATE CAPITAL MANAGEMENT	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 8 September 2003)
CDC IXIS PRIVATE EQUITY	SA	F	CDC Finance-CDC IXIS's permanent representative on the Board of Directors (since 17 July 2003) and Member of Board of Directors (resigned 16 October 2003)
IXIS AEW EUROPE	SA	F	Chairman of Board of Directors (from 2 October to 16 December 2003)
MAGNANT	SA	F	CDC Finance-CDC IXIS's permanent representative on the Board of Directors (mandate ended 17 August 2003 following dissolution of the company)
PART'COM	SA	F	Member of Board of Directors (resigned 16 December 2003)
CDC IXIS AM US CORPORATION		USA	Member of Board of Directors (resigned 16 December 2003)

Other mandates and functions within the CDC Group

CNP ASSURANCES (listed)	SA	F	Member of Executive Board; Chief Financial Officer (since 16 December 2003)
SOCIÉTÉ FONCIÈRE MOGADOR	SA	F	CDC's permanent representative on the Board of Directors (mandate ended May 2003)

Other mandates and functions

CAISSE NATIONALE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE	SA	F	Member of Supervisory Board
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Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Mr Jean-Jacques BONNAUD

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			

FINANCIAL GUARANTY

CDC IXIS FINANCIAL GUARANTY	SA	F	Vice-Chairman of Supervisory Board
CDC IXIS FINANCIAL GUARANTY NORTH AMERICA INC.		USA	Member of Board of Directors

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Member of Supervisory Board (since 17 October 2003)
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BANKING AND SECURITIES SERVICES

BANCA CARIGE (listed)		ITA	CDC Finance-CDC IXIS's permanent representative on the Board of Directors
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Other mandates and functions within the CDC Group

NORD-SUD DÉVELOPPEMENT	SICAV	F	Chairman and Chief Executive Officer
GALAXY FUND		LUX	Chairman of Management Board

Other mandates and functions

DIRECT FUNDING	SA	F	Member of Board of Directors (resigned 16 October 2003)
EUROTITISATION	SA	F	Honorary Chairman (since 17 June 2003; previously Chairman of Board of Directors)
GIMAR FINANCE	SCA	F	Censor
M 3C (GAPSET)	SA	F	Member of Board of Directors (resigned in 2003)
SOCIÉTÉ DES MANUSCRITS DES ASSUREURS FRANCAIS	SA	F	Member of Board of Directors
VALEUR CAPITAL SA	SA	F	Chairman of Board of Directors

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Mr Raymond KIRSCH

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	BCEEL's permanent representative on the Supervisory Board
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Other mandates and functions

ATAG ASSET MANAGEMENT	SA	LUX	Member of Board of Directors
BCEEL		LUX	Chief Executive Officer; Chairman of Management Committee
BCEEL-RE		LUX	Chairman of Board of Directors
CARGOLUX		LUX	Member of Board of Directors
COMPAGNIE LUXEMBOURGEOISE DE TÉLÉDIFFUSION		LUX	Member of Board of Directors
EURO-ENVIRONNEMENT	SA	LUX	Member of Board of Directors
EURO-ENVIRONNEMENT S.C.A.	S.C.A.	LUX	Member of Board of Directors
LA LUXEMBOURGEOISE-ASSURANCE	SA	LUX	Vice-Chairman of Board of Directors
LA LUXEMBOURGEOISE-VIE	SA	LUX	Vice-Chairman of Board of Directors
LUXAIR		LUX	Vice-Chairman of Board of Directors
MEDIATEL MANAGEMENT	SA	LUX	Vice-Chairman of Board of Directors
PAUL WURTH	SA	LUX	Member of Board of Directors
SES GLOBAL		LUX	Member of Board of Directors

SOCIÉTÉ DE LA BOURSE DE LUXEMBOURG		LUX	Member of Board of Directors
SOCIÉTÉ DE GESTION DE CDC EURO OBLIGATIONS	SA	LUX	Member of Board of Directors
SOCIÉTÉS DES FOIRES INTERNATIONALES DE LUXEMBOURG	SA	LUX	Vice-Chairman of Board of Directors

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: €6,400.

2003

Mr Francis MAYER

Company	Form	Country	Mandates/Functions
CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PRÉVOYANCE	SA	F	Vice-Chairman of Supervisory Board (since 15 December 2003)

Mandates and functions within the CDC IXIS Group

CDC FINANCE-CDC IXIS	SA	F	Chairman of Supervisory Board (since 21 January 2003)
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CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 17 February 2003)
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ASSET MANAGEMENT

CDC IXIS PRIVATE EQUITY	SA	F	Member of Board of Directors (since 27 February 2003)
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Other mandates and functions within the CDC Group

CAISSE DES DÉPÔTS DÉVELOPPEMENT C3D	SA	F	CDC's permanent representative on the Board of Directors (since 16 January 2003)
CDC HOLDING FINANCE	SA	F	Member of Board of Directors (since 5 March 2003)
CNP ASSURANCES (listed)	SA	F	CDC's permanent representative on the Supervisory Board (since 28 January 2003)
COMPAGNIE FINANCIERE EULIA	SA	F	Vice-Chairman of Board of Directors and Deputy Chief Executive Officer (since 15 January 2003)

Other mandates and functions

CASINO GUICHARD PERRACHON (listed)	SA	F	Member of Board of Directors (since 4 September 2003; previously Member of Supervisory Board from 27 May 2003 to 4 September 2003)
VEOLIA ENVIRONNEMENT (listed)	SA	F	Member of Board of Directors (since 30 April 2003)
DEXIA (listed)		BEL	Member of Board of Directors (since 20 November 2003)

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Mr Jean-Pierre MENANTEAU

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			
CDC FINANCE-CDC IXIS	SA	F	CDC's permanent representative on the Supervisory Board (mandate ended 8 December 2003)
SOGEPOSTE	SA	F	Member of Supervisory Board (resigned 25 June 2003)

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Member of Supervisory Board (resigned 17 October 2003)
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ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	Member of Supervisory Board (from 6 October to 4 December 2003)
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Other mandates and functions within the CDC Group

CAISSE DES DÉPÔTS DÉVELOPPEMENT C3D	SA	F	Member of Board of Directors (resigned 11 December 2003)
CDC HOLDING FINANCE (EX-SODEVE)	SA	F	Chairman of Board of Directors (resigned 3 November 2003)
CDC IXIS ITALIA HOLDING	SA	F	CDC's permanent representative on the Supervisory Board (mandate ended 13 March 2003)
CNP ASSURANCES (listed)	SA	F	Member of Supervisory Board
COMPAGNIE FINANCIERE EULIA	SA	F	CDC Holding Finance's permanent representative on the Board of Directors (mandate ended 12 November 2003)
FINANCIERE LILLE	SA	F	Censor (from 22 September to 3 November 2003)
ICADE (EX-SCIC)	SA	F	Member of Board of Directors (resigned 2 October 2003)
TRANSDEV	SA	F	Member of Board of Directors (resigned 12 March 2003)
CDC DI GMBH		GER	Chairman (resigned 1 December 2003)

Other mandates and functions

CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PRÉVOYANCE	SA	F	Member of Supervisory Board (resigned 18 December 2003)
SEGUR GESTION	SA	F	CDC's permanent representative on the Board of Directors (resigned 10 January 2003)
GALAXY FUND		LUX	CDC's permanent representative on the Management Board (resigned 11 December 2003)

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Mr Nicolas MERINDOL

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			
CDC FINANCE – CDC IXIS	SA	F	Member of Supervisory Board

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Member of Supervisory Board
MARTIGNAC FINANCE	SA	F	Vice-Chairman of Supervisory Board

ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	Member of Supervisory Board
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Other mandates and functions within the CDC Group

A3C	SAS	F	CNCEP's permanent representative on the Board of Directors
ARESE (currently being merged into VIGEO)	SA	F	Member of Board of Directors
CNP ASSURANCES	SA	F	Member of Supervisory Board
COMPAGNIE FINANCIÈRE EULIA	SA	F	Member of Board of Directors
INGEPAR	SA	F	CNCEP's permanent representative on the Board of Directors

Other mandates and functions

ALLIANCE ENTREPRENDRE	SAS	F	Ecureuil Participations' permanent representative
CAISSE D'ÉPARGNE FINANCEMENT	SA	F	Member of Board of Directors
CAISSE NATIONALE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE	SA	F	Member of Executive Board
CRÉDIT FONCIER DE FRANCE (listed)	SA	F	Vice-Chairman of Supervisory Board
FINANCIÈRE OCÉOR	SA	F	CNCEP's permanent representative on the Supervisory Board
ECUREUIL MONÉTAIRE	SICAV	F	CNCEP's permanent representative on the Board of Directors
EFIDIS	SA	F	Member of Board of Directors (since September 2003)
GROUPEMENT D'ACHATS DES CE OD@CIA	SA	F	CNCEP's permanent representative on the Board of Directors
HOLGEST	SA	F	Chairman of Board of Directors
LES ÉDITIONS DE L'ÉPARGNE	SA	F	Member of Board of Directors
REVENUS TRIMESTRIELS	SICAV	F	CNCEP's permanent representative on the Board of Directors
SOPASSURE	SA	F	Member of Board of Directors

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: €11,200.

2003

Mr Bruno METTLING

Company	Form	Country	Mandates/Functions
CAISSE NATIONALE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE	SA	F	Member of Executive Board

Mandates and functions within the CDC IXIS Group

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	CNCEP's permanent representative on the Supervisory Board (since 13 October 2003)
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ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	CNCEP's permanent representative
CDC IXIS PRIVATE CAPITAL MANAGEMENT	SA	F	CNCEP's permanent representative

Other mandates and functions within the CDC Group

COMPAGNIE FINANCIÈRE EULIA	SA	F	Member of Board of Directors
CRÉDIT FONCIER DE FRANCE	SA	F	Member of Supervisory Board
VEGA FINANCE	SA	F	Chairman of Supervisory Board (co-opted 30 October 2003)

Other mandates and functions

ARESE	SA	F	Chairman of Board of Directors - Chief Executive Officer
ECUREUIL GESTION	SA	F	Chairman of Supervisory Board
ECUREUIL VIE	SA	F	Chairman of Board of Directors
CEFI	SA	F	Member of Board of Directors (since 9 December 2003)
VIGEO	SAS	F	Member of Board of Directors
MUTUELLE DU MANS VIE	MUT	F	CNCEP's permanent representative
MUTUELLE DU MANS IARD	MUT	F	CNCEP's permanent representative

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Mr Laurent VIEILLEVIGNE

Company	Form	Country	Mandates/Functions
CDC FINANCE-CDC IXIS	SA	F	Member of Executive Board, Director of Client Relations and Commercial Development
SOGEPSTE	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 17 July 2003)

Mandates and functions within the CDC IXIS Group

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Member of Supervisory Board (since 17 October 2003)
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ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (since 17 July 2003)
CDC IXIS PRIVATE CAPITAL MANAGEMENT	SA	F	Vice-President of Supervisory Board (since 8 October 2003)
IXIS AEW EUROPE	SA	F	CDC Finance-CDC IXIS's permanent representative on the Board of Directors (since 30 September 2003)
VÉGA FINANCE	SA	F	Member of Supervisory Board (since 30 October 2003)

BANKING AND SECURITIES SERVICES

CDC IXIS ADMINISTRATION DE FONDS	SA	F	CDC Finance-CDC IXIS's permanent representative on the Board of Directors
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Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Ms Isabelle BOUILLOT (no longer a director of CDC IXIS Capital Markets since 4 August 2003)

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			
CDC FINANCE-CDC IXIS	SA	F	Chairman of Executive Board; Director of Central Functions (resigned 16 July 2003)

FINANCIAL GUARANTY

CDC IXIS FINANCIAL GUARANTY HOLDING	SA	F	Chairman of Supervisory Board (resigned 4 August 2003)
CDC IXIS FINANCIAL GUARANTY NORTH AMERICA INC.		USA	Chairman (resigned 4 August 2003)

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Chairman of Supervisory Board (resigned 4 August 2003)
CDC IXIS SECURITIES	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (mandate ended 17 July 2003)
CDC IXIS NORTH AMERICA		USA	Chairman (resigned 4 August 2003)

ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	Vice-Chairman of Supervisory Board and CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (mandate ended 17 July 2003)
IXIS AEW EUROPE	SA	F	Member of Board of Directors (resigned 4 August 2003)
CDC IXIS PRIVATE CAPITAL MANAGEMENT	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (mandate ended 4 August 2003)
CDC IXIS PRIVATE EQUITY	SA	F	CDC Finance-CDC IXIS's permanent representative on the Board of Directors (mandate ended 17 July 2003)
SPID	SA	F	CDC Finance-CDC IXIS's permanent representative on the Board of Directors (mandate ended 3 February 2003 following dissolution of the company)
CDC IXIS AM US CORPORATION		USA	Member of Board of Directors (resigned 4 August 2003)

Other mandates and functions within the CDC Group

CDC IXIS ITALIA HOLDING	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (mandate ended 17 July 2003)
CNP ASSURANCES (listed)	SA	F	Member of Supervisory Board (resigned 16 July 2003)
COMPAGNIE FINANCIÈRE EULIA	SA	F	Member of Board of Directors (resigned 4 August 2003)
SOCIÉTÉ DE GESTION DE CDC EURO OBLIGATIONS		LUX	Chairman of Board of Directors, CDC's permanent representative (resigned 4 August 2003)

Other mandates and functions

ACCOR (listed)	SA	F	Member of Supervisory Board
CAISSE NATIONALE DES CAISSES D'ÉPARGNE ET DE PRÉVOYANCE	SA	F	CDC's permanent representative on the Supervisory Board (mandate ended during 2003)
COMPAGNIE DE SAINT-GOBAIN (listed)	SA	F	Member of Board of Directors
SAN PAOLO IMI (listed)		ITA	Member of Board of Directors (resigned 4 August 2003)

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003

Mr Gérard BARBOT (no longer a director of CDC IXIS Capital Markets since 17 July 2003)

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			
CDC FINANCE-CDC IXIS	SA	F	Member of Executive Board; Chief Executive Officer; Director of Support Functions and Steering (resigned 16 July 2003)
SOGEPSTE	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (from 15 January to 17 July 2003 – resignation date; previously Member of Supervisory Board)

FINANCIAL GUARANTY

CDC IXIS FINANCIAL GUARANTY HOLDING	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (mandate ended on 17 July 2003)
CDC IXIS FINANCIAL GUARANTY	SA	F	CDC IXIS Financial Guaranty Holding's permanent representative on the Supervisory Board (mandate ended 17 July 2003)
CDC IXIS FINANCIAL GUARANTY EUROPE	SA	F	CDC IXIS Financial Guaranty's permanent representative on the Supervisory Board (mandate ended 17 July 2003)
CDC IXIS FINANCIAL GUARANTY SERVICES INC.		USA	Member of Board of Directors (resigned 17 July 2003)
CDC IXIS FINANCIAL GUARANTY NORTH AMERICA INC.		USA	Vice-Chairman of Board of Directors (resigned 17 July 2003)

CAPITAL MARKETS AND FINANCING

CDC IXIS CAPITAL MARKETS	SA	F	Vice-Chairman of Supervisory Board (resigned 17 July 2003)
CDC IXIS NORTH AMERICA		USA	Member of Board of Directors (resigned 17 July 2003)

ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	Chairman of Supervisory Board (resigned 17 July 2003)
IXIS AEW EUROPE	SA	F	CDC Finance-CDC IXIS's permanent representative on the Board of Directors (resigned 17 July 2003)
CDC IXIS PRIVATE CAPITAL MANAGEMENT	SA	F	Vice-Chairman of Supervisory Board (resigned 17 July 2003)
VÉGA FINANCE	SA	F	Chairman of Supervisory Board (resigned 17 July 2003)

CDC IXIS AM US CORPORATION	USA	Member of Board of Directors (resigned 17 July 2003)
CDC IXIS AM US LLC	USA	Member of Board of Managers (resigned 17 July 2003)

Other mandates and functions within the CDC Group

CNP ASSURANCES (listed)	SA	F	Member of Supervisory Board (resigned 16 July 2003)
CDC INVESTMENT FUND		LUX	Member of Board of Directors
CDC ARBITRAGE FUND		LUX	Member of Board of Directors

Other mandates and functions

CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PRÉVOYANCE	SA	F	Member of Supervisory Board (resigned 9 April 2003)
ECUREUIL GESTION	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (mandate ended 17 July 2003)

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003 **Mr Daniel LEBÈGUE (no longer a director of CDC IXIS Capital Markets since 17 February 2003)**

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			
CDC FINANCE-CDC IXIS	SA	F	Chairman of Supervisory Board (resigned 9 January 2003)
CAPITAL MARKETS AND FINANCING			
CDC IXIS CAPITAL MARKETS	SA	F	CDC Finance-CDC IXIS's permanent representative on the Supervisory Board (mandate ended 17 February 2003)

Other mandates and functions within the CDC Group

CAISSE DES DÉPÔTS DÉVELOPPEMENT C3D	SA	F	CDC's permanent representative on the Board of Directors (mandate ended 16 January 2003)
CNP ASSURANCES (listed)	SA	F	CDC's permanent representative on the Supervisory Board (mandate ended 16 January 2003)

Other mandates and functions

ALCATEL (listed)	SA	F	Member of Board of Directors (since 17 April 2003)
AREVA (listed)	SA	F	Member of Supervisory Board
SCOR (listed)	SA	F	Member of Board of Directors (since 15 May 2003)
TECHNIP (listed)	SA	F	Member of Board of Directors (since 11 April 2003)
THALES (listed)	SA	F	Member of Board of Directors

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: nil.

2003 **Mr Philippe WAHL (no longer a director of CDC IXIS Capital Markets since 5 September 2003)**

Company	Form	Country	Mandates/Functions
Mandates and functions within the CDC IXIS Group			
CDC FINANCE-CDC IXIS	SA	F	Member of Supervisory Board (resigned 3 September 2003)
CAPITAL MARKETS AND FINANCING			
CDC IXIS CAPITAL MARKETS	SA	F	CNCEP's permanent representative on the Supervisory Board (mandate ended 5 September 2003)

ASSET MANAGEMENT

CDC IXIS ASSET MANAGEMENT	SA	F	CNCEP's permanent representative on the Supervisory Board (mandate ended 6 October 2003)
CDC IXIS PRIVATE CAPITAL MANAGEMENT	SA	F	CNCEP's permanent representative on the Supervisory Board (mandate ended 12 March 2003)

Other mandates and functions within the CDC Group

ALLIANCE ENTREPRENDRE	SA	F	Ecureuil Participations' permanent representative on the Board of Directors (mandate ended 15 April 2003)
CNP ASSURANCES (listed)	SA	F	Member of Supervisory Board (resigned 5 September 2003)
COMPAGNIE FINANCIÈRE EULIA	SA	F	Member of Board of Directors (mandate ended 11 September 2003)

Other mandates and functions

CAISSE D'EPARGNE FINANCEMENT	SA	F	Member of Board of Directors
CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PRÉVOYANCE	SA	F	Member of Executive Board; Chief Executive Officer (resigned 5 September 2003)
CRÉDIT FONCIER DE FRANCE (listed)	SA	F	Vice-Chairman of Supervisory Board (resigned 5 September 2003)
HOLASSURE	SA	F	Chairman and Chief Executive Officer (resigned 10 September 2003)
LA MUTUELLE DU MANS ASSURANCES IARD (MMA IARD)	MUT	F	CNCEP's permanent representative on the Board of Directors (mandate ended 11 September 2003)
LA MUTUELLE DU MANS ASSURANCES VIE	MUT	F	CNCEP's permanent representative on the Board of Directors (mandate ended 11 September 2003)
SOPASSURE	SA	F	Chairman and Chief Executive Officer (resigned 5 May 2003)

Director's fees received in 2003 in exchange for the mandate exercised within CDC IXIS Capital Markets: €3,200.

Key to form of Company

SA (Société Anonyme) = French limited company; SAS (Société Anonyme Simplifiée) = Simplified French limited company; SICAV = Mutual fund; SCA (Société en Commandite par Actions) = Limited partnership with shares; EPIC = Publicly-owned company; MUT = Mutual insurer.



Resolutions submitted to the Annual General Meeting

of Shareholders of CDC IXIS Capital Markets on 6 May 2004

The Executive Board requests that shareholders present at the Annual General Meeting of Shareholders:

- approve the parent company and consolidated accounts for the 2003 financial year, these having been certified without qualification by the Auditors;
- approve the regulated agreements concluded during the course of 2003, which have previously been authorised by the Supervisory Board and which are presented in the Auditors' special report;
- approve the proposed allocation of earnings, which after taking into account the 5% to be assigned to the legal reserve, provides for payment of a

dividend of €46,500,000 and the allocation of the remaining €142,541,479.49 of distributable profit to retained earnings;

- authorise the issue of bonds up to a maximum overall amount of €12 billion;
- allocate total director's fees of €58,600 to the members of the Supervisory Board in respect of the 2003 financial year;
- renew the mandates of those members of the Supervisory Board whose mandates are due to expire at the end of this Meeting, in accordance with article 27 of the statutes.

Text of resolutions

First resolution

Having heard the presentation of the report of the Executive Board, and the reading of the reports of the Supervisory Board and the Auditors, together with the presentation of the report of the Chairman of the Supervisory Board concerning the preparation and organisation of the Board's work and the internal control procedures implemented by the Company, as well as the reading of the Auditors' report on the said report, the Ordinary Shareholders' Meeting approves the parent company financial statements for the year ended 31 December 2003, as presented.

Second resolution

Having heard the presentation of the report of the Executive Board, and the reading of the reports of the Supervisory Board and the Auditors, together with the presentation of the report of the Chairman of the Supervisory Board concerning the preparation and organisation of the Board's work and the internal control procedures implemented by the Company, as well as the reading of the Auditors' report on the said report, the Ordinary Shareholders' Meeting approves the consolidated financial statements for the year ended 31 December 2003, as presented.

Third resolution

Having heard the Auditors' special report on agreements governed by article L.225-86 of the French Companies Act, and after ensuring that the quorum is greater than a quarter of the shares with voting rights for the agreement submitted for approval, the Ordinary Shareholders' Meeting approves the said agreement in accordance with the conditions of article L.225-88 of the French Companies Act.

Fourth resolution

The Ordinary Shareholders' Meeting decides to allocate profit for the year as follows:

Calculation of distributable profit

Net profit for 2003	€87,841,485.36
5% to the legal reserve	(€4,392,074.27)
Retained earnings from previous year	€105,592,068.40
Distributable profit	€189,041,479.49

Allocation of distributable profit

Dividend	€46,500,000.00
Retained earnings	€142,541,479.79

The dividend per share amounts to €1.550, plus a €0.775 tax credit.

During the last three years, the following dividends have been paid:

I 2001:

- a dividend of FF364,800,000, plus a tax credit of FF182,400,000 (as approved by the Ordinary Shareholders' Meeting of 23 May 2001, convened to vote on the accounts for the year ended 31 December 2000);
- an interim dividend of €94,000,000, plus a tax credit of €47,000,000 (as recommended by the Executive Board meeting of 18 December 2001).

I 2002: a dividend of €27,200,000, plus a tax credit of €13,600,000 (as approved by the Ordinary Shareholders' Meeting of 17 May 2002, convened to vote on the accounts for the year ended 31 December 2001).

I 2003: no dividend distributed (as approved by the Ordinary Shareholders' Meeting of 14 May 2003, convened to vote on the accounts for the year ended 31 December 2002).

Fifth resolution

After having heard the report of the Executive Board, and in accordance with the provisions of article L.228-41 paragraph 1 of the French Companies Act, the Ordinary Shareholders' Meeting authorises the Executive Board to use its sole discretion to issue bonds up to a maximum total amount of €12,000,000,000 (€12 billion), notably in the form of EMTMs (Euro Medium Term Notes), in one or several operations, in France or abroad, and to decide the terms of the said issue.

This authorisation does not apply to bonds concerned by articles L.225-150 (bonds with attached equity warrants), L.225-161 (bonds convertible into shares) and L.225-169 (bonds exchangeable into shares) of the French Companies Act, issue of which can only be authorised by an Extraordinary Shareholders' Meeting.

This authorisation is valid for a period of 5 (five) years as from this date. It replaces the authorisation issued on 23 May 2001.

In accordance with article L.228-41 paragraph 2 of the French Companies Act, the Executive Board may delegate the powers it receives from the Shareholders' Meeting in respect of the current resolution, to its Chairman or to any member of the Executive Board.

Sixth resolution

The Ordinary Shareholders' Meeting sets the total

fees allocated to the members of the Supervisory Board at €58,600 for financial year 2003.

Seventh resolution

In accordance with article 27 of the statutes, the Ordinary Shareholders' Meeting renews for a period of six years (i.e. until the end of the Shareholders' Meeting convened to approve the accounts for the year ending 31 December 2009), the mandates of the following members of the Supervisory Board:

I **Mr Pierre SERVANT**, residing 10, avenue Villemain – 75014 Paris;

I **Mr Antoine LISSOWSKI**, residing 5 ter, rue de la Paix – 78420 Carrières-sur-Seine;

I **CDC Finance – CDC IXIS**, registered under French law as a limited company with Executive and Supervisory Boards with capital of €5,103,563,868, headquartered at 26-28 rue Neuve Tolbiac, 75658 Paris cedex 13, and registered in Paris under RCS number 335 128 898; represented by Mr Francis MAYER, residing 27 rue du Faubourg Saint-Jacques – 75014 Paris.

I **Caisse Nationale des Caisses d'Épargne et de Prévoyance**,

registered under French law as a limited company with Executive and Supervisory Boards with capital of €2,905,079,234.75, headquartered at 5 rue Masseran, 75007 Paris and registered in Paris under RCS number 383 680 220; represented by Mr Bruno METTLING, residing 3 villa Jean Godard – 75012 Paris.

I **Banque et Caisse d'Épargne de l'État Luxembourg BCEEL**,

Company registered under Luxembourg law, headquartered at 1 place de Metz, Luxembourg and represented by Mr Jean-Claude FINCK, residing 3 rue du Soleil, L-3899 Foetz – Luxembourg;

I **Mr Jean-Jacques BONNAUD**, residing 17, rue Parmentier – 92200 Neuilly-sur-Seine;

I **Mr Jean-Pierre MENANTEAU**, residing 50, rue de Berri – 75008 Paris;

I **Mr Nicolas MERINDOL**, residing 10, rue Guizot – 78220 Viroflay;

I **Mr Laurent VIEILLEVIGNE**, residing 19, rue de Lisbonne – 75008 Paris.

Eighth resolution

The Ordinary Shareholders' Meeting gives all powers to the bearer of a copy or extract of the minutes of the Meeting to carry out all filing and publication formalities, as required by law.

Financial elements



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Consolidated balance sheet

Assets

Assets

	Notes	Millions of euros		
		31/12/03	31/12/02	31/12/01
INTERBANK AND EQUIVALENT TRANSACTIONS				
Central banks, giro accounts		1	10	-
Public securities and equivalents	4	13,634	8,262	7,087
Loans to credit institutions	2	51,826	55,562	53,836
CUSTOMER TRANSACTIONS				
Other loans to customers	3	9,983	7,065	5,294
Current account overdrafts				
BONDS, EQUITIES, OTHER FIXED AND VARIABLE INCOME SECURITIES				
Bonds and other fixed-income securities	4	37,582	44,203	34,321
Equities and other variable-income securities	4	6,610	3,956	3,801
INVESTMENTS IN SUBSIDIARIES, OTHER LONG-TERM INVESTMENTS				
Long-term investments and portfolio activities	6	34	4	11
TANGIBLE AND INTANGIBLE FIXED ASSETS	7	53	50	39
ACCRUALS AND SUNDRY ASSETS	5	14,490	11,423	6,372
TOTAL ASSETS		134,213	130,536	110,761

Liabilities

Liabilities		Millions of euros			
		Notes	31/12/03	31/12/02	31/12/01
INTERBANK AND EQUIVALENT TRANSACTIONS					
Central banks, giro accounts		-	13	-	
Amounts due to credit institutions	8	73,722	80,788	71,985	
CUSTOMER TRANSACTIONS					
Current account deposits					
Other amounts due to customers	9	10,408	4,203	4,775	
DEBTS REPRESENTED BY SECURITIES					
Interest-bearing notes					
Interbank market securities and negotiable debt instruments	10	9,323	12,392	10,737	
Loan stock		670	1,230	18	
Other debt represented by securities					
ACCRUALS AND SUNDRY LIABILITIES	11	38,576	30,498	21,929	
PROVISIONS	12	39	47	5	
SUBORDINATED DEBT	13	727	729	731	
FUND FOR GENERAL BANKING RISKS (FGBR)		-	-	14	
MINORITY INTERESTS (EXCLUDING FGBR)		-	-	-	
SHAREHOLDERS' EQUITY (EXCLUDING FGBR)	14	747	635	567	
Subscribed capital		458	458	458	
Share premium accounts		10	10	10	
Consolidated reserves and others		167	71	15	
Profit for the year (+/-)		112	96	84	
TOTAL LIABILITIES		134,213	130,536	110,761	

Consolidated profit & loss statement

Consolidated figures

		Millions of euros		
	Notes	31/12/03	31/12/02	31/12/01
INTEREST AND EQUIVALENT INCOME				
+ Interest and equivalent income on transactions with credit institutions	15	1,073	1,626	1,951
<i>of which accrued interest on current account</i>			13	
+ Interest and equivalent income on customer transactions	16	208	160	214
+ Interest and equivalent income on bonds and other fixed-income securities	17	472	542	485
+ Other interest and equivalent income		2,289	1,488	1,524
INTEREST AND EQUIVALENT EXPENSES				
- Interest and equivalent expenses on transactions with credit institutions	15	(1,911)	(2,571)	(3,178)
- Interest and equivalent expenses on customer transactions	16	(151)	(76)	(100)
- Interest and equivalent expenses on bonds and other fixed-income securities	18	(342)	(324)	(412)
- Other interest and equivalent expenses		(2,163)	(2,544)	(2,315)
INCOME FROM VARIABLE-INCOME SECURITIES	19	14	16	17
COMMISSION INCOME	20	70	84	92
COMMISSION EXPENSES	20	(82)	(67)	(61)
GAIN OR LOSS ON TRADING PORTFOLIO	21	1,196	1,218	1,462
GAIN OR LOSS ON MARKETABLE SECURITIES AND EQUIVALENT PORTFOLIOS	22	(45)	951	722
OTHER BANKING OPERATING INCOME AND EXPENSES	23	5	(4)	16
+ Other income		15	20	25
- Other expenses		(10)	(24)	(10)
NET BANKING INCOME		633	500	416
GENERAL OPERATING EXPENSES		(384)	(349)	(317)
- Personnel expenses	24	(203)	(191)	(168)
- Other administrative expenses		(196)	(184)	(168)
- Intra-group transactions		15	26	18
DEPRECIATION, AMORTISATION AND PROVISIONS ON TANGIBLE AND INTANGIBLE ASSETS		(16)	(17)	(16)
GROSS OPERATING PROFIT		233	136	83
OPERATING PROVISIONS	25	(76)	0	6
OPERATING PROFIT		157	136	89
GAIN OR LOSS ON FIXED ASSETS	26	5	0	3
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		162	136	93
EXCEPTIONAL ITEMS		(0)	(13)	8
CORPORATE TAX	27b	(50)	(40)	(17)
VARIATION IN FGFR AND REGULATED PROVISIONS	27a	-	14	-
MINORITY INTERESTS				
NET PROFIT		112	96	84
NET PROFIT PER SHARE (€)		3.73	3.20	2.79



Consolidated off-balance sheet items

	Millions of euros		
	31/12/03	31/12/02	31/12/01
COMMITMENTS GRANTED			
FINANCING COMMITMENTS			
Commitments granted to credit institutions	-	-	-
Commitments granted to customers ⁽¹⁾	6,121	6,191	-
GUARANTEE COMMITMENTS			
Commitments granted to credit institutions	13,101	11,616	11,204
Commitments granted to customers			
COMMITMENTS ON SECURITIES			
Securities acquired with a repurchase or transfer option			
Other commitments granted	1,709	752	837
COMMITMENTS RECEIVED			
FINANCING COMMITMENTS			
Commitments received from credit institutions	14,615	13,035	9,000
GUARANTEE COMMITMENTS			
Commitments received from credit institutions	1,982	1,982	1,982
COMMITMENTS ON SECURITIES			
Securities sold with a repurchase or transfer option			
Other commitments received	4,957	1,789	1,833
OTHER COMMITMENTS			
Other commitments granted	4,359	555	893
Other commitments received	5,644	2,773	2,184

⁽¹⁾ Amount restated relative to presentation in the 2002 annual report.

Notes to the consolidated financial statements

Note 1 Consolidated financial statements accounting and consolidation principles

1 - Introduction

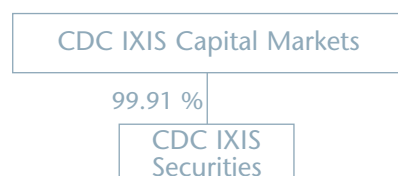
The consolidated accounts have been drawn up in accordance with French accounting principles applicable to the consolidated accounts of credit institutions as specified in regulation No. 99-07 of the French Accounting Regulation Committee (Comité de la Réglementation Comptable - CRC).

The consolidated financial statements have been prepared in accordance with the provisions of CRC regulation 2000-04.

2 - Consolidation scope and methods

CDC IXIS Capital Markets' scope of consolidation changed during the first half of 2003. The change concerned GIE Informatique CMI which was de-consolidated and then merged into Informatique CDC (ICDC) on 1 January 2003 along with the various other economic-interest entities serving the IT needs of the branches and business lines. ICDC's shareholders are now CDC, CDC IXIS and CNP.

CDC IXIS Capital Markets is organised as follows:



The subsidiary CDC IXIS Securities is consolidated using the full-consolidation method.

In accordance with the measures pertaining to special purpose vehicles defined in regulation CRC 99-07, the Clea 2 and Pangaea entities have been fully consolidated in CDC IXIS Capital Markets' consolidated accounts since 31 December 2002. The consolidation of these two entities has no significant impact on the consolidated accounts.

In addition, in accordance with paragraph 101 of regulation CRC 99-07, two special purpose vehicles were

excluded from CDC IXIS Capital Markets' scope of consolidation, in view of the fact that shares or securities issued by these entities are in the process of being marketed:

- Finaltair (€19.7 million still to be placed out of a total of €127.5 million)
- CDC SP1 (€16.9 million still to be placed out of a total of €169 million).

3 - Accounting and valuation principles

3.1 Foreign-exchange transactions

In accordance with regulation 89-01 of the French Banking Regulation Committee (Comité de la Réglementation Bancaire - CRB) concerning foreign-exchange accounting, assets, liabilities and off-balance sheet commitments are translated at the spot rate on the last day of the accounting period.

Forward currency transactions undertaken for purposes other than hedging are valued at the forward rate corresponding to the residual term.

The premium and discount elements of forward currency transactions undertaken as hedging operations are recorded in the profit & loss statement on a straight-line basis over the residual term of the transaction.

Gains and losses on currency transactions are based on the exchange rate at the transaction date.

3.2 Bank receivables and debts

Receivables and debts include current accounts, loans, borrowings and securities purchased and sold under resale or repurchase agreements.

Loans and borrowings

Loans and borrowings are stated at their nominal value. Corresponding interest amounts are recorded in the profit & loss statement on a time-apportioned basis.

Securities received or sold under resale or repurchase agreements

Securities purchased under resale agreements are included under other loans to credit institutions or loans to customers in accordance with CRB regulation 89-07. Securities sold under repurchase agreements are booked as debt.



At the end of each period, the securities sold under repurchase agreements are valued in accordance with the rules applicable to the type of securities portfolio in which they were originally held.

The revenues and expenses on repurchase and resale agreements are recorded on a time-apportioned basis in the profit & loss statement.

3.3 Securities transactions

Securities are valued in accordance with the regulations defined in regulation CRB 90-01, as amended by CRC regulation 2000-02.

The provisions of CRC regulation n° 2002-03 concerning the accounting treatment of credit risk (see 3.10 below), apply to fixed-income investment and marketable securities which notably entail a commitment by the issuer to pay a sum on a pre-determined maturity date.

In the event of proven credit risk, these securities are classified for accounting purposes as doubtful and the probable loss is recognised by a provision.

Trading securities

Trading securities, as defined by regulation 90-01, correspond to variable and fixed-income securities that are purchased or sold with the intention of being sold or repurchased in the short term. At the time of acquisition, the securities are recorded at acquisition price.

Securities are subsequently marked to market. Marked-to-market gains and losses are recorded in the profit & loss statement.

Whenever CDC IXIS Capital Markets acts as market-maker and the security is traded in sufficient volumes, these securities may be held in the portfolio for longer than the six-month maximum period as stipulated by the regulations. This also applies to securities held as specialised hedges of instruments that are marked-to-market.

Marketable securities

The portfolio of marketable securities includes fixed and variable-income securities acquired with the intention of being held long term as a source of revenue or capital gain. Trading securities that are held for over six

months and are subsequently reclassified also fall within this category. In this case, restatement is performed at the market price on the transfer date.

Fixed-income securities

Fixed-income securities are stated at cost, excluding accrued interest. The difference between the cost and redemption value is amortised using the straight-line method over the residual life of the security. At period-end, the securities are valued at their closing price. A provision for depreciation is booked in the event that the market value of a group of securities sharing similar characteristics is lower than the purchase price adjusted by the apportionment of premiums or discounts.

Variable-income securities

Variable income securities are stated at cost, excluding accrued interest. At period-end, the securities are valued at their closing price. Provision is made for unrealised losses, on a line-by-line basis.

Negotiable loan notes and other interbank instruments

These securities and other instruments are recorded at nominal value. The difference between the nominal value and the purchase price is recorded in the profit & loss statement over the residual life of the securities, based on the yield-to-maturity method. Provision is made for any unrealised losses on a line-by-line basis.

In the event of proven credit risk, the probable loss not reflected in market value is recognised by a provision.

Investment securities

The investment portfolio includes bonds and other fixed-income securities which have been acquired with the intention of being held long-term, in principle until their maturity. The valuation method varies depending on whether or not the securities are transferable.

Transferable securities

Securities are valued at cost, excluding accrued interest. At period-end, the difference between the cost and redemption value of the securities is amortised using the straight-line method over the residual life of the security.

Negotiable loan notes and other interbank instruments

These securities and other stocks are recorded at nominal value and the difference between the purchase price and the nominal value is amortised based on the yield-

to-maturity method over the residual life of the security. At period-end, any unrealised losses do not automatically trigger a provision for depreciation, unless the issuer of the security is at risk of default.

Loaned and borrowed securities

Loaned securities are valued according to the same method as that of the portfolio in which they were first recorded.

Borrowed securities are recorded as an asset in the trading securities category at their market price on the date on which they are borrowed and as a debt on the liability side of the balance sheet. These securities are marked to market at the end of the period.

Security loans and borrowings secured by cash deposits are treated for accounting purposes in the same way as repurchase and resale agreements.

Interest on loaned and borrowed securities is recorded in the profit & loss statement on a time-apportioned basis.

3.4 Futures and options

CDC IXIS Capital Markets performs transactions using the entire spectrum of financial futures instruments on fixed income, foreign exchange and equity markets, in order to:

- hedge transactions,
- or employ specialised trading portfolio management techniques.

Futures and options are recorded off-balance sheet at their nominal value.

Credit risk is provisioned according to contractual terms and market value, or, by default, the terms of CRC regulation 2002-03 (see 3.10 below).

The accounting entries for the gains and losses on these instruments depend on their intended use.

Fixed-income and currency swaps

In accordance with CRB regulation No. 90-15 (as amended by No. 92-04), fixed-income or currency swaps are classified as follows:

- micro-hedging: the gain or loss is recorded on a sym-

metric basis to the gain or loss on the hedged item;
 ■ specialised management of a trading portfolio: these contracts are marked to market. In accordance with regulations, the value is adjusted to take into account counterparty risks and the discounted present value of future management costs. The adjusted marked-to-market gain or loss is recorded in the profit & loss statement.

Other transactions

Other transactions relate mainly to futures and options contracts regulated by CRB 88-02.

Transactions that are not performed as hedges are marked to market. Any resulting unrealised gains or losses on unwound positions at the end of the period are recorded in the profit & loss statement.

Gains or losses on hedging operations are recorded in the profit & loss statement on a symmetric basis with gains or losses on the hedged item.

In order to reflect more accurately each transaction's true economic impact, non-liquid instruments are also marked to market on a hypothetical basis (see paragraph 3.5).

3.5 Market value

Where market prices of instruments or valuation parameters are not officially listed, alternative valuation methods are used.

These apply one or more of the following methods: price confirmation from brokers or external counterparties, comparison with real transactions and the detailed examination of issuer or instrument category.

Wherever instruments are valued on the basis of financial models, such models incorporate parameters that affect the valuation of these instruments, in particular the low liquidity of the markets in question, and take into account the relevant risk assessment.

3.6 Securities issued

Accrued interest expenses are credited to an accrued debt account and debited to the profit & loss statement.

Issue and redemption premiums are amortised on either a straight-line or a financial basis over the life of the securities in question.



3.7 Complex transactions

Complex transactions involve combinations of instruments (of identical or different type, nature and valuation methods), that are recorded in a single batch or as a transaction whose accounting treatment is not subject to specific regulations.

Each component of the transaction is recorded in accordance with the legal status of the underlying products.

Gains or losses are considered globally so as to reflect the economic nature of the transactions. Management intentions will dictate treatment of the overall result:

- Results of transactions carried out for hedging purposes are apportioned on a straight-line basis over the relevant period. In the case of an overall negative market value of a complex transaction with its hedging component, a provision is booked.
- Results of transactions carried out for trading portfolio management purposes or whose results are deemed to be equivalent to a financial engineering commission are recorded at the origin. A discount is applied to take into account the future management expenses and any possible counterparty risks.

3.8 Credit derivatives

Credit derivatives are instruments designed to transfer the existing credit risk on assets from one counterparty to another, generally in exchange for the payment of a premium settled at the origin or time-apportioned. In the event of a default (i.e. "credit events") that is predefined in the credit derivative contract, the seller of the protection is called upon to pay the cost of the default as defined in the contract.

There are three categories of credit derivatives: Credit Default Swaps, Total Rate of Return Swaps and Credit Linked Notes which are deemed equivalent to options, swaps and securities.

In the absence of a specific accounting text, credit derivatives have been accounted for by analogy with the transactions with which they share similar risk characteristics (options, swaps and securities) and based on management intention:

- Transactions carried out for hedging purposes are valued in the same way as the hedged item.

■ The results of isolated open position transactions which are executed in the context of a long-term holding, are valued on a time-apportioned basis with provision for possible unrealised losses. In the case of operations deemed equivalent to options, possible provisions for unrealised losses are determined with respect to the non-apportioned premium amount.

- Transactions executed for trading purposes are marked to market taking into consideration future management and counterparty risk costs wherever the liquidity of the derivatives market is guaranteed. Otherwise, valuation is carried out by applying the appropriate methodology to transactions involving credit derivatives:
 - at historic cost;
 - applying a provision for depreciation where appropriate.

3.9 Treatment of income and expenses

Interest and related commissions are recorded on a time-apportioned basis.

Commissions that are not deemed to be equivalent to interest and which relate to services are recorded on the service provision date.

3.10 Credit risk

Since 1 January 2003 credit risk has been accounted for in accordance with CRC regulation n°2002-03 of 12 December 2002. The application of this regulation has had no impact on the financial statements.

The regulation concerns all transactions generating credit risk (loans, securities and commitments).

For a given counterparty, credit risk is defined as the existence of a potential loss linked to the possibility of the counterparty defaulting on the commitments undertaken.

Credit risk is deemed to be proven once it is probable that the Company will receive either none or only part of the sums due in respect of commitments undertaken by the counterparty and specified in the initial contract.

The principal and interest receivable from a counterparty are re-classified as doubtful once credit risk is proven on the counterparty. Doubtful receivables are provisioned on the basis of their market value or the current

value of anticipated losses after taking account of guarantees already received, requested or likely to be so.

The provisions set aside are deducted from the amount of the corresponding doubtful receivables. They are recorded as liabilities in the balance sheet where they concern off-balance sheet commitments or futures and options. The provisions are booked under "Operating provisions" in the profit & loss statement.

3.11 Long-term equity investments and subsidiaries

Equity investments are recorded at book value. At the end of the period, they are valued individually at book value or going concern, whichever is lower. Provision for depreciation is made in the event of a permanent impairment of value.

3.12 Foreign branches

The accounts of foreign offices are integrated into the head office accounts in local currency. The profit & loss statement is converted at the month-end spot exchange rate.

3.13 Fixed assets

Fixed assets are recorded in the balance sheet at acquisition cost.

Research and development on identified, technically feasible IT projects is booked under intangible assets.

Depreciation is calculated over the estimated life of the tangible asset using the straight-line or diminishing-balance method.

3.14 Subordinated debts

This section includes all debt materialised by perpetual loans, whose redemption in the event of liquidation of the debtor is only possible after the other creditors' claims have been settled.

Accrued interest expenses are credited to an accrued debt account and debited to the profit & loss statement.

3.15 PENSION COMMITMENTS

Pension commitments are estimated using the actuarial method and give rise to provisions; details are provided in the notes.

3.16 Corporate tax

This line item includes current tax for the fiscal year after deduction of any tax credits which may be offset against the amount due, together with deferred tax.

Timing differences between the accounting profit and the profit for taxation purposes lead to the calculation of deferred taxation, according to the variable carry-forward method. This corrects the deferred tax assets calculated in prior years for changes in tax rates.

By applying the new methodology to the consolidated accounts, all timing differences can be identified. The corresponding deferred tax assets are released to the profit & loss statement when recuperation appears probable based on the principle of prudence.

As part of an ongoing tax inspection, a demand for back-tax received in 2002 and relating to the first financial year inspected gave rise to a provision. In addition, in view of the reasons for the demand for back-tax, an estimate has also been made of potential liability for the following financial years and a provision has been made for the appropriate sum.

As at 31 December 2003, no risks susceptible to give rise to additional provisions had been identified.

3.17 Special purpose vehicles

Special purpose vehicles are structures that have been created specifically to manage one or more transactions on behalf of a company.

In accordance with the principles defined in CRC regulation 99-07, special purpose vehicles are included within the consolidation scope of CDC IXIS Capital Markets when CDC IXIS Capital Markets exercises de facto control of the vehicle.

Control is deemed to exist when the controlling company (CDC IXIS Capital Markets):

- can make decisions or exercises managerial control;
- enjoys the majority of the profit or shoulders the majority of the loss made by the vehicle;
- is exposed to the majority of the risks incurred by the vehicle.



Note 2a

Loans to credit institutions

Millions of euros

	31/12/03	31/12/02
Overdrafts on current accounts	8,808.46	9,176.61
Overnight accounts and loans	3,406.64	5,943.20
Accrued interest	0.76	0.24
SIGHT LOANS TO CREDIT INSTITUTIONS	12,215.86	15,120.05
Loans	2,552.94	5,214.88
Securities received under repurchase agreements ⁽¹⁾	36,937.24	35,013.57
Accrued interest	119.94	213.20
TERM LOANS TO CREDIT INSTITUTIONS	39,610.12	40,441.65
TOTAL ⁽²⁾	51,825.98	55,561.70

Including as at 31/12/2003:

⁽¹⁾ €1,311.57 million of repurchases on public securities and equivalents.

⁽²⁾ €6,673.97 million of loans to CDC IXIS Group companies.

Note 2b

Geographic breakdown of loans to credit institutions

31/12/03

Millions of euros	France	Europe excl. France	USA	Asia	Rest of world	Total
Overdrafts on current accounts	8,808.46	-	-	-	-	8,808.46
Overnight accounts and loans	2,369.63	1,037.02	-	-	-	3,406.64
Accrued interest	0.10	0.67	-	-	-	0.76
SIGHT LOANS TO CREDIT INSTITUTIONS	11,178.18	1,037.68	-	-	-	12,215.86
Loans	2,532.94	20.00	-	-	-	2,552.94
Securities received under repurchase agreements	35,098.09	1,839.15	-	-	-	36,937.24
Accrued interest	117.73	2.21	-	-	-	119.94
TERM LOANS TO CREDIT INSTITUTIONS	37,748.76	1,861.36	-	-	-	39,610.12
Of which doubtful loans	-	-	-	-	-	-
TOTAL	48,926.94	2,899.05	-	-	-	51,825.98

Note 3

Other loans to customers

Millions of euros

	31/12/03	31/12/02
Overnight accounts and loans	2,847.16	737.83
Accrued interest	0.05	0.08
SIGHT LOANS TO CUSTOMERS	2,847.21	737.91
Term loans	348.20	3,326.30
Securities received under repurchase agreements ⁽¹⁾	6,778.97	2,993.60
Accrued interest	8.74	7.34
TERM LOANS TO CUSTOMERS	7,135.91	6,327.24
TOTAL ⁽²⁾	9,983.12	7,065.15

Including as at 31/12/2003:

⁽¹⁾ €216.06 million of repurchases on public securities and equivalents.

⁽²⁾ €2,722.36 million of loans to CDC IXIS Group companies.

Other loans to customers only concern France and do not include either doubtful loans or compromised doubtful loans.

Note 4a

Securities transactions

	31/12/03				31/12/02			
<i>Millions of euros</i>	Trading securities	Marketable securities	Investment securities	TOTAL	Trading securities	Marketable securities	Investment securities	TOTAL
Public securities	12,998.42	155.71	479.18	13,633.31	7,779.90	2.74	174.55	7,957.19
Loaned securities	0.69	-	-	0.69	305.05	-	-	305.05
Provisions	-	-	-	-	-	-	-	-
PUBLIC SECURITIES AND EQUIVALENTS	12,999.11	155.71	479.18	13,634.00	8,084.95	2.74	174.55	8,262.24
Bonds	21,845.52	3,676.16	3,388.81	28,910.49	23,301.79	7,769.50	4,194.40	35,265.69
Mutual bond funds	74.18	-	-	74.18	155.62	943.08	-	1,098.70
Negotiable loan notes	1,207.99	3,553.06	-	4,761.05	4,037.85	25.31	-	4,063.16
Loaned securities	3,922.95	-	-	3,922.95	3,709.41	-	94.39	3,803.80
Provisions	-	(10.44)	(76.14)	(86.58)	-	(26.43)	(1.74)	(28.17)
BONDS AND OTHER FIXED-INCOME SECURITIES	27,050.64	7,218.79	3,312.67	37,582.10	31,204.67	8,711.46	4,287.05	44,203.18
o/w unlisted securities	1,208.00	3,589.00	-	4,797.00	11,497.17	27.53	-	11,524.70
o/w securities issued by public bodies	2,872.02	39.52	220.89	3,132.42	4,674.80	147.34	995.03	5,817.17
o/w doubtful receivables	-	-	250.32	250.32	-	-	-	-
Equities	3,614.00	1,263.91	-	4,877.90	1,627.38	511.32	-	2,138.70
Other variable-income securities	1,401.59	304.02	-	1,705.61	1,351.13	335.89	-	1,687.02
Loaned securities	26.78	-	-	26.78	132.66	-	-	132.66
Provisions	-	(0.01)	-	(0.01)	-	(2.26)	-	(2.26)
EQUITIES AND OTHER VARIABLE-INCOME SECURITIES	5,042.37	1,567.92	-	6,610.29	3,111.17	844.95	-	3,956.12
o/w non-French mutual funds	1,077.07	150.63	-	1,227.70	1,229.25	137.44	-	1,366.69
TOTAL BY PORTFOLIO TYPE	45,092.12 (4)	8,942.42 (1) (4)	3,791.85 (2) (3) (5)	57,826.38	42,400.79	9,559.15	4,461.60	56,421.54

⁽¹⁾ Market value of €9,773.36 million as at 31/12/2003; marketable securities are included in portfolios when they are associated with fixed-income instruments and provisions are calculated in accordance with the principles set out in note 1 section 3.3.

⁽²⁾ Redemption value of €3,822.21 million as at 31/12/2003.

⁽³⁾ Including €75.75 million of investment securities on which the issuer exercised a redemption option.

⁽⁴⁾ Including €1,000.27 million of trading securities reclassified as marketable securities.

⁽⁵⁾ Notably including a provision for the risk of restructuring concerning an issuer of senior investment securities, HTR (Box Clever group). The provision was calculated on the basis of the probable loss resulting from the issuer's operating forecasts.

Note 4b

Breakdown of fixed-income marketable and investment securities by currency

	31/12/03				
<i>Millions of euros</i>	Euro	US Dollar	UK Sterling	Other currencies	Total
Public securities and equivalents	142.72	13.00	-	(0.00)	155.71
Bonds and other fixed-income securities	3,979.17	2,517.71	272.13	449.77	7,218.78
TOTAL MARKETABLE SECURITIES	4,121.89	2,530.70	272.13	449.77	7,374.49
Public securities and equivalents	463.39	-	-	15.79	479.18
Bonds and other fixed-income securities	2,740.86	262.76	185.26	123.79	3,312.67
TOTAL INVESTMENT SECURITIES	3,204.25	262.76	185.26	139.58	3,791.85
o/w doubtful	-	3.65	246.67	-	250.32
TOTAL BONDS AND OTHER FIXED-INCOME SECURITIES	7,326.14	2,793.47	457.39	589.35	11,166.35



Note 4c

Breakdown of fixed-income marketable and investment securities by rating

<i>Millions of euros</i>	Total marketable securities	Total investment securities	o/w doubtful
AAA	3,634.58	2,346.16	
AA	574.37	504.54	
A	1,279.17	324.75	
BBB	572.22	168.45	
BB	16.27	10.40	
B	172.49	24.67	
No rating	1,125.39	412.87	250.32
TOTAL	7,374.49	3,791.85	250.32

Note 5

Accruals and sundry assets

<i>Millions of euros</i>	31/12/03	31/12/02
Prepaid expenses	10.46	13.61
Currency adjustments	1,167.57	746.77
Accrued income and marked-to-market adjustments of futures and options	3,237.22	3,864.39
Other accruals	2,177.14	1,302.25
ACCRUALS AND ACCRUED INCOME ⁽²⁾	6,592.38	5,927.02
Options purchased (option premiums)	1,851.64	609.83
Sundry receivables ⁽¹⁾	5,973.18	4,886.26
Settlement accounts on securities transactions	72.62	0.12
SUNDRY ASSETS	7,897.44	5,496.21
TOTAL	14,489.82	11,423.23

⁽¹⁾ This item notably includes margin calls and guarantee deposits paid to market counterparties or clearing houses.

⁽²⁾ Including €28.80 million of deferred taxes.

Note 6

Long-term investment securities

<i>Millions of euros</i>	Book value of securities	Advances	Provisions	Total
Captiva	4.84	-	-	4.84
Informatique CDC	-	26.31	-	26.31
Others	4.57	-	(1.88)	2.69
TOTAL 31/12/03	9.41	26.31	(1.88)	33.84
TOTAL 31/12/02	6.52	-	(2.22)	4.30

Note 7

Fixed assets

<i>Millions of euros</i>	31/12/03			31/12/02		
	Gross value	Accumulated depreciation and provisions	Net value	Gross value	Accumulated depreciation and provisions	Net value
TANGIBLE FIXED ASSETS	61.09	(19.47)	41.62	73.48	(39.66)	33.82
INTANGIBLE FIXED ASSETS	45.94	(34.39)	11.55	53.56	(37.40)	16.16
TOTAL	107.03	(53.86)	53.17	127.04	(77.06)	49.98

Note 8

Amounts due to credit institutions

	Millions of euros	
	31/12/03	31/12/02
Current accounts in credit	6,352.26	1,716.88
Overnight loans	10,387.98	6,130.04
Accrued interest	1.39	0.50
SIGHT DEBTS TO CREDIT INSTITUTIONS	16,741.63	7,847.42
Borrowings	42,047.92	46,003.25
Securities sold under repurchase agreements ⁽¹⁾	14,840.37	26,640.13
Accrued interest	92.35	297.37
TERM DEBTS TO CREDIT INSTITUTIONS	56,980.64	72,940.75
TOTAL ⁽²⁾	73,722.27	80,788.17

Including as at 31/12/2003:

⁽¹⁾ €1,791.25 million of repurchases on public securities and equivalents,

⁽²⁾ €31,626.02 million of debts to CDC IXIS Group companies.

Note 9

Amounts due to customers

	Millions of euros	
	31/12/03	31/12/02
Term:		
Borrowing from financial institutions	2,421.10	0.22
Securities sold under repurchase agreements ⁽¹⁾	7,975.72	4,177.01
Accrued interest	10.88	25.29
TOTAL ⁽²⁾	10,407.70	4,202.52

⁽¹⁾ Including €1,743.88 million of public securities and equivalents as at 31/12/03.

⁽²⁾ €1,222.50 million of debts with CDC IXIS Group companies.

Note 10

Debts represented by securities

	Millions of euros	
	31/12/03	31/12/02
Negotiable loan notes, including accrued interest	9,322.86	12,392.09
- Euro	4,293.16	3,217.95
- Non-euro currencies	5,029.70	9,174.14
Bonds, including accrued interest	670.47	1,230.48
- Euro	662.54	965.33
- Non-euro currencies	7.93	265.15
TOTAL DEBT SECURITIES ISSUED	9,993.33	13,622.57



Note 11

Accruals and other liabilities

Millions of euros

	31/12/03	31/12/02
Unearned income	9.57	2.66
Currency adjustment	8.90	10.06
Accrued expenses and marked-to-market adjustments of futures and options	3,687.36	2,745.31
Other accruals	1,648.15	3,965.12
ACCRUALS	5,353.97	6,723.15
Options sold	2,769.91	2,455.25
Sundry payables ⁽¹⁾	8,407.24	4,939.20
Settlement accounts on securities transactions	64.52	28.55
Debts on borrowed securities	7,457.24	5,915.80
Other debts on securities ⁽²⁾	14,523.42	10,436.51
OTHER LIABILITIES	33,222.34	23,775.31
TOTAL	38,576.31	30,498.46

⁽¹⁾ This item notably includes margin calls and guarantee deposits received from market counterparties.

⁽²⁾ Other debts on securities notably include securities received under repurchase agreements then sold.

Note 12

Provisions

Millions of euros

	31/12/02	Net variation	31/12/03
Personnel expenses	2.86	0.42	3.28
Depreciation of fixtures and fittings	-	-	-
Other administrative expenses	-	-	-
Risks on long-term investments	-	-	-
Risks on complex transactions	-	-	-
Other risks and charges ⁽¹⁾	43.81	(7.60)	36.21
TOTAL	46.67	(7.18)	39.49

⁽¹⁾ Including €12.2 million provisioned in 2002, notably for a demand for back-tax and for a demand for unpaid social security charges from URSSAF, received in 2002 and both contested.

Note 13

Subordinated debt

Millions of euros

	31/12/03	31/12/02
Perpetual subordinated loan ⁽¹⁾	457.35	457.35
Fixed-term subordinated securities ⁽²⁾	250.00	250.00
Accrued interest	19.50	22.04
TOTAL	726.85	729.39

⁽¹⁾ The perpetual subordinated loan was granted to CDC IXIS Capital Markets by Caisse des dépôts et consignations on 1/9/1996 (CDC IXIS then replaced CDC retroactively on 1 January 2000). CDC IXIS Capital Markets has the option to reimburse all or part of the loan, providing that prior agreement is received from the general secretary of France's Commission Bancaire. In the event that CDC IXIS Capital Markets is liquidated, the outstanding principal and interest on the loan will only be reimbursed after amounts due to all creditors, whether preferred or unsecured, have been settled in full.

⁽²⁾ The redemption date of fixed-term subordinated securities is 2/8/2010. CDC IXIS Capital Markets classifies these issues as "other equity capital", in accordance with French Banking Committee regulation 90-02.

Consolidated figures

Note 14

Shareholders' equity

Millions of euros	Fund for general banking risks	Reserves attributable to minority interests (excl. FGBR)	Profit attributable to minority interests	Equity attributable to minority interests (excl. FGBR)	Capital ⁽¹⁾	Share premium account	Consolidated reserves (excl. FGBR)	Profit attributable to group	Equity (excl. FGBR)	Total consolidated equity (incl. FGBR)
Consolidated shareholders' equity as at 31/12/2001	13.72	0.02	-	0.02	457.50	10.49	14.98	83.62	566.61	580.33
Allocation of 2001 profit							83.62	(83.62)		
2002 dividend in respect of 2001 profit										
Other variations	(13.72)						(27.38)			
2002 profit								95.90		
Consolidated shareholders' equity as at 31/12/2002	-	0.02	-	0.02	457.50	10.49	71.22	95.90	635.13	635.13
Allocation of 2002 profit							95.90	(95.90)		
2003 dividend in respect of 2002 profit										
2003 profit								111.80		
Consolidated shareholders' equity as at 31/12/2003	-	0.02	-	0.02	457.50	10.49	167.12	111.80	746.92	746.92

⁽¹⁾ CDC IXIS Capital Markets' registered share capital totals €457,500,000. It comprises 30,000 shares with a nominal value of €15.25, all of the same category, and 100%-owned by CDC IXIS as at 31/12/2003.

Note 15

Income and expenses on transactions with credit institutions

Millions of euros

	31/12/03	31/12/02
Interest on current account overdrafts	2.31	1.72
Interest on loans	379.78	496.92
Interest on securities received under repurchase agreements	518.82	859.08
Income on premiums/discounts	95.58	27.07
Other interest and equivalent income	76.17	240.84
TOTAL INCOME	1,072.66	1,625.63
Interest on current account deposits	(84.86)	(214.69)
Interest on term loans	(1,248.39)	(1,595.86)
Interest on securities sold under repurchase agreements	(399.95)	(668.38)
Expenses on premiums/discounts	(64.49)	(11.96)
Other interest and equivalent expenses ⁽¹⁾	(113.13)	(79.61)
TOTAL EXPENSES	(1,910.83)	(2,570.50)

⁽¹⁾ Including €15.8 million of interest on subordinated securities as at 31/12/03.



Note 16

Income and expenses on customer transactions

Millions of euros

	31/12/03	31/12/02
Interest on term loans to customers	103.41	86.20
Interest on repurchase agreements	104.12	73.34
TOTAL INCOME	207.53	159.54
Interest on borrowing	(27.70)	-
Interest on repurchase agreements	(123.04)	(75.99)
TOTAL EXPENSES	(150.74)	(75.99)

Note 17

Income on bonds and other fixed-income securities

Millions of euros

	31/12/03	31/12/02
Marketable securities	321.45	449.81
Investment securities	150.94	92.27
TOTAL	472.39	542.08

Note 18

Interest and equivalent expenses on bonds and other fixed-income securities

Millions of euros

	31/12/03	31/12/02
Interest expenses on medium-term notes	(111.72)	(252.00)
Other interest expenses	(229.98)	(71.91)
TOTAL	(341.71)	(323.91)

Note 19

Income on variable-income securities

Millions of euros

	31/12/03	31/12/02
Marketable securities	14.19	16.02
Investment securities	0.13	0.27
TOTAL	14.32	16.29

Note 20

Commission income and expenses

Millions of euros

	31/12/03		31/12/02	
	Income	Expenses	Income	Expenses
Treasury and interbank transactions	-	-	-	-
Customer transactions	-	(4.80)	-	(2.68)
Securities transactions	33.21	(4.29)	34.36	(5.09)
Futures and options transactions	-	(17.94)	0.11	(9.50)
Financial services	30.94	(37.41)	37.79	(23.19)
Currency transactions	0.16	(1.08)	0.19	(1.42)
Other commissions	5.72	(16.98)	11.78	(25.08)
TOTAL	70.04	(82.50)	84.23	(66.96)

Note 21

Gain or loss on trading portfolio transactions

Millions of euros

	31/12/03	31/12/02
Gain on trading securities	867.46	932.37
Gain on currency instruments	(31.37)	254.08
Gain on financial instruments	359.83	31.48
TOTAL	1,195.92	1,217.93

Note 22

Gain or loss on marketable securities and equivalent portfolios

Millions of euros

	31/12/03	31/12/02
Gain or loss on divestment of marketable securities	(59.60)	969.19
Allocations to and releases from provisions	14.14	(17.76)
TOTAL	(45.46)	951.43

Note 23

Other banking income and expenses

Millions of euros

	31/12/03		31/12/02	
	Income	Expenses	Income	Expenses
Intra-group expenses, retroceded income and reallocated expenses	0.01	-	0.05	-
Other operating income and expenses	14.61	(9.56)	19.94	(23.64)
TOTAL	14.62	(9.56)	19.99	(23.64)
NET TOTAL		5.05		(3.65)

Note 24

Personnel expenses

Millions of euros

	31/12/03	31/12/02
Salaries ⁽¹⁾	(134.64)	(130.03)
Pension expenses	(7.94)	(7.56)
Other social security expenses	(37.49)	(31.47)
Contractual and regulatory profit sharing	(8.66)	(7.14)
Taxes and equivalent payroll expenses	(14.61)	(14.66)
Allocations to and releases from pension provisions	(0.01)	0.10
PERSONNEL EXPENSES	(203.34)	(190.76)
Average workforce	963	962

⁽¹⁾ The members of the Executive Board received compensation of €1,927,000 during 2003 in exchange for the responsibilities and functions carried out within CDC IXIS Capital Markets.
The members of the Supervisory Board received compensation of €21,000 during 2003 in exchange for the responsibilities and functions carried out within CDC IXIS Capital Markets.



Note 25

Provisions

Millions of euros

	31/12/03	31/12/02
Allocations to provisions for:		
Risks on complex transactions	(75.68)	-
Other risk provisions	(0.02)	-
Sub-total ⁽¹⁾	(75.69)	-
Releases from provisions for:		
Risks on complex transactions	-	-
Other risk provisions	-	0.10
Sub-total	-	0.10
NET TOTAL	(75.69)	0.10

⁽¹⁾ See note 4 concerning securities transactions. Provision for restructuring risk concerning an issuer of senior securities in the investment portfolio.

Note 26

Gain or loss on fixed assets

Millions of euros

	31/12/03	31/12/02
Gain or loss on divestment of tangible and intangible fixed assets	0.01	1.50
Gain or loss on divestment of long-term equity investments	4.50	(0.08)
Gain or loss on divestment of investment securities	0.63	(1.40)
GAIN OR LOSS ON FIXED ASSETS	5.14	0.02

Note 27a

Exceptional items and FGBR

Millions of euros

	31/12/03	31/12/02
+/- Exceptional items	(0.27)	(13.33)
+/- Provisions/releases on FGBR and regulated provisions	-	13.72
TOTAL	(0.27)	0.39

Note 27b

Corporate tax

Millions of euros

	31/12/03	31/12/02
Tax due	(71.36)	(40.28)
Deferred tax	20.97	7.59
TOTAL ⁽¹⁾	(50.39)	(32.69)

⁽¹⁾ Calculation of tax

Pre-tax profit: 162.19 (a)

Theoretical tax liability (a)*35.44% (57.48)

Tax credits deducted 4.43

Other differences 2.66

Actual tax liability (50.39)

Note 28a

Commitments on futures
and options contracts

	31/12/03				31/12/02	
	<= 3 months	> 3 months and <=1 year	> 1 year and <= 5 years	> 5 years	Total	
<i>Millions of euros</i>						
TRADING PORTFOLIO						
Trading portfolio						
<i>Organised markets</i>						
Fixed-income contracts	50,007	37,412	14,503	-	101,921	121,947
Currency contracts	-	-	-	-	-	-
Other contracts	603	-	-	-	603	284
<i>Over-the-counter markets</i>						
Interest-rate swaps	296,056	218,850	362,356	368,897	1,246,159	1,237,200
FRAs	4,495	36,409	6,246	-	47,149	33,982
Other contracts	1,045	-	-	-	1,045	2,049
Options						
<i>Organised markets</i>						
Fixed-income options	104,418	153,154	7,500	-	265,072	62,019
Other options	50,505	47,996	16,530	2,304	117,336	51,773
<i>Over-the-counter markets</i>						
Interest-rate options	386	-	-	-	386	417
Caps and floors	19,138	19,915	69,568	42,137	150,757	142,723
Swaptions	2,952	7,986	25,820	15,165	51,924	45,904
Currency options	8,951	-	-	-	8,951	4,210
Other options	2,762	7,841	19,473	2,438	32,515	29,126
HEDGING PORTFOLIO						
Futures						
<i>Organised markets</i>						
Fixed-income contracts	159	-	-	-	159	3,592
<i>Over-the-counter markets</i>						
Interest-rate swaps	169	8,958	19,718	8,371	37,215	33,592
FRAs	-	-	-	-	-	-
Options						
<i>Organised markets</i>						
Interest-rate options	-	-	-	-	-	750
<i>Over-the-counter markets</i>						
Interest-rate options	91	-	-	-	91	102
Caps and floors	195	-	93	-	289	1,016
Swaptions	-	-	3	40	44	49
Currency options	25	-	-	-	25	-
Other options	1	41	19	-	61	374



Note 28b

Commitments on foreign-exchange transactions

Millions of euros

	31/12/03	31/12/02
Spot foreign-exchange transactions		
Euros purchased not yet received	2,294	2,326
Non-euro currencies purchased not yet received	11,184	7,341
Euros sold not yet delivered	4,065	2,310
Non-euro currencies sold not yet delivered	9,508	7,690
Lending/borrowing		
Non-euro currencies lent not yet delivered	110	21
Non-euro currencies borrowed not yet received	2,091	1,675
Forward currency transactions		
Euros to be received against non-euro currencies to be delivered		
- euros to be received	63,169	57,789
- non-euro currencies to be delivered	59,298	55,195
Non-euro currencies to be received against euros to be delivered		
- non-euro currencies to be received	63,823	58,310
- euros to be delivered	66,883	61,091
Non-euro currencies to be received against non-euro currencies to be delivered		
- non-euro currencies to be received	66,541	50,725
- non-euro currencies to be delivered	66,824	50,841
Premium/discount on forward transactions		
to be received	414	445
to be delivered	387	478

Note 28c

Geographic breakdown of commitments

31/12/03

Millions of euros	France	Europe excl. France	USA	Asia	Rest of the world	Total
COMMITMENTS GRANTED						
FINANCING COMMITMENTS						
Commitments granted to credit institutions	-	-	-	-	-	-
Commitments granted to customers	1,192.65	4,928.13	-	-	-	6,120.78
GUARANTEE COMMITMENTS						
Commitments granted to credit institutions	13,101.18	0.03	-	-	-	13,101.21
Commitments granted to customers	-	-	-	-	-	-
COMMITMENTS ON SECURITIES						
Securities acquired with a repurchase or transfer option	-	-	-	-	-	-
Other commitments granted	1,651.50	57.40	-	-	-	1,708.89
COMMITMENTS RECEIVED						
FINANCING COMMITMENTS						
Commitments received from credit institutions	9,686.46	4,928.13	-	-	-	14,614.58
GUARANTEE COMMITMENTS						
Commitments received from credit institutions	1,981.58	-	-	-	-	1,981.58
COMMITMENTS ON SECURITIES						
Securities sold with a repurchase or transfer option	-	-	-	-	-	-
Other commitments received	4,887.87	69.57	-	-	-	4,957.44

Note 28d

Breakdown of commitments
by residual term

	31/12/03				Total
	<= 3 months	> 3 months and <= 1 year	> 1 year and and <= 5 years	> 5 years	
<i>Millions of euros</i>					
COMMITMENTS GRANTED					
FINANCING COMMITMENTS					
Commitments granted to credit institutions	-	-	-	-	-
Commitments granted to customers	6,120.78	-	-	-	6,120.78
GUARANTEE COMMITMENTS					
Commitments granted to credit institutions	7,888.06	-	2,276.14	2,937.01	13,101.21
Commitments granted to customers	-	-	-	-	-
COMMITMENTS ON SECURITIES					
Securities acquired with a repurchase or transfer option	-	-	-	-	-
Other commitments granted	1,708.89	-	-	-	1,708.89
COMMITMENTS RECEIVED					
FINANCING COMMITMENTS					
Commitments received from credit institutions	14,614.58	-	-	-	14,614.58
GUARANTEE COMMITMENTS					
Commitments received from credit institutions	1,981.58	-	-	-	1,981.58
COMMITMENTS ON SECURITIES					
Securities sold with a repurchase or transfer option	-	-	-	-	-
Other commitments received	4,957.44	-	-	-	4,957.44



Note 29

Information on market risk

CDC IXIS Capital Markets' risk management function reports directly to the Chairman of the Executive Board and independently defines the principles of risk measurement and develops the tools required to carry out its remit.

Risk measurement is performed on a daily basis using indicators that calculate the potential losses for each activity with a high degree of confidence (Value at Risk analysis). These indicators cover a wide range of risks: interest rates, foreign exchange, equity and volatility etc.

Risks are controlled by comparing them to market limits which must be respected at all times. Daily and monthly reports are then produced for the Executive Board of CDC IXIS Capital Markets and the Chairman of the Supervisory Board.

The CDC IXIS Executive Board has set up a Market Risk Committee that reports to the Chairman of the CDC IXIS Executive Board. This Committee is in charge of recommending regulations on market-risk monitoring and supervision, and ensuring that the regulations are in line with those established at Group level. It also ensures that the regulations are adhered to and, from a general standpoint, issues its opinion to the Supervisory Board on all matters relating to market risk.

Systematic information is provided to both the Financial and Internal Control Committee and the Supervisory Board. These bodies meet four times per year.

Banking regulations require CDC IXIS Capital Markets to submit its overall risk cover ratio to France's Commission Bancaire and in June 1997 it was granted approval to use its own internal model, Scénarisk, to calculate the market-risk component of this ratio.

Information on derivatives counterparty risk

Counterparty risk measurement consists of analysing the probable loss that CDC IXIS Capital Markets would suffer in the event of counterparty default.

Off-balance sheet transactions carried out on organised markets are obviously excluded from this measurement of counterparty risk.

Counterparty risk on financial instruments, either interest rate or currency futures and options contracts, is analysed in accordance with the regulations governing credit-risk equivalent calculations in regulatory model 4801C (information on derivative instruments traded on assimilated and over the-counter markets, as provided for under order 96-06 of the French Banking Commission).

In accordance with these regulations, total counterparty risk is calculated by adding the following items:

- the positive replacement value of the instruments calculated on the basis of their market value;
- potential credit risk, this being measured based on add-ons according to the nature and residual life of the instrument, as defined by the French Banking Commission.

This equivalent gross credit risk is then reduced to reflect:

- netting agreements entered into in accordance with market conventions allowing netting of positive and negative replacement values at counterparty level;
- collateralisation guarantees received in the form of cash.

The resulting net credit risk is then weighted by category depending on the regulatory class of counterparty (governments, financial institutions or other, and using weightings of 0%, 20% or 50%, respectively), as set forth in regulation N°91-05 of the French Banking Regulation Committee and Appendix III of regulation No. 96-06 governing solvency ratio requirements.

Note 29 (continued)

Credit-risk equivalent

<i>Millions of euros</i>	Counterparties weighted at 0% (OECD governments and central banks)	Counterparties weighted at 20% (OECD financial institutions)	Other counterparties weighted at 50%	Total 31/12/03	Total 31/12/02
Gross credit-risk equivalent					
Gross positive replacement cost (market value)	2,457	27,164	3,921	33,542	29,706
Gross add-ons	801	16,109	3,711	20,621	12,397
Sub-total (1)	3,258	43,273	7,632	54,163	42,103
Effect of netting agreements					
On replacement cost	(901)	(17,850)	(541)	(19,292)	(19,124)
On gross add-ons	(287)	(11,627)	(915)	(12,829)	(6,236)
Sub-total (2)	(1,188)	(29,477)	(1,456)	(32,121)	(25,360)
Effect of collateralisation agreements (3)	(16)	(2,556)	(43)	(2,615)	(2,521)
Net credit risk equivalent before weighting	2,054	11,240	6,133	19,427	14,222
(4) = (1) + (2) + (3)					
Net credit risk equivalent after weighting	-	2,248	3,067	5,315	3,730
(4) x weighting					

As at 31/12/2003, the equivalent weighted risk on forward transactions amounted to €5,315 million. The breakdown of risk before weighting was as follows:

Type of counterparty		Geographic breakdown of counterparties		Credit rating (S&P)	
OECD governments and central banks	10.58%	USA and Canada	15.42%	AAA	0.57%
OECD financial institutions	57.85%	France	30.13%	AA	85.98%
Other counterparties	31.57%	Other euro-zone countries	28.63%	A	3.98%
		Other countries	25.82%	Other ratings	4.69%
				Non rated	4.78%

With the exception of provisioned investment securities, CDC IXIS Capital Markets' commitments do not include proven credit risk on identified counterparties. No specific provisions have been allocated in this respect. There have been no instances of defaults involving credit derivatives counterparties calling for specific provisions.



Note 30

Breakdown of consolidated balance sheet items by residual term

31/12/03

	<= 3 months	> 3 months and <= 1 year	> 1 year and and <= 5 years	> 5 years	Total
<i>Millions of euros</i>					
ASSETS					
Loans to credit institutions	41,062.23	5,435.84	1,990.17	3,337.74	51,825.98
Loans to customers	5,771.26	5.50	2,067.27	2,139.08	9,983.12
Trading securities	18,414.98	6,086.69	8,999.97	6,548.11	40,049.75
Public securities and equivalents	6,620.39	2,789.51	1,717.23	1,871.97	12,999.11
Bonds and other fixed-income securities	11,794.59	3,297.18	7,282.73	4,676.14	27,050.64
Marketable securities	62.47	384.39	1,688.41	5,239.24	7,374.50
Public securities and equivalents	-	-	115.21	40.50	155.71
Bonds and other fixed-income securities	62.47	384.39	1,573.20	5,198.73	7,218.79
Investment securities	15.08	320.37	987.60	2,468.81	3,791.85
Public securities and equivalents	15.08	248.03	190.32	25.75	479.18
Bonds and other fixed-income securities	-	72.34	797.28	2,443.05	3,312.67
LIABILITIES					
Debts to credit institutions	65,136.19	3,557.09	912.10	4,116.89	73,722.27
Debts to customers	9,071.35	725.01	(296.44)	907.89	10,407.82
Debts represented by securities	1,013.88	1,708.91	2,730.82	4,539.63	9,993.24
Bonds	0.64	-	57.92	611.90	670.47
Other fixed-income securities	1,013.24	1,708.91	2,672.89	3,927.73	9,322.78

Note 31

Breakdown of consolidated profit & loss statement by branch of activity

The breakdown aims to reflect the performance of the main branches of capital markets activity in the most relevant manner possible.

The branches are broken down as follows:

- Fixed-income and foreign-exchange business, covering the traditional activities in these areas;
- Equity business, covering all equity-related activities, as well as the group's equity-broking arm.

The assumptions underlying the breakdown of the main profit & loss line items are as follows:

- Net banking income represents the direct contribution from each business, including the proceeds from investing that portion of the equity allocated to the business;
- General expenses include the direct expenses of each branch of activity including analytical rebilling of support functions;
- The tax charge allocated to each branch of activity is calculated by applying a normative rate on the basis of taxation territoriality; the differences between normative and real tax, including the balance of deferred taxes, are broken down by branch of activity.

Breakdown by branch of activity

	31/12/03			31/12/02		
<i>Millions of euros</i>	Fixed income	Equities	Total Group	Fixed income	Equities	Total Group
Net banking income	503.00	130.00	633.00	342.00	158.00	500.00
General expenses and depreciation/amortisation	(280.00)	(120.00)	(400.00)	(242.00)	(122.00)	(364.00)
Gross operating profit	223.00	10.00	233.00	100.00	36.00	136.00
Non-operating income and expenses	(75.00)	5.00	(70.00)	(3.00)	(10.00)	(13.00)
Normative tax	(48.00)	(3.00)	(51.00)	(29.00)	(12.00)	(41.00)
Net profit excluding provisions to FGBR	100.00	12.00	112.00	68.00	14.00	82.00
Releases from FGBR						14.00
Consolidated net profit			112.00			96.00

The geographic breakdown distinguishes profit from activity carried out in France from that generated by the three foreign branches.

Geographic breakdown

	31/12/03			31/12/02		
<i>Millions of euros</i>	France	International	Total Group	France	International	Total Group
Net banking income	531.00	102.00	633.00	420.00	80.00	500.00
General expenses and depreciation/amortisation	(330.00)	(70.00)	(400.00)	(296.00)	(68.00)	(364.00)
Gross operating profit	201.00	32.00	233.00	124.00	12.00	136.00
Non-operating income and expenses	(71.00)	-	(71.00)	(13.00)	-	(13.00)
Normative tax	(40.00)	(10.00)	(50.00)	(38.00)	(3.00)	(41.00)
Net profit excluding provisions to FGBR	90.00	22.00	112.00	73.00	9.00	82.00
Releases from FGBR			-			14.00
Consolidated net profit			112.00			96.00



Note 32

Results from the main transactions with the parent company

Millions of euros

	31/12/03	31/12/02
Current accounts	(63.17)	(24.30)
Guarantee	(1.23)	2.03
Other commission	-	-
Regulatory reserves	-	-
Subordinated perpetual securities	(15.80)	(19.67)
General expenses	(33.78)	(29.69)

The transactions summarised in the table above represent CDC IXIS Capital Markets' main relations with its parent company. Derivatives transactions concluded with the parent company primarily result from the mirror operations undertaken when CDC IXIS Capital Markets was created and for which CDC continues to act as an interface with the original clients. Insofar as similar relations are being gradually established with CDC IXIS, the above figures also take into account the profit from transactions with CDC IXIS as from 2000 (competitive-market activities organised into a separate subsidiary).

Auditors' report on the 2003 consolidated financial statements

Financial year ended 31 December 2003

To the Shareholders,
CDC IXIS Capital Markets,
47, quai d'Austerlitz
75648 Paris cedex 13

In accordance with the assignment entrusted to us by the Annual General Meeting of Shareholders, we hereby present our report for the financial year ended 31 December 2003, concerning our audit of the consolidated financial statements of CDC IXIS Capital Markets, prepared in euros and as attached to this report.

The consolidated financial statements were prepared by the Executive Board. It is our responsibility to express an opinion on these financial statements, based on our audit.

I - Opinion on the consolidated financial statements

We have conducted our audit in accordance with auditing standards applicable in France. These standards require that we perform such tests and procedures so as to obtain reasonable assurance that the consolidated financial statements are free from material mis-statement. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and the significant estimates made in preparing the financial statements, together with an evaluation of the overall adequacy of the presentation of these statements. We believe that our audit provides a reasonable basis for the opinion expressed below. We certify that the consolidated financial statements have been prepared in accordance with French generally accepted accounting principles. In our opinion they give a true and fair view of the assets, liabilities, financial position and results of the Company as at 31 December 2003.

Without calling into question the opinion expressed above, we draw your attention to note 1 of the consolidated financial statements which describes the changes in accounting methods resulting from the application of

CRC regulation n°2002-03 concerning the accounting treatment of credit risk.

II - Justification of our assessments

In accordance with article L. 225-235 of the French Companies Act concerning the justification of our assessments and which came into force for the 2003 financial year, we draw your attention to the following points.

The valuation of financial instruments is an area that entails significant accounting estimates. Your Company uses internal models to value its positions on financial instruments not traded on organised markets (see note 1 of the consolidated financial statements). In the course of assessing these estimates, we examined the control mechanism used to verify these models and determine the parameters used.

Your Company set aside a provision on 31 December 2003 in order to cover credit risk on investment securities (see notes 25 and 4a of the consolidated financial statements). In the course of assessing the estimates made for this purpose, we were obliged to rely on analyses prepared by the Company that are notably based on forecasts of cash flow for the issuer of the securities concerned and which were produced by an independent expert mandated by the creditor banks.

We carried out an assessment as to the reasonable nature of these estimates.

The assessments made regarding these elements form part of our overall audit approach covering the consolidated financial statements as a whole and contribute to the opinion expressed in the first part of this report.

III - Specific verification

We have also verified the information provided in the Group Management Report, in accordance with prevailing professional standards in France. We have no comment to make on the truth and fairness of the information contained in the report or its consistency with the consolidated financial statements.

Paris, 16 April 2004

The Auditors

PRICEWATERHOUSECOOPER AUDIT

Étienne Boris



MAZARS & GUERARD

Guillaume Potel





Parent company balance sheet

This chapter contains the most significant extracts from CDC IXIS Capital Markets' 2003 parent company financial statements. The full 2003 parent company financial statements have been certified without qualification by the Company's auditors and may be obtained on request from the headquarters of the Company.

Assets

Assets		Millions of euros			
		Notes	31/12/03	31/12/02	31/12/01
INTERBANK AND EQUIVALENT TRANSACTIONS					
Cash, central banks, giro accounts			1	10	-
Public securities and equivalents			13,634	8,262	7,087
Loans to credit institutions			51,814	55,543	53,811
CUSTOMER TRANSACTIONS					
Other loans to customers			9,983	7,108	5,294
Current account overdrafts					
BONDS, EQUITIES, OTHER FIXED AND VARIABLE INCOME SECURITIES					
Bonds and other fixed-income securities			37,612	44,222	34,321
Equities and other variable-income securities			6,604	3,956	3,799
INVESTMENTS IN SUBSIDIARIES, OTHER FIXED AND VARIABLE INCOME SECURITIES					
Long-term investments and portfolio activities	2		53	31	49
TANGIBLE AND INTANGIBLE FIXED ASSETS			53	40	29
ACCRUALS AND SUNDRY ASSETS			14,385	11,295	6,257
TOTAL ASSETS			134,137	130,467	110,647

Liabilities

Notes	Millions of euros		
	31/12/03	31/12/02	31/12/01
INTERBANK AND EQUIVALENT TRANSACTIONS			
Central banks, giro accounts	-	-	-
Amounts due to credit institutions	73,721	82,182	71,938
CUSTOMER TRANSACTIONS			
Current account deposits			
Other amounts due to customers	11,630	4,202	4,773
DEBTS REPRESENTED BY SECURITIES			
Interest-bearing notes			
Interbank market securities and negotiable debt instruments	8,148	11 041	10,737
Loan stock	670	1,230	18
Other debt represented by securities			
ACCRUALS AND SUNDRY LIABILITIES			
	38,506	30,438	21,869
PROVISIONS			
	20	18	4
SUBORDINATED DEBT			
	727	729	731
FUND FOR GENERAL BANKING RISKS (FGBR)			
	-	-	14
MINORITY INTERESTS (EXCLUDING FGBR)			
	-	-	-
SHAREHOLDERS' EQUITY EXCLUDING FGBR			
3	714	626	563
Subscribed capital	458	458	458
Share premium-account	10	10	10
Reserves	53	48	43
Revaluation reserve	-	-	-
Regulated provisions and investment subsidies	-	-	-
Retained earnings (+/-)	106	20	43
Interim dividends	-	-	(94)
Profit currently being allocated	-	-	-
Profit for the year (+ / -)	88	91	103
TOTAL LIABILITIES			
	134,137	130,467	110,647

Parent company profit & loss statement

Parent company figures (extracts)

Millions of euros

	31/12/03	31/12/02	31/12/01
INTEREST AND EQUIVALENT INCOME			
+ Interest and equivalent income on transactions with credit institutions <i>of which accrued interest on current account</i>	1,071	1,624 13	1,951
+ Interest and equivalent income on customer transactions	208	160	214
+ Interest and equivalent income on bonds and other fixed-income securities	472	542	485
+ Other interest and equivalent income	2,289	1,488	1,524
INTEREST AND EQUIVALENT EXPENSES			
- Interest and equivalent expenses on transactions with credit institutions	(1,909)	(2,514)	(3,176)
- Interest and equivalent expenses on customer transactions	(192)	(76)	(100)
- Interest and equivalent expenses on bonds and other fixed-income securities	(299)	(378)	(412)
- Other interest and equivalent expenses	(2,163)	(2,544)	(2,315)
INCOME FROM VARIABLE-INCOME SECURITIES	14	19	31
COMMISSION INCOME	37	51	49
COMMISSION EXPENSES	(69)	(53)	(46)
GAIN OR LOSS ON TRADING PORTFOLIO	1,173	1,206	1,451
GAIN OR LOSS ON MARKETABLE SECURITIES AND EQUIVALENT PORTFOLIOS	(33)	950	722
OTHER BANKING OPERATION INCOME AND EXPENSES	3	(4)	15
+ Other income	13	19	24
- Other expenses	(10)	(24)	(10)
NET BANKING INCOME	601	472	392
GENERAL OPERATING EXPENSES	(350)	(317)	(288)
- Personnel expenses	(180)	(168)	(145)
- Other administrative expenses	(185)	(163)	(148)
- Intra-group transactions	15	13	6
DEPRECIATION, AMORTISATION AND PROVISIONS ON TANGIBLE AND INTANGIBLE ASSETS	(16)	(11)	(10)
GROSS OPERATING PROFIT	235	143	94
OPERATING PROVISIONS	(76)	-	6
OPERATING PROFIT	160	143	100
GAIN OR LOSS ON FIXED ASSETS	-	(4)	3
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	160	139	104
EXCEPTIONAL ITEMS	-	(14)	8
CORPORATE TAX	(72)	(48)	(19)
VARIATION IN FGFR AND REGULATED PROVISIONS	-	14	-
NET PROFIT	88	91	103
NET PROFIT PER SHARE (€)	2.92	3.02	3.44



Parent company off-balance sheet items

	Millions of euros		
	31/12/03	31/12/02	31/12/01
COMMITMENTS GRANTED			
FINANCING COMMITMENTS			
Commitments granted to credit institutions	15	15	15
Commitments granted to customers ⁽¹⁾	6,121	6,191	-
GUARANTEE COMMITMENTS			
Commitments granted to credit institutions	13,101	11,616	11,204
Commitments granted to customers			
COMMITMENTS ON SECURITIES			
Securities acquired with a repurchase or transfer option			
Other commitments granted	1,702	745	833
COMMITMENTS RECEIVED			
FINANCING COMMITMENTS			
Commitments received from credit institutions	14,615	13,035	9,000
GUARANTEE COMMITMENTS			
Commitments received from credit institutions	1,982	1,982	1,982
COMMITMENTS ON SECURITIES			
Securities sold with a repurchase or transfer option			
Other commitments received	4,951	1,782	1,830
OTHER COMMITMENTS			
Other commitments granted	4,359	555	893
Other commitments received	5,644	2,773	2,184

⁽¹⁾ Amount restated relative to presentation in the 2002 annual report.

Notes to the parent company figures (extracts)

Parent company figures (extracts)

Note 1 Parent company financial statements accounting and consolidation principles

1 - Introduction

The annual accounts have been drawn up in accordance with regulation 91-01 of the French Banking Regulation Committee (Comité de la Réglementation Bancaire – CRB), as amended by regulation 94-04 of the French Accounting Regulation Committee (Comité de la Réglementation Comptable - CRC).

The parent company financial statements have been prepared in accordance with the provisions of CRC regulation 2000-03.

2 – Accounting and valuation principles

2.1 Foreign-exchange transactions

In accordance with regulation 89-01 of the French Banking Regulation Committee (Comité de la Réglementation Bancaire - CRB) concerning foreign-exchange accounting, assets, liabilities and off-balance sheet commitments are translated at the spot rate on the last day of the accounting period.

Forward currency transactions undertaken for purposes other than hedging are valued at the forward rate corresponding to the residual term.

The premium and discount elements of forward currency transactions undertaken as hedging operations are recorded in the profit & loss statement on a straight-line basis over the residual term of the transaction.

Gains and losses on currency transactions are based on the exchange rate at the transaction date.

2.2 Bank receivables and debts

Receivables and debts include current accounts, loans, borrowings and securities purchased and sold under resale or repurchase agreements.

Loans and borrowings

Loans and borrowings are stated at their nominal value. Corresponding interest amounts are recorded in the profit & loss statement on a time-apportioned basis.

Securities received or sold under resale or repurchase agreements

Securities purchased under resale agreements are included under other loans to credit institutions or loans to customers in accordance with CRB regulation 89-07. Securities sold under repurchase agreements are booked as debt.

At the end of each period, the securities sold under repurchase agreements are valued in accordance with the rules applicable to the type of securities portfolio in which they were originally held.

The revenues and expenses on repurchase and resale agreements are recorded on a time-apportioned basis in the profit & loss statement.

2.3 Securities transactions

Securities are valued in accordance with the regulations defined in regulation CRB 90-01, as amended by CRC regulation 2000-02.

The provisions of CRC regulation n° 2002-03 concerning the accounting treatment of credit risk (see 2.10 below), apply to fixed-income investment and marketable securities which notably entail a commitment by the issuer to pay a sum on a pre-determined maturity date.

In the event of proven credit risk, these securities are classified for accounting purposes as doubtful and the probable loss is recognised by a provision.

Trading securities

Trading securities, as defined by regulation 90-01, correspond to variable and fixed-income securities that are purchased or sold with the intention of being sold or repurchased in the short term. At the time of acquisition, the securities are recorded at acquisition price.

Securities are subsequently marked to market. Marked-to-market gains and losses are recorded in the profit & loss statement.

Whenever CDC IXIS Capital Markets acts as market-maker and the security is traded in sufficient volumes, these securities may be held in the portfolio for longer than the six-month maximum period as stipulated by the regulations. This also applies to securities held as specialised hedges of instruments that are marked-to-market.



Marketable securities

The portfolio of marketable securities includes fixed and variable-income securities acquired with the intention of being held long term as a source of revenue or capital gain. Trading securities that are held for over six months and are subsequently reclassified also fall within this category. In this case, restatement is performed at the market price on the transfer date.

Fixed-income securities

Fixed-income securities are stated at cost, excluding accrued interest. The difference between the cost and redemption value is amortised using the straight-line method over the residual life of the security. At period-end, the securities are valued at their closing price. A provision for depreciation is booked in the event that the market value of a group of securities sharing similar characteristics is lower than the purchase price adjusted by the apportionment of premiums or discounts.

Variable-income securities

Variable income securities are stated at cost, excluding accrued interest. At period-end, the securities are valued at their closing price. Provision is made for unrealised losses, on a line-by-line basis.

Negotiable loan notes and other interbank instruments

These securities and other instruments are recorded at nominal value. The difference between the nominal value and the purchase price is recorded in the profit & loss statement over the residual life of the securities, based on the yield-to-maturity method. Provision is made for any unrealised losses on a line-by-line basis.

In the event of proven credit risk, the probable loss not reflected in market value is recognised by a provision.

Investment securities

The investment portfolio includes bonds and other fixed-income securities which have been acquired with the intention of being held long-term, in principle until their maturity. The valuation method varies depending on whether or not the securities are transferable.

Transferable securities

Securities are valued at cost, excluding accrued interest. At period-end, the difference between the cost and redemption value of the securities is amortised using the straight-line method over the residual life of the security.

Negotiable loan notes and other interbank instruments

These securities and other stocks are recorded at nominal value and the difference between the purchase price and the nominal value is amortised based on the yield-to-maturity method over the residual life of the security.

At period-end, any unrealised losses do not automatically trigger a provision for depreciation, unless the issuer of the security is at risk of default.

Loaned and borrowed securities

Loaned securities are valued according to the same method as that of the portfolio in which they were first recorded.

Borrowed securities are recorded as an asset in the trading securities category at their market price on the date on which they are borrowed and as a debt on the liability side of the balance sheet. These securities are marked to market at the end of the period.

Security loans and borrowings secured by cash deposits are treated for accounting purposes in the same way as repurchase and resale agreements.

Interest on loaned and borrowed securities is recorded in the profit & loss statement on a time-apportioned basis.

2.4 Futures and options

CDC IXIS Capital Markets performs transactions using the entire spectrum of financial futures instruments on fixed income, foreign exchange and equity markets, in order to:

- hedge transactions,
- or employ specialised trading portfolio management techniques.

Futures and options are recorded off-balance sheet at their nominal value.

Credit risk is provisioned according to contractual terms and market value, or, by default, the terms of CRC regulation 2002-03 (see 2.10 below).

The accounting entries for the gains and losses on these instruments depend on their intended use.

Parent company figures (extracts)

Fixed-income and currency swaps

In accordance with CRB regulation No. 90-15 (as amended by No. 92-04), fixed-income or currency swaps are classified as follows:

- micro-hedging: the gain or loss is recorded on a symmetric basis to the gain or loss on the hedged item;
- specialised management of a trading portfolio: these contracts are marked to market. In accordance with regulations, the value is adjusted to take into account counterparty risks and the discounted present value of future management costs. The adjusted marked-to-market gain or loss is recorded in the profit & loss statement.

Other transactions

Other transactions relate mainly to futures and options contracts regulated by CRB 88-02.

Transactions that are not performed as hedges are marked to market. Any resulting unrealised gains or losses on unwound positions at the end of the period are recorded in the profit & loss statement.

Gains or losses on hedging operations are recorded in the profit & loss statement on a symmetric basis with gains or losses on the hedged item.

In order to reflect more accurately each transaction's true economic impact, non-liquid instruments are also marked to market on a hypothetical basis (see paragraph 2.5).

2.5 Market value

Where market prices of instruments or valuation parameters are not officially listed, alternative valuation methods are used.

These apply one or more of the following methods: price confirmation from brokers or external counterparties, comparison with real transactions and the detailed examination of issuer or instrument category.

Wherever instruments are valued on the basis of financial models, such models incorporate parameters that affect the valuation of these instruments, in particular the low liquidity of the markets in question, and take into account the relevant risk assessment.

2.6 Securities issued

Accrued interest expenses are credited to an accrued debt account and debited to the profit & loss statement. Issue and redemption premiums are amortised on either a straight-line or a financial basis over the life of the securities in question.

2.7 Complex transactions

Complex transactions involve combinations of instruments (of identical or different type, nature and valuation methods), that are recorded in a single batch or as a transaction whose accounting treatment is not subject to specific regulations.

Each component of the transaction is recorded in accordance with the legal status of the underlying products.

Gains or losses are considered globally so as to reflect the economic nature of the transactions. Management intentions will dictate treatment of the overall result:

- Results of transactions carried out for hedging purposes are apportioned on a straight-line basis over the relevant period. In the case of an overall negative market value of a complex transaction with its hedging component, a provision is booked.
- Results of transactions carried out for trading portfolio management purposes or whose results are deemed to be equivalent to a financial engineering commission are recorded at the origin. A discount is applied to take into account the future management expenses and any possible counterparty risks.

2.8 Credit derivatives

Credit derivatives are instruments designed to transfer the existing credit risk on assets from one counterparty to another, generally in exchange for the payment of a premium settled at the origin or time-apportioned. In the event of a default (i.e. "credit events") that is predefined in the credit derivative contract, the seller of the protection is called upon to pay the cost of the default as defined in the contract.

There are three categories of credit derivatives: Credit Default Swaps, Total Rate of Return Swaps and Credit Linked Notes which are deemed equivalent to options, swaps and securities.

In the absence of a specific accounting text, credit derivatives have been accounted for by analogy with the



transactions with which they share similar risk characteristics (options, swaps and securities) and based on management intention:

- Transactions carried out for hedging purposes are valued in the same way as the hedged item.
- The results of isolated open position transactions which are executed in the context of a long-term holding, are valued on a time-apportioned basis with provision for possible unrealised losses. In the case of operations deemed equivalent to options, possible provisions for unrealised losses are determined with respect to the non-apportioned premium amount.
- Transactions executed for trading purposes are marked to market taking into consideration future management and counterparty risk costs wherever the liquidity of the derivatives market is guaranteed. Otherwise, valuation is carried out by applying the appropriate methodology to transactions involving credit derivatives:
 - at historic cost;
 - applying a provision for depreciation where appropriate.

2.9 Treatment of income and expenses

Interest and related commissions are recorded on a time-apportioned basis.

Commissions that are not deemed to be equivalent to interest and which relate to services are recorded on the service provision date.

2.10 Credit risk

Since 1 January 2003 credit risk has been accounted for in accordance with CRC regulation n°2002-03 of 12 December 2002. The application of this regulation has had no impact on the financial statements.

The regulation concerns all transactions generating credit risk (loans, securities and commitments).

For a given counterparty, credit risk is defined as the existence of a potential loss linked to the possibility of the counterparty defaulting on the commitments undertaken.

Credit risk is deemed to be proven once it is probable that the Company will receive either none or only part of the sums due in respect of commitments undertaken by the counterparty and specified in the initial contract.

The principal and interest receivable from a counterparty are re-classified as doubtful once credit risk is proven on the counterparty. Doubtful receivables are provisioned on the basis of their market value or the current value of anticipated losses after taking account of guarantees already received, requested or likely to be so.

The provisions set aside are deducted from the amount of the corresponding doubtful receivables. They are recorded as liabilities in the balance sheet where they concern off-balance sheet commitments or futures and options. The provisions are booked under "Operating provisions" in the profit & loss statement.

2.11 Long-term equity investments and subsidiaries

Equity investments are recorded at book value. At the end of the period, they are valued individually at book value or going concern, whichever is lower. Provision for depreciation is made in the event of a permanent impairment of value.

2.12 Foreign branches

The accounts of foreign offices are integrated into the head office accounts in local currency. The profit & loss statement is converted at the month-end spot exchange rate.

2.13 Fixed assets

Fixed assets are recorded in the balance sheet at acquisition cost.

Research and development on identified, technically feasible IT projects is booked under intangible assets.

Depreciation is calculated over the estimated life of the tangible asset using the straight-line or diminishing-balance method.

2.14 Subordinated debts

This section includes all debt materialised by perpetual loans, whose redemption in the event of liquidation of the debtor is only possible after the other creditors' claims have been settled.

Accrued interest expenses are credited to an accrued debt account and debited to the profit & loss statement.

Parent company figures (extracts)

2.15 Pension commitments

Pension commitments are estimated using the actuarial method and give rise to provisions; details are provided in the notes.

2.16 Corporate tax

This line item includes current tax for the fiscal year after deduction of any tax credits which may be offset against the amount due, together with deferred tax.

As part of an ongoing tax inspection, a demand for back-tax received in 2002 and relating to the first financial year inspected gave rise to a provision. In addition, in view of the reasons for the demand for back-tax, an estimate has also been made of potential liability for the following financial years and a provision has been made for the appropriate sum.

As at 31 December 2003, no risks susceptible to give rise to additional provisions had been identified.

Note 2

Long-term investment securities

	Book value of securities	Advances	Provisions	Total	Previous year's shareholders' equity	Previous year's profit	% share- holding
<i>Millions of euros</i>							
Companies in which CDC IXIS Capital Markets holds a net investment exceeding €15.24m:							
CDC IXIS Securities	19.41	-	-	19.41	19.92	0.10	100.00
Sub-total	19.41	-	-	19.41			
Other companies:							
Captiva	4.84	-	-	4.84	NS	NS	100.00
Informatique CDC	-	26.31	-	26.31	NS	NS	NS
Others	2.41	-	(0.46)	1.95	NS	NS	NS
Sub-total	7.25	26.31	(0.46)	33.10			
TOTAL 31/12/03	26.66	26.31	(0.46)	52.51			
TOTAL 31/12/02	22.40	9.80	(1.32)	30.88			



Note 3

Shareholders' equity

<i>Millions of euros</i>	Funds for general banking risks	Capital ⁽¹⁾	Share premium account	Retained earnings	Legal reserve	Other reserves	Interim dividends	Profit	Equity (excl. FGBR)	Total shareholders' equity
Shareholders' equity as at 31/12/2001	13.72	457.50	10.49	43.22	12.48	30.70	(94.00)	102.62	563.01	576.73
Allocation of 2001 profit				3.49	5.13		94.00	(102.62)		
2002 dividend in respect of 2001 profit				(27.20)						
Other variations	(13.72)									
2002 profit								90.61		
Shareholders' equity as at 31/12/2002	-	457.50	10.49	19.51	17.61	30.70	-	90.61	626.42	626.42
Allocation of 2002 profit				86.08	4.53			(90.61)		
2003 dividend in respect of 2002 profit										
Other variations	-									
2003 profit								87.84		
Shareholders' equity as at 31/12/2003	-	457.50	10.49	105.59	22.14	30.70	-	87.84	714.26	714.26

⁽¹⁾ CDC IXIS Capital Markets' registered share capital totals €457,500,000. It comprises 30,000,000 shares with a nominal value of €15.25, all of the same category, and 100%-owned by CDC IXIS as at 31/12/2003.

Table of results for the last five years

Parent company figures (extracts)

Euros

	1999	2000	2001	2002	2003
CAPITAL AT YEAR-END					
Registered capital	457,347,052	457,347,052	457,500,000	457,500,000	457,500,000
Number of ordinary shares outstanding	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Number of preference shares outstanding (without voting rights)					
Maximum potential shares to be created in future: - by bond conversion - by exercise of equity warrants					
OPERATIONS AND RESULTS FOR THE YEAR					
Net banking income (excluding tax)	370,117,025	437,923,678	391,609,393	471,909,637	601,379,604
Profit before tax, profit sharing, depreciation/amortisation and provisions	165,641,746	188,507,300	105,484,611	181,929,851	261,791,881
Corporate tax	52,722,343	68,362,394	8,505,933	48,179,877	72,038,563
Profit after tax, profit sharing, depreciation/amortisation and provisions	79,618,113	96,430,121	102,621,443	90,614,206	87,841,485
Dividends distributed	37,776,866	55,613,401	121,200 000		
DATA PER SHARE					
Profit after tax and profit sharing, but before depreciation/amortisation and provisions	3.76	3.77	3.14	4.41	6.06
Profit after tax, profit sharing depreciation/amortisation and provisions	2.65	3.21	3.42	3.02	2.93
Dividend per share	1.26	1.85	4.04		
STAFF					
Average employees during the year	482	648	675	817	812
Total payroll for the year	63,928,004	82,676,634	99,102,638	114,389,908	118,892,818
Social charges (social security and social welfare projects etc.)	23,359,331	28,871,205	30,385,471	32,854,968	38,772,046



Additional information

1. General information on the issuer

1.1. Corporate name and registered office:

CDC IXIS Capital Markets

Registered office: 47, Quai d'Austerlitz – 75648 Paris CEDEX 13

1.2. Legal form

Société anonyme (French limited corporation) with Executive and Supervisory Boards in accordance with article L210-1 and subsequent articles of the French Companies Act. The Company has the status of credit institution licensed as a financial company, in accordance with book V of France's Monetary and Financial Code.

1.3. Term

The Company has a 99-year term, expiring on 31 March 2086, except in the event of extension or dissolution.

1.4. Purpose (article 2 of statutes)

The Company's purpose is to carry out for its own account and on behalf of its national and international clients:

- receipt of funds in connection with its role as a provider of investment services;
- issuance of guarantees, endorsements or independent commitments, including guarantees issued for mutual funds and securitised loan funds or for holders of units in such funds, in relation to the provision of investment or financial engineering services, together with the issuance of guarantees for placements, issues of securities or transactions on financial instruments;
- all interbank and foreign exchange transactions;
- the issuance of loans or the purchase or sale of debt in the course of its intermediation activities, notably for credit derivatives, securitisation and capital market debt transactions, including those involving clients and all operations required for its activity as clearer in forward markets;
- provision of all primary and ancillary investment services on regulated and over-the-counter markets relating to French or foreign financial instruments, and in particular:
 - receipt and transmission of orders on behalf of third parties,
 - order execution for third parties,
 - trading for its own account,

- portfolio management for third parties and the provision of management advice concerning financial instruments,

- issue underwriting or placement, or in relation to financial transactions, the provision of placement guarantees and all services linked to placement and underwriting;

- custody and administration services for financial instruments;

- issuance of marketable securities, negotiable debt instruments and all other financial instruments;

- provision of advice to companies concerning their capital structure, industrial strategy and related issues, together with mergers and acquisitions services;

- compiling, distribution and marketing of all varieties of reports in all formats, covering technical considerations, research, analysis and information systems in the financial and economic sector;

- acquisition of holdings in any existing or future French or foreign company, whose activities are related directly or indirectly to the Company's purpose;

- and generally, undertaking all commercial, financial or administrative transactions which may be related directly or indirectly to the Company's purpose, in order to promote the expansion and development of the Company.

1.5. French company registration number (RCS)

RCS: Paris 340 706 407

Code APE: 671 E

1.6. Financial year

The financial year begins on 1 January and ends on 31 December.

1.7. Statutory allocation of profit

A sum equivalent to 5% of the year's net profit, less any previous losses, is deducted and assigned to the legal reserve. This practice ceases to be compulsory when the reserve reaches a level equivalent to one-tenth of the Company's registered capital; the practice is resumed when the legal reserve falls below this level.

Distributable profit is composed of net profit for the financial year, less any previous losses and sums assigned to the reserve in accordance with the law, plus any profit carried forward from previous periods.

After approving the financial statements and the distributable profit, the Shareholders' Meeting decides either to allocate this profit to one or several reserves over which it has control and use, to carry it over as retained earnings or to distribute it. The Shareholders' Meeting may decide to distribute any amounts held in reserves over which it has control, indicating the reserves from which these sums are to be levied. However, no distributions from reserves will be made unless the distributable profit during the year is distributed in full.

For all or part of the dividend, or the instalments of the dividend to be distributed, the Shareholders' Meeting may grant each shareholder the option of receiving the dividend in full or in instalments, and in the form of cash or shares.

Dividends not claimed within five years of their distribution date are rendered void.

1.8. Shareholders' Meetings

Shareholders' Meetings are convened in accordance with the law.

Meetings take place in the Company's registered office or in any other location stipulated in the documents serving notice of the meeting.

All shareholders have the right to attend meetings upon presentation of proof of identity, on the condition that his/her shares are fully paid up and have been registered in his/her name for at least five days prior to the Meeting.

Meetings are chaired by the Chairman of the Supervisory Board or by another Board member designated by the Chairman.

A register of attendance is kept as stipulated by law.

Extracts and copies of the subjects for discussion are certified and delivered by the Chairman or the secretary of the meeting.

Ordinary and Extraordinary Shareholders' Meetings, held in quorum and respecting the majority defined by law, have the powers vested in them by law.

2. Employee profit-sharing schemes

Contractual profit-sharing

During the last five years, CDC IXIS Capital Markets has concluded two contractual profit-sharing agreements:

- a first agreement signed on 25 June 1999 and covering the 1999, 2000 and 2001 financial years
- a second agreement signed on 14 June 2002 and covering the 2002, 2003 and 2004 financial years

By virtue of these agreements, the amount of contractual profit-sharing depends on two criteria, namely the net profit of the Company and the degree to which employees have participated in professional training sessions.

The amounts of profit-sharing allocated in respect of the last five financial years (and paid in the following financial years), are as follows:

- 1999: €2.33 million
- 2000: €2.70 million
- 2001: €3.3 million
- 2002: €5.487 million
- 2003: €5.5 million (provision)

Regulatory profit-sharing

CDC IXIS Capital Markets concluded a voluntary fixed-term regulatory profit-sharing agreement on 20 December 2001, in respect of the 2000 financial year. This agreement provides for the application of the common law formula for calculating the special reserve for regulatory profit-sharing. The Company paid out the sum of €6.09 million in 2001 in respect of regulatory profit-sharing for the 2000 financial year. In an endorsement to this agreement, CDC IXIS Capital Markets paid out the remaining €1.052 million available for regulatory profit-sharing in 2002.

In addition, a Group regulatory profit-sharing agreement was signed on 30 October 2002, in respect of which €1.34 million was paid out to CDC IXIS Capital Markets' employees in respect of financial year 2001 and €2.508 million in respect of financial year 2002.



3. Responsibility for the reference document and the audit of the financial statements

3.1. Person responsible for the reference document

Anthony Orsatelli
Chairman of the Executive Board

3.2. Statement by the person responsible for the reference document

The information contained in this reference document is accurate to the best of my knowledge. It includes all the information required by investors to allow them to make their own judgements on the assets and liabilities, business, financial situation, results and outlook of the Company; there are no omissions liable to have any material bearing on the scope of the information provided.

Anthony Orsatelli



Parent company figures
(extracts)**3.3. Auditors' opinion on the reference document**

In our capacity as auditors of CDC IXIS Capital Markets, pursuant to COB regulation 98-01 and in accordance with the professional standards applicable in France, we have verified the information on the financial position and the historic accounts presented in this document.

This document was prepared under the responsibility of the Chairman of the Executive Board. The role with which we have been assigned is to issue an opinion on the faithfulness of the information contained herein on the financial situation and the accounts.

We conducted our audit in accordance with the professional standards applicable in France. These standards require us to plan and perform the audit so as to obtain reasonable assurance that the financial statements are free from material mis-statement, and that they are consistent with the accounts on which the report has been based. We also read other information contained in the reference document to identify any material inconsistencies in the information relating to the financial position and statements and to highlight any manifestly erroneous information which we might detect based on the knowledge of the Company that we require in the course of the audit. This reference document does not contain any isolated forecast resulting from a structured forecasting process.

We have audited the annual and consolidated financial statements for the financial year ended 31 December 2003 as prepared by the Executive Board, according to the professional standards applying in France and certified them without qualification with the observation contained in our general report and our report on the consolidated accounts relating to note 1 of the consolidated financial statements and which describes the changes in accounting methods resulting from the application of CRC regulation n°2002-03 concerning the accounting treatment of credit risk.

In addition, in accordance with article L. 225-235 of the French Companies Act concerning the justification of our assessments and which came into force for the 2003 financial year, we drew your attention in our general report and our report on the consolidated accounts to the following points:

The valuation of financial instruments is an area that entails significant accounting estimates. Your Company uses internal models to value its positions on financial instruments not traded on organised markets (see note 1 of the consolidated financial statements). In the course of assessing these estimates, we examined the control mechanism used to verify these models and determine the parameters used.

Your Company set aside a provision on 31 December 2003 in order to cover credit risk on investment securities (see notes 25 and 4a of the consolidated financial statements). In the course of assessing the estimates made for this purpose, we were obliged to rely on analyses prepared by the Company that are notably based on forecasts of cash flow for the issuer of the securities concerned and which were produced by an independent expert mandated by the creditor banks.

The ensuing assessments made regarding these elements form part of our overall audit approach covering the annual and consolidated financial statements as a whole and contribute to the opinion expressed in the first part of our general report and our report on the consolidated accounts.

We audited the annual and consolidated financial statements for the years 2002 and 2001 as prepared by the Executive Board, according to the professional standards applying in France and certified them without qualification.

On the basis of the tasks performed, and taking into account the observations stated above, we have no comment to make on the good faith with which the information relating to the financial position or the financial statements as presented in this reference document has been prepared.

Paris, 23 April 2004

The Auditors

PRICEWATERHOUSECOOPER AUDIT

Étienne Boris

**MAZARS & GUERARD**

Guillaume Potel



In accordance with the provisions of the final paragraph of article L.225-235 of the French Companies Act, page 20 of this document contains the report of the Auditors on the Chairman of the Supervisory Board's report on internal control procedures, as provided for by article L.225-68 of the French Companies Act.

3.4. Information policy

Person responsible for information: Michel Berthezène

Tel: (33) (0) 1 58 55 26 01

This is a free translation of the original text for information purposes only.



AMF

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47, quai d'Austerlitz – 75648 Paris Cedex 13

A French corporation with Supervisory Board and Executive Board.

Credit Institution, licensed as a financial company with capital stock of €457,500,000

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