



# Natexis Banques Populaires

## 2004 results



*Banque et populaire à la fois.*

# **D**isclaimer

**This presentation contains forward-looking statements with respect to the targets and strategy of Natexis Banques Populaires.**

**These forward-looking statements are of necessity based on a number of general and specific assumptions, and are subject to risks and uncertainties that could cause the future results of Natexis Banques Populaires to differ materially from those expressed in such statements.**

**Investors are advised to have due regard for these risks and uncertainties before taking a decision based on the contents of this presentation.**

*As of the 2004 half-year financial statements, Natexis Banques Populaires has presented its results on the basis of its new organization structure comprising four business lines. 2003 figures have been restated accordingly.*

# **C**ontents

## **Banque Populaire Group**

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## **Natexis Banques Populaires**

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# Banque Populaire Group

# Significant events of 2004

*Banque Populaire Group*

## ■ Strong growth in business

➤ Net banking income up 8%

## ■ Sharp increase in gross operating income: up 12% and further improvement in operating efficiency

➤ Cost/income ratio down 1.2 percentage points

## ■ Net income up by a strong 24% – earnings capacity €1.2 billion

## ■ Continued robust financial position:

➤ Tier One Ratio: 9.1%

## ■ Increase in Natexis Banques Populaires dividend: 32%\*

\* To be proposed at the AGM of May 19, 2005  
Changes: 2004 vs 2003

# Consolidated results

Banque Populaire Group

| € millions                      | 2004         | 2003         | Change<br>On comp. structure* |             |
|---------------------------------|--------------|--------------|-------------------------------|-------------|
| <b>Total net banking income</b> | <b>7,640</b> | <b>7,066</b> | <b>+8%</b>                    | <b>+6%</b>  |
| <b>Gross operating income</b>   | <b>2,545</b> | <b>2,270</b> | <b>+12%</b>                   | <b>+9%</b>  |
| <b>Operating income</b>         | <b>2,065</b> | <b>1,705</b> | <b>+21%</b>                   | <b>+18%</b> |
| <b>Net income</b>               | <b>1,059</b> | <b>853</b>   | <b>+24%</b>                   | <b>+21%</b> |
| <b>Earnings capacity**</b>      | <b>1,174</b> | <b>1,022</b> | <b>+15%</b>                   | <b>+12%</b> |

\* See p. 40 for changes in scope of consolidation

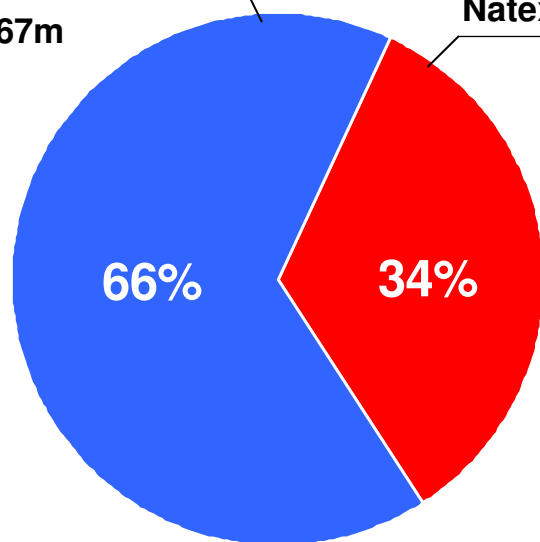
\*\* Net income + year's charge to fund for general banking risks

# Contribution by business line

Banque Populaire Group

Banques Populaires  
retail banking\*

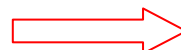
€4,967m



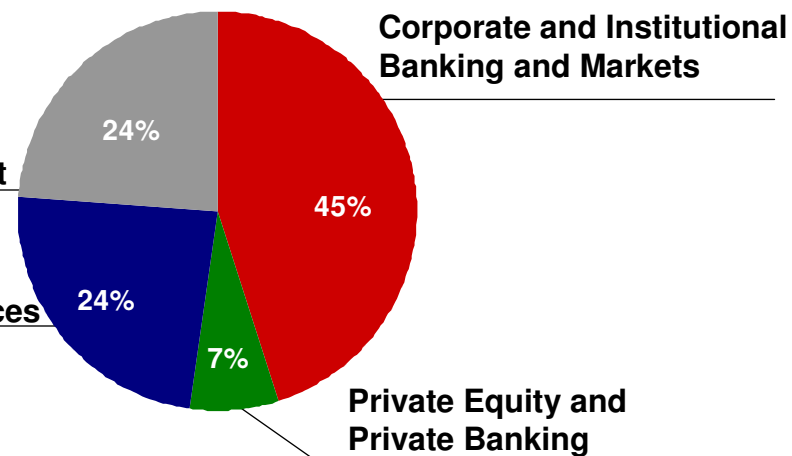
Natexis Banques Populaires

€2,588m\*\*

Trade  
Receivables  
Management



Services



\* Banques Populaires retail banking: 22 Banques Populaires banks (20 Banques Populaires regional banks, CASDEN Banque Populaire and Crédit Coopératif) + Crédit Maritime Mutuel + BICEC + SBE

\*\* Including intragroup business

# Operating expenses

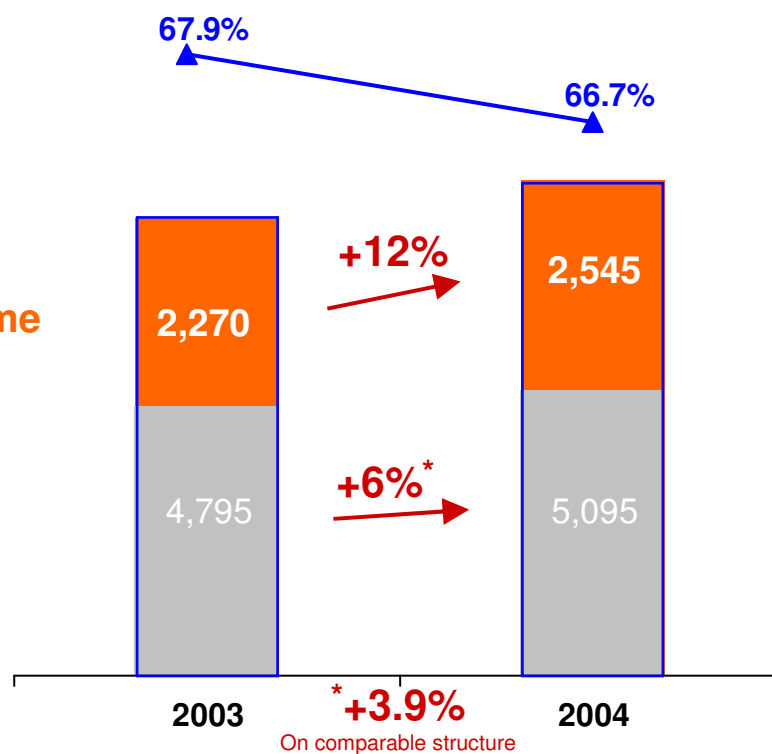
Banque Populaire Group

## Cost/income ratio

€ millions

■ Gross operating income

■ Operating expenses

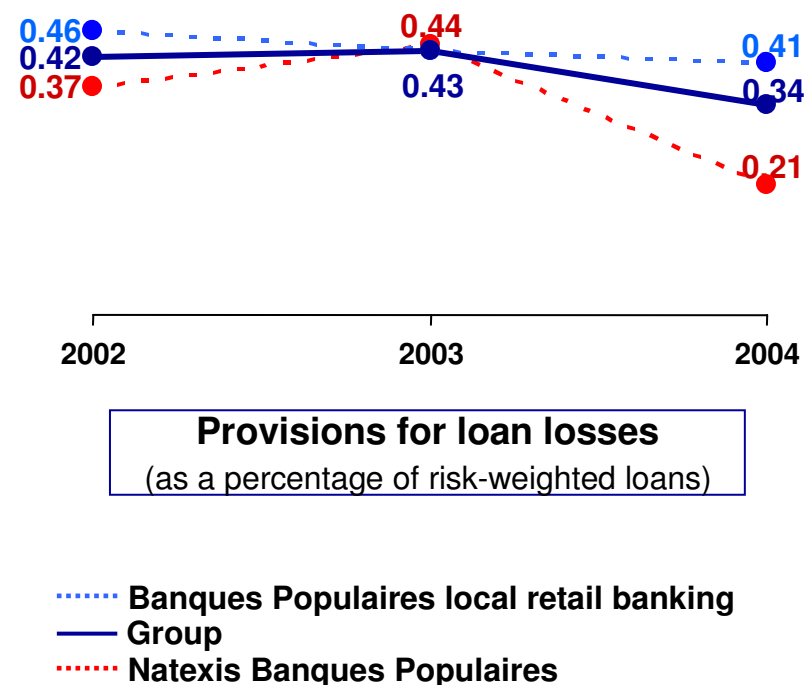




# Provisions for loan losses

*Banque Populaire Group*

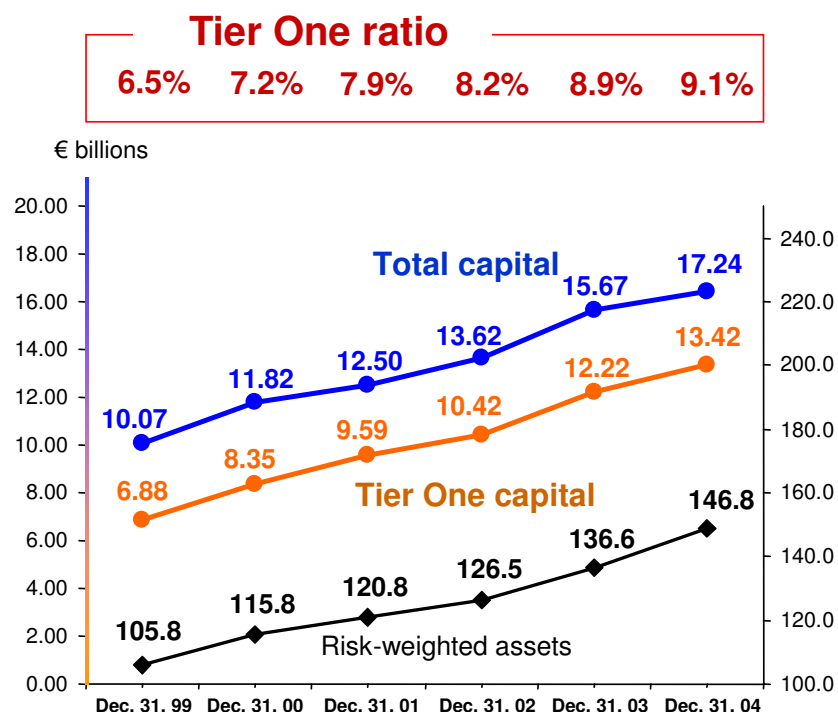
- Consolidated provisions for loan losses down 15% to €480 million
- Decrease for Banques Populaires local retail banking (0.41% vs 0.43% in 2003)
- Sharper decrease for Natexis Banques Populaires (0.21% vs 0.44% in 2003)
- Provision coverage of non-performing loans strengthened for both Banques Populaires and Natexis B.P., bringing the consolidated total to 69.1%, a rise of 1.9 percentage points
- General provisions at Natexis Banques Populaires virtually unchanged



# Financial position

Banque Populaire Group

- Financial position further strengthened with €1.2 billion increase in capital base\*
- Tier One ratio one of the highest in the banking sector at 9.1%, with no downturn in growth momentum (risk-weighted assets up 7.5%)
- Growth in capital\* over 5 years: 97%  
CAGR over 5 years: 14%



\* Tier One regulatory capital

# ***Return on equity***

*Banque Populaire Group*

■ **High return on equity: ROE = 14.1%\***

**with:**

- **Sustained investment (information technology, branch network, etc.)**
- **Strong growth in 2004 reference capital (18%)**

■ **Excellent return on equity for Banques Populaires local retail banking**

■ **Improvement in return on equity for Natexis Banques Populaires**

*\* Based on opening shareholders' equity*



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# Natexis Banques Populaires

# /Income statement

| € millions                                       | 2004         | 2003         | Change      |                    |
|--|--------------|--------------|-------------|--------------------|
|  |              |              |             | On comp. struct. * |
| ■ <b>Net banking income</b>                      | <b>2,708</b> | <b>2,455</b> | <b>+10%</b> | <b>+9%**</b>       |
| → Operating expenses                             | (1,857)      | (1,738)      |             |                    |
| ■ <b>Gross operating income</b>                  | <b>851</b>   | <b>716</b>   | <b>+19%</b> | <b>+18%**</b>      |
| → Provisions for loan losses                     | (104)        | (211)        |             |                    |
| ■ <b>Operating income</b>                        | <b>747</b>   | <b>505</b>   | <b>+48%</b> | <b>+46%</b>        |
| → Income from companies at equity                | 10           | 10           |             |                    |
| → Gains and losses on disposals of fixed assets  | 7            | 14           |             |                    |
| ■ <b>Income before exceptional items and tax</b> | <b>764</b>   | <b>528</b>   | <b>+45%</b> | <b>+43%</b>        |
| → Exceptional items                              | (10)         | 13           |             |                    |
| → Corporate income tax                           | (220)        | (154)        |             |                    |
| → Amortization of goodwill                       | (54)         | (64)         |             |                    |
| → Net charge/reversal from FGBR***               | 0            | 0            |             |                    |
| → Minority interests                             | (73)         | (58)         |             |                    |
| ■ <b>Net income</b>                              | <b>407</b>   | <b>265</b>   | <b>+54%</b> | <b>+50%</b>        |

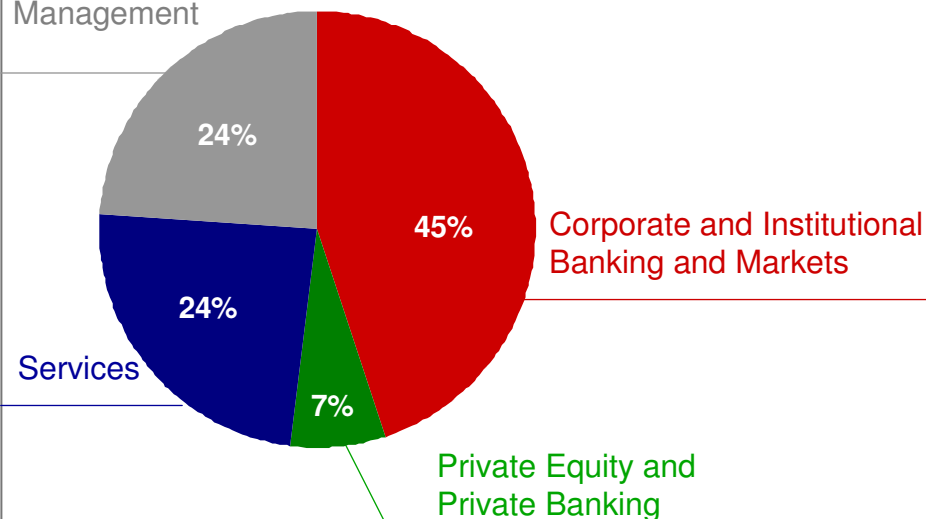
\* See p. 40 for changes in scope of consolidation

\*\* Net banking income +11% and gross operating income +22% on a constant exchange rate basis

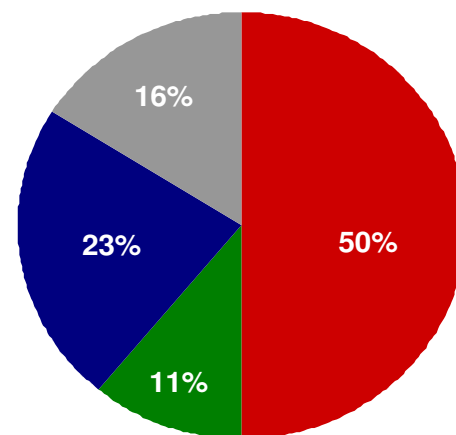
\*\*\* Fund for general banking risks

# ***Net banking income and income before exceptional items and tax by business line***

Trade  
Receivables  
Management



**Net banking income**



**Income before exceptional items and tax**

# Corporate and Institutional Banking and Markets (1/3)

## ■ Corporate France

- 2004 net banking income: €402m (-2%)
- Increased pressure on margins
- Slight decrease in average loans outstanding despite strong growth in new lending (+63%)
- Good performance in lease financing

Number 4 lender to medium and large size companies <sup>(1)</sup>

Business relationship with 90% of top 350 French companies <sup>(1)</sup>

42% success rate in bids for cash management business

Number 2 in real estate leasing <sup>(1)</sup>

## ■ International

- 2004 net banking income: €123m (-7%)
- Average outstanding loans up 10% despite fall in dollar
- Growth in revenues and new corporate lending but contraction in margins on financial institutions

Number 4 in export documentary credits <sup>(1)</sup>

400 companies supported, including 50 through Natexis Pramex International

## ■ Commodities

- 2004 net banking income: €89m (flat, but +9% at constant dollar rates)
- Strong surge in new financing, particularly in the energy sector, and twofold rise in new financing at New York branch

World number 7 <sup>(2)</sup> mandated lead arranger in trade finance (on volume)

(1) In France

(2) Outside Europe and North America

# Corporate and Institutional Banking and Markets (2/3)

## ■ Structured Financing and Capital Markets

- 2004 net banking income: €413m (-1%)
- Strong growth in LBOs, aircraft financing, financial engineering and syndications
- Good performance in credit activities but not so good in fixed-income and forex

## ■ Equity and Arbitrage Group

- 2004 net banking income: €125m (+241%)
- Recovery in equity derivatives
- Growth in brokerage for French corporates and institutional clients
- Participation in numerous primary market deals and public offerings in France
- Robust performance in arbitrage activities

Number 5 in syndicated loans <sup>(1)</sup>  
(on volume)

Number 4 mandated lead arranger in LBOs <sup>(1)</sup> (on volume)

Number 4 arranger of securitizations <sup>(1)</sup>  
(on volume)

One of Europe's leading arrangers of aircraft financing

Awards for two bond deals\*

Major player in mid cap primary market: participation in 6 of 24 deals (including 4 as lead manager)

Number 3 sponsor for public offerings (on deal number)

Number 3 for quality of French corporate earnings forecasts (equity research)

\* France Telecom: Second best corporate bond deal of the year  
Cades: Best sub-sovereign deal western Europe

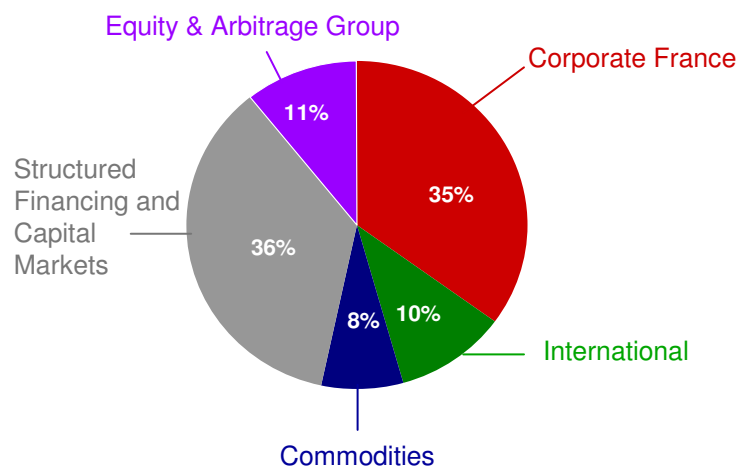
<sup>(1)</sup> In France



# Corporate and Institutional Banking and Markets (3/3)

- Cost/income ratio: 56.6%
- Sharp drop in provisions for loan losses
- Significant improvement in income before exceptional items and tax

## Breakdown of net banking income



## Income statement

| € millions                                | 2004  | 2003  | △    |
|---|-------|-------|------|
| ■ Net banking income                      | 1,157 | 1,092 | +6%  |
| Operating expenses                        | (656) | (620) |      |
| ■ Gross operating income                  | 502   | 472   | +6%  |
| Provisions for loan losses                | (91)  | (197) |      |
| ■ Income before exceptional items and tax | 398   | 277   | +44% |

Changes based on 2003 pro forma figures

# ***P**Private Equity and Private Banking (1/2)*

## ■ Private Equity

- 2004 net banking income: €145m (+73%)
- Assets managed up 14% to €2.24bn
- Substantial profit-taking during the year
- Investments up 21% to €312m

## ■ Private Banking

- 2004 banking income: €43m (+7%)
- Strong growth in net banking income at Banque Privée St Dominique and increase in assets managed by Natexis Private Banking Luxembourg

Number 1 on number of deals in SME segment

Successful launch of five 'Banque Populaire Proximité' local investment funds

Increased scale in LBO activity and growth in OBOs (owner buy-outs)

Sponsor of European investment funds (Cape in Italy, MCH in Spain and Finatem in Germany)

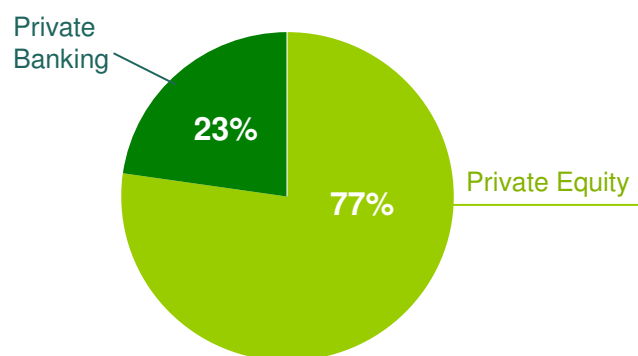
BPSD offering extended to encompass all major asset classes: real estate, tax-efficient products, works of art.

NBPL offering extended to include discretionary management, financial engineering services, etc.

# Private Equity and Private Banking (2/2)

- Sharp increase in net banking income
- Income before exceptional items and tax doubled
- Stock of unrealized capital gains still high at €148m

## Breakdown of net banking income



## Income statement

| € millions                                | 2004  | 2003 | △     |
|---|-------|------|-------|
| ■ Net banking income                      | 189   | 124  | +51%  |
| Operating expenses                        | (89)  | (81) |       |
| ■ Gross operating income                  | 100   | 44   | +127% |
| Provisions for loan losses                | (1,5) | 0.4  |       |
| ■ Income before exceptional items and tax | 85    | 24   | +251% |

Changes based on 2003 pro forma figures

# Services (1/4)

## ■ Asset management

- 2004 net banking income: €371m (+17%)
- Assets managed\*: €82.8bn (+7% vs 2003)
- Fund management: excellent performance across entire offering (money market, equities and insurance)
- Employee savings plans: net banking income and average assets managed\*\* up 2%  
Natexis Epargne Entreprise consolidated its market share
- Insurance
  - Life insurance: new business up 10%
  - Personal risk insurance: 25% rise in premium income
- Outstandings in B to B distribution of multibrand funds (Natexis Axeltis Ltd) doubled

Leading fund manager in employee Savings <sup>(1)</sup> (Natexis Epargne Entreprise)

Number 1 in money market fund Management <sup>(1)</sup> (9% market share)

Number 4 asset manager among banking groups <sup>(1)</sup> (Natexis Asset Management) and launch of two alternative investment funds

Number 4 in mutual fund distribution <sup>(1)</sup>

Among top 5 multi-manager fund managers <sup>(1)</sup> (Natexis Asset Square)

Continuation of partnerships between Natexis Assurances and foreign banking networks (Italy, Tunisia and Lebanon)

<sup>(1)</sup> In France

\* Total assets under management (including Private Banking): €87bn

\*\* Despite government measures permitting early withdrawal of savings

## Services (2/4)

### ■ Banking, Financial and Technology Services

- **2004 net banking income: €238m (-3%)**
- **Banking services**
  - 11% growth in volume of bank card payments\***
  - Substantial growth in volumes of SIT interbank payments (+6%) and international payments (+25%)**
- **Financial services**
  - Continued refocusing on custody services for retail banks and institutions**
  - Assets in custody up 9% to €398bn**
- **Creation of Natexis Investor Servicing**
  - Offering a range of fund administration and performance reporting services for asset management companies**

N°1 in SIT payments

13.5% share of all French electronic payments

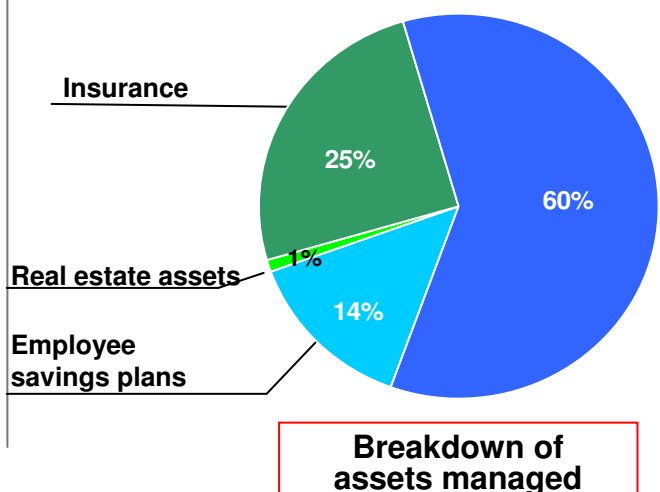
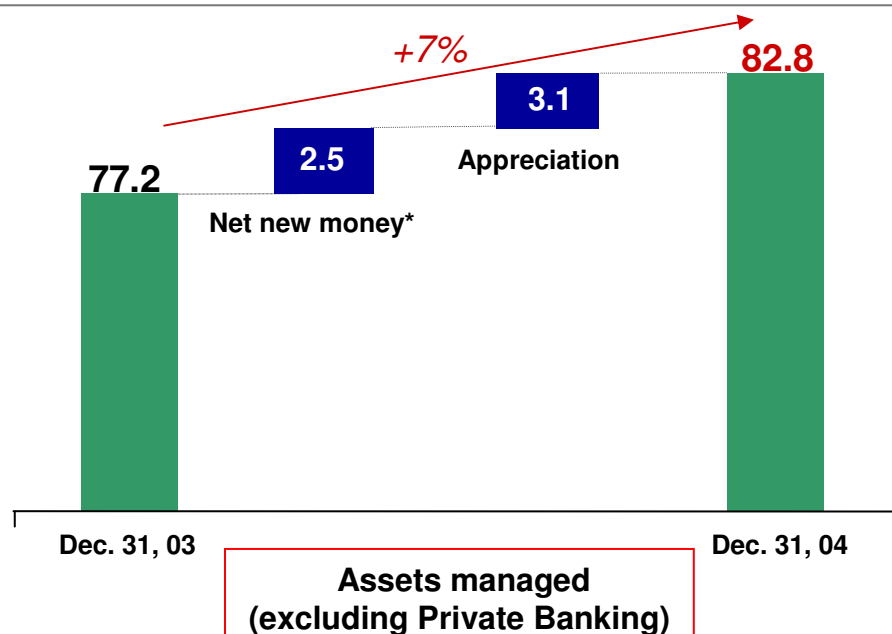
Support for Banque Populaire regional banks in bank cards for retail customers

Global custody agreement with Bank of New York for €80bn of international securities held in over 40 countries

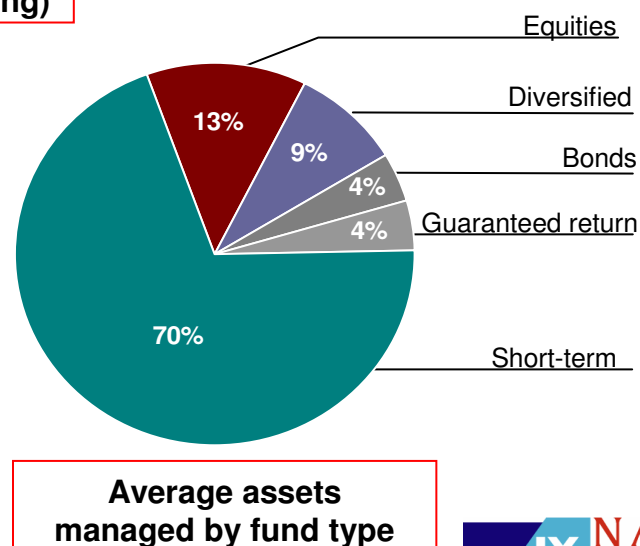
\* Monthly average

# Services (3/4)

€ billions



Fund management

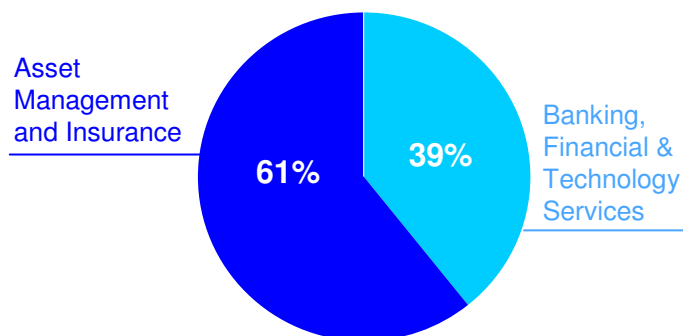


\* Including €1.2 billion due to impact of government measures permitting early withdrawal of funds from employee savings plans to support the economy

# Services (4/4)

- Robust growth in net banking income
- Operating expenses stable
- Sharp increase in income before exceptional items and tax

## Breakdown of net banking income



## Income statement

| € millions                                | 2004  | 2003  | △    |
|---|-------|-------|------|
| ■ Net banking income                      | 609   | 562   | +8%  |
| Operating expenses                        | (408) | (400) |      |
| ■ Gross operating income                  | 201   | 162   | +24% |
| Provisions for loan losses                | (1)   | (2)   |      |
| ■ Income before exceptional items and tax | 185   | 155   | +20% |

Changes based on 2003 pro forma figures

# **Trade Receivables Management (1/3)**

## **Coface**

- Net banking income: €531m (+2%)
  - Insurance: +5%
  - Services (excluding public procedures): +3%
- Contribution to income before exceptionals and tax: €85m

### ■ **Credit insurance**

- Slowdown in domestic business in Germany
- Loss ratio low at 45%

### ■ **Business information**

- Strengthened position in business information and credit rating: market share 45% after acquisition of ORT
- Introduction of a @rating system giving Russian SMEs easier access to bank credit

World number 3 in credit insurance

Continued international expansion in credit insurance:

- Branch opened in Hungary
- Acquisition of CUAL (2nd credit insurer in South Africa)
- Agreement with Nexi, the Japanese government's export credit department

Number 1 in business information <sup>(1)</sup>

<sup>(1)</sup> In France



# **T**rade Receivables Management (2/3)

## **Natexis Factorem**

- **2004 net banking income: €102m (+4%) driven by growing weighting to business with national accounts**
- **Factored receivables up 13%, chiefly due to contribution from VR Factorem**
- **15% growth in potential receivables on contracts already in place**
- **Market share consolidated at 12.9%**

Number 3 in factoring <sup>(1)</sup>

Renewal of product offering for Banques Populaires retail banking network:

- Revamp of 'Créanceexport' and 'Créancepro'
- Launch of 'Créance Primo', a factoring service for business start-ups/takeovers
- Launch of 'Accrédia', a new credit insurance service for SMEs

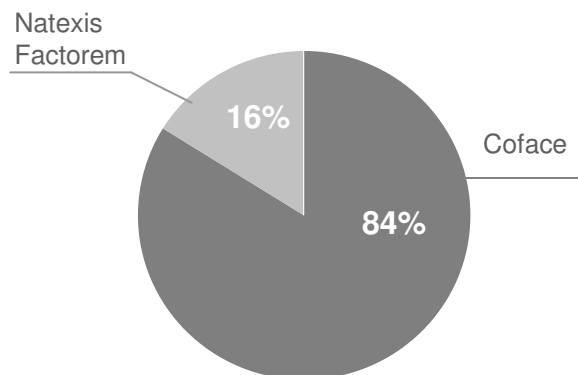
Good start for VR Factorem in Germany, a joint venture with VR Leasing, a subsidiary of DZ Bank

<sup>(1)</sup> In France

# Trade Receivables Management (3/3)

- Growth in net banking income
- Good cost discipline
- Increase in income before exceptional items and tax

## Breakdown of net banking income



## Income statement

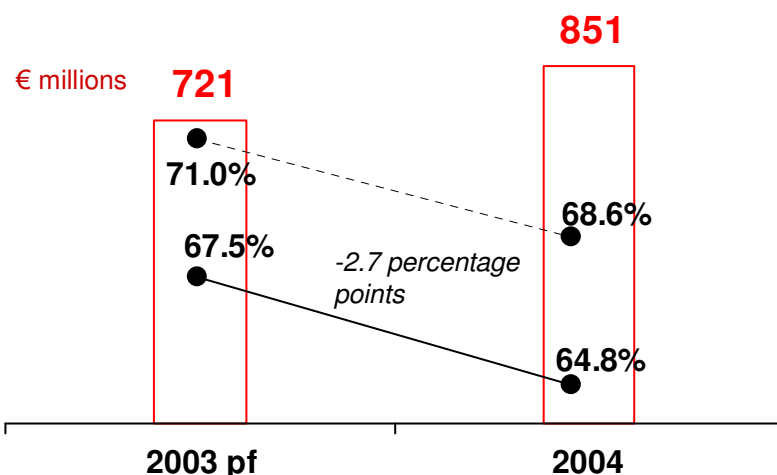
| € millions                                | 2004  | 2003  | △   |
|---|-------|-------|-----|
| ■ Net banking income                      | 634   | 617   | +3% |
| Operating expenses                        | (503) | (492) |     |
| ■ Gross operating income                  | 130   | 125   | +4% |
| Provisions for loan losses                | (6)   | (4)   |     |
| ■ Income before exceptional items and tax | 126   | 123   | +2% |

Changes based on 2003 pro forma figures

# Operating expenses

## ■ Growth in operating expenses chiefly due to:

- Targeted hiring program (179 more FTEs vs 2003) particularly in structured financing, market activities and international
- Additional resources devoted to major regulatory projects
- Investment in strengthening management and control functions to support business expansion



| € millions             | 2004  | 2003 pf | △   |
|------------------------|-------|---------|-----|
| Operating expenses     | 1,857 | 1,765   | +5% |
| Payroll costs          | 1 060 | 997     | +6% |
| Other and depreciation | 797   | 768     | +4% |

## Gross operating income and cost/income ratio

- ..... Cost/income ratio
- Cost/income ratio excluding Coface

## **C**redit risk – provision coverage

- Provisions for loan losses down to €104m (vs €211m in 2003)
- General provisions virtually unchanged
- Fall in percentage of non-performing loans and increase in provision coverage (4.4 percentage points)

€ billions

|  | Dec. 31, 2004 | Dec. 31, 2003 |
|--|---------------|---------------|
| Outstanding customer loans                 | 47.6          | 47.6          |
| Non-performing loans                       | 1.54          | 1.68          |
| Percentage non-performing loans            | 3.2%          | 3.5%          |
| Total provisions<br>(specific and general) | 1.41          | 1.47          |
| Provision coverage                         | 91.6%         | 87.2%         |

# **Financial position**

- Improvement in Tier One ratio
- 10% increase in total capital and 3% increase in risk-weighted assets

| € millions  | Dec. 31, 04                | Dec. 31, 03                |
|---|----------------------------|----------------------------|
| <b>Tier One ratio</b>   | <b>8.2%</b>                | <b>8.1%</b>                |
| <b>Total capital <sup>(1)</sup></b>   | <b>6,639</b>               | <b>6,043</b>               |
| <b>→ Tier One</b> <ul style="list-style-type: none"> <li>- Fund for general banking risks</li> <li>- Preferred stock</li> </ul> | <b>4,479</b><br>242<br>655 | <b>4,292</b><br>242<br>692 |
| <b>→ Tier Two and Tier Three</b>  | <b>2,159</b>               | <b>1,751</b>               |
| <b>Risk-weighted assets</b>   | <b>54,842</b>              | <b>53,079</b>              |

(1) As used to calculate the international capital adequacy ratio

# **2007 Business Plan**

**Leverage earnings through sustained business growth**

## **1. Fully exploit business line growth potential**

- French Corporate and institutional clients (cross- and up-selling)
- Banques Populaires retail banking customers
- Investment in high value-added businesses
- Expansion in the most buoyant continental European countries

## **2. Continue drive for efficiency**

- Growth in operating expenses significantly lower than growth in revenues

## **3. Strengthen management and control functions for sustainable performance**

# 2007 Business Plan

## Fully exploit business line growth potential

### Objective

**Enhance value of  
NBP's own business  
franchise**

**Develop synergies  
with BP retail banking  
customers**

**Invest in high  
value-added  
businesses**

**Continued expansion  
In continental  
Europe**

### Targets and Business Lines

**Corporate and  
Institutional  
France**

- Insurance <sup>(1)</sup>  
- Lease financing  
- Factoring  
- Employee savings <sup>(2)</sup>

- Commodities financing <sup>(1)</sup>  
- Structured financing\* <sup>(2)</sup>  
- Employee savings  
- Private Equity  
- Coface

- Germany <sup>(1)</sup>  
- Spain <sup>(2)</sup>  
- Italy <sup>(2)</sup>

### Examples

Focus on large and  
midcaps

Upgrade cash  
management product  
offering and commercial  
capability

(1) Step up life insurance  
business  
(2) New offering for VSBs  
(PERCO group pension plans  
& employee savings plans)

(1) Broaden customer base  
(2) Synergies with trading rooms  
for structuring and  
distribution

(1) Securitization, LBOs,  
export credit, etc.  
(2) Fixed-income  
products, LBOs,  
trade finance,  
export financing,  
syndications, etc.

- New organization structure introduced at end 2004 will help meet these objectives
- Business plan forecasts sustained growth in net banking income: CAGR 9.4% over the plan period

## 2007 Business Plan

### Continue drive for efficiency

- Continuation of upgrade programs, particularly in information technology
- New actions to develop and improve operations by investing in people



*Growth in operating expenses (CAGR 5.4%)  
substantially lower than growth in revenues*



*8 percentage point improvement in cost/income ratio by 2007*



# 2007 Business Plan

## Strengthen management and control functions for sustainable performance

### Upgrade information systems

Step up quality of management information and improve consistency and traceability of management systems

### Consolidation of risk management and control systems

Strengthen ethics, risk management and compliance teams

### Strategic Planning

Develop capability in strategic intelligence and business support

### Human resources management

Targeted hiring to meet business expansion needs

### Improve purchasing effectiveness

Make the 'Purchasing' function more effective  
Introduce Activity Based Costing (ABC )

**CONSOLIDATION  
OF MANAGEMENT AND  
CONTROL FUNCTIONS**

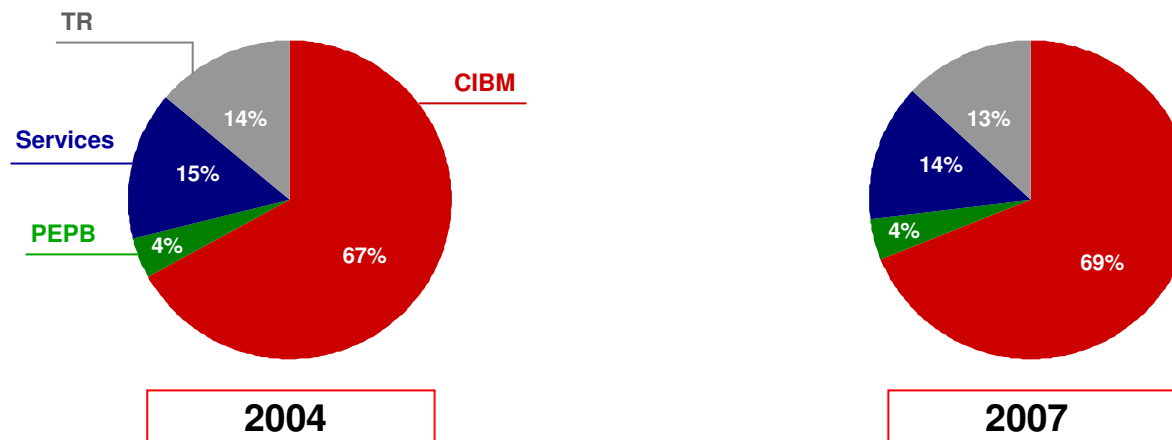
# 2007 Business Plan

## Key figures (1/3)

### → Assumptions

- €1 = USD1.20, CAC 2007 = 4800 points, GDP growth = 2.5% a year
- No capital increase\* or major acquisitions
- Conservative provisioning policy: 0.34% of RWA in 2007 (vs 0.21% in 2004)

### → Gradual change in capital allocation\*\* by business line

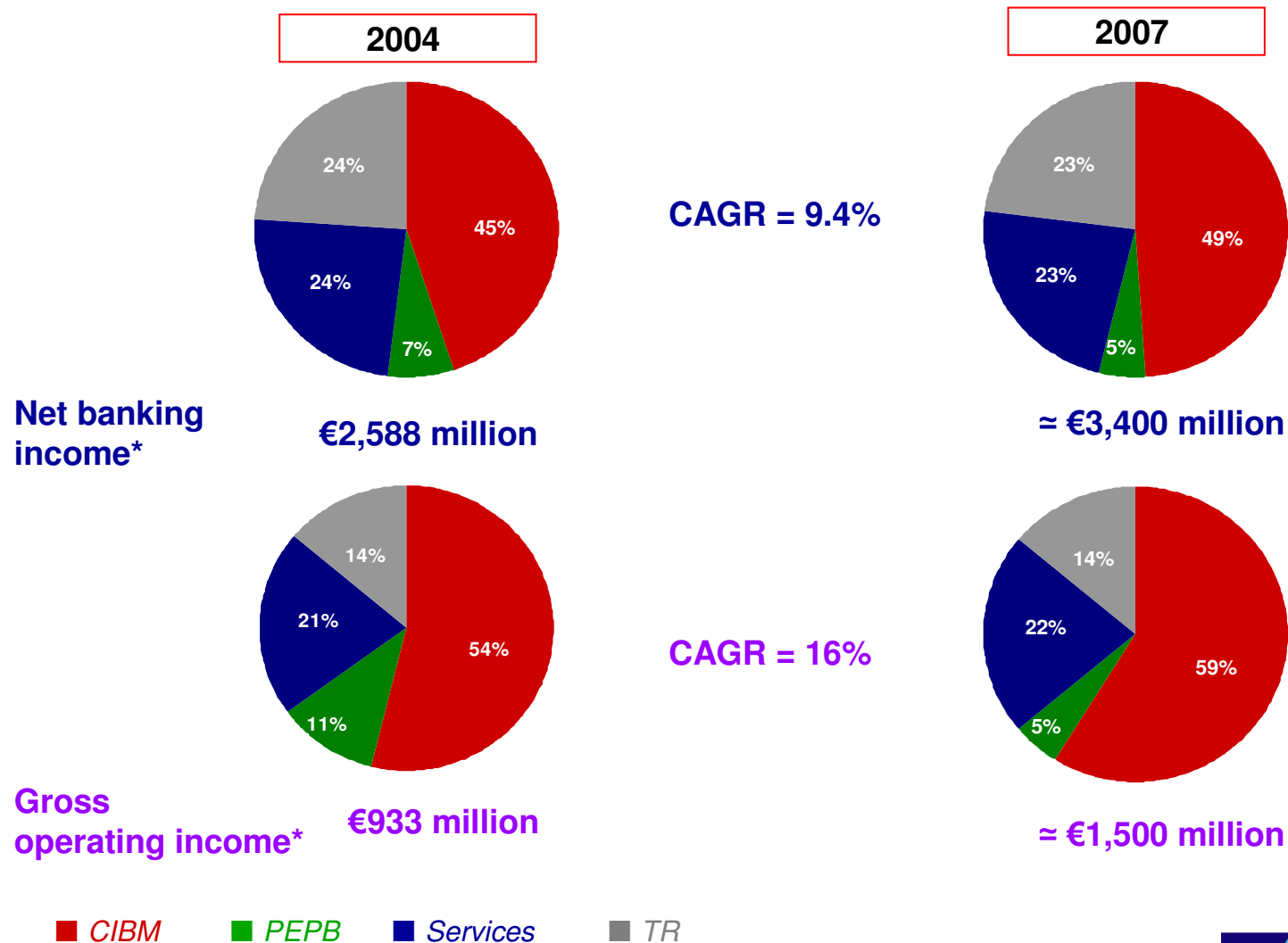


\* Excluding employee share issues and stock option plans

\*\* Based on normalized capital

# 2007 Business Plan

## Key figures (2/3)



\* Business line net banking income and gross operating income

# 2007 Business Plan

## Key figures (3/3)

### Business line ROE\*

|                                | 2004 | 2007 |
|--------------------------------|------|------|
| ■ CIBM                         | 16%  | 21%  |
| ■ PEPB                         | 61%  | 46%  |
| ■ Services                     | 34%  | 49%  |
| ■ Trade receivables management | 25%  | 30%  |

### Total ROE\*\*

11.3%  14%

\* ROE based on income before exceptional items and tax

\*\* ROE after tax

# Natexis Banques Populaires share

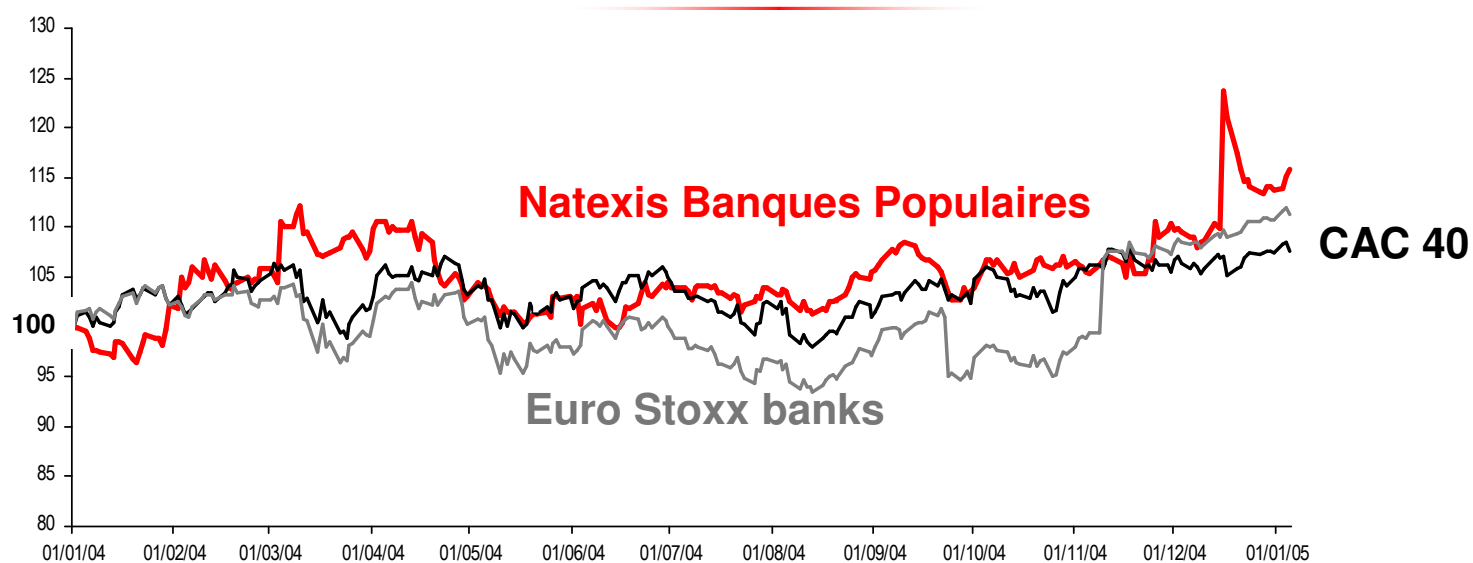
|                         |        |      | Change     |
|-------------------------|--------|------|------------|
| • Average price in 2004 | €93.16 | +14% | 2004/2003  |
| • Price change in 2004  |        | +14% | Jan-Dec 04 |
| • Dividend*             | €3.30  | +32% | 2004/2003  |

\* To be proposed at the AGM of May 19, 2005

|                                       | 31/12/04 |
|---------------------------------------|----------|
| • Earnings per share <sup>(1)</sup>   | €8.50    |
| • Net assets per share <sup>(2)</sup> | €91.10   |
| • ROE                                 | 11.3%    |

(1) Based on the average number of shares in issue (48,1million in 2004 and 47,7 million in 2003)

(2) Based on the number of shares in issue at the period end (excluding treasury shares)





## ***C*onclusion**

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- **A new stage in earnings growth**
- **Potential to increase profitability by capitalizing on the new organization structure introduced at end 2004 and the 2007 Business Plan**
- **As part of a powerful Group, ability to leverage growth by seizing opportunities as and when they arise**

# Appendices

# Changes in scope of consolidation

|                         | Comment  | Impact on 2004 net banking income (€m)          |
|-------------------------|--|---|
| BP local retail banking | Crédit Coopératif  | Scope of consolidation expanded → 41            |
|                         | Crédit Maritime  | Consolidated as of H2-03 → 50                   |
|                         | BRED's acquisitions in French overseas departments & territories | Consolidated as of H1-04 → 44                   |
| NBP                     | ORT  | ORT acquired by Coface in April 2004 → 35       |
|                         | Other  | VR Factorem consolidated as of January 2004 → 3 |

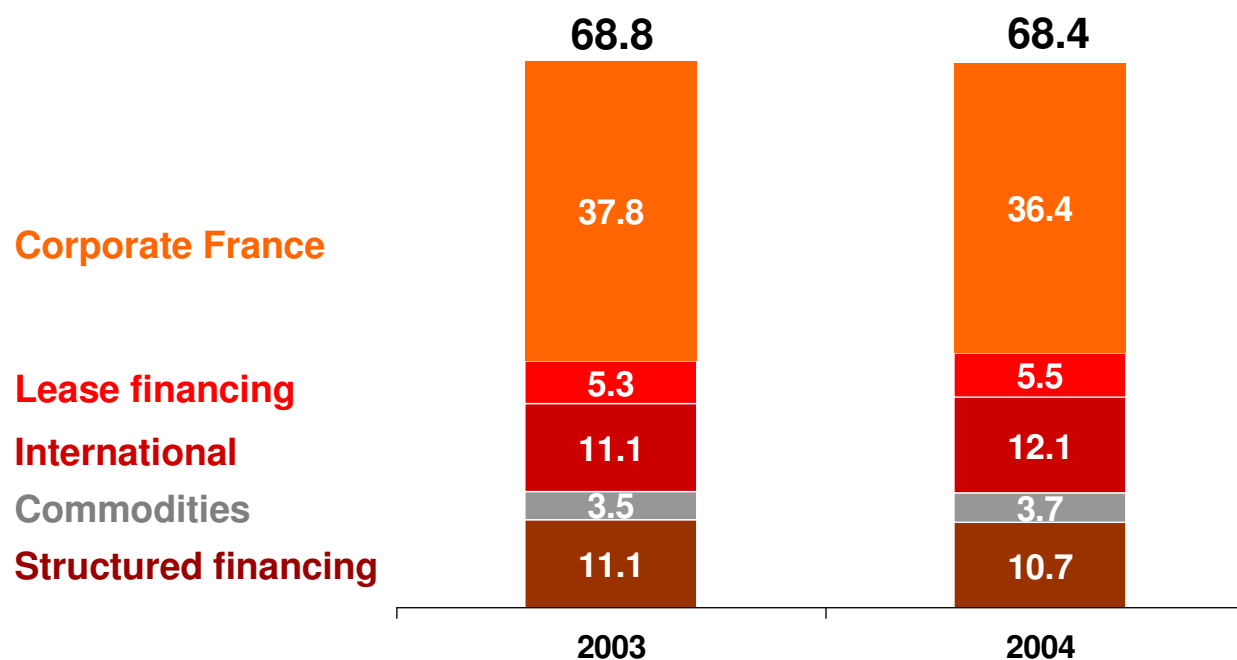
N.B.: 2003 pro forma figures have been restated on the basis of the 2004 structure

## Appendices



# Corporate and Institutional Banking and Markets

€ billions  
(on and off-balance sheet)



Average outstanding loans and commitments

Appendices

# ***P**Private Equity and Private Banking*

## ■ Private Equity

€ millions

|  | 2004         | 2003         |
|--|--------------|--------------|
| ■ <b>Proprietary portfolio</b>               |              |              |
| → Investments                                | 156          | 171          |
| → Divestments (sale price)                   | 262          | 183          |
| → Managed assets <sup>(1)</sup> (a)          | 1,169        | 1,180        |
| → Unrealized capital gains at Dec. 31        | 148          | 203          |
| ■ <b>Managed private equity funds</b>        |              |              |
| → Investments                                | 156          | 87           |
| → Divestments (sale price)                   | 72           | 46           |
| → External managed assets <sup>(2)</sup> (b) | 1,070        | 778          |
| ■ <b>Total managed assets (a) + (b)</b>      | <b>2,239</b> | <b>1,958</b> |

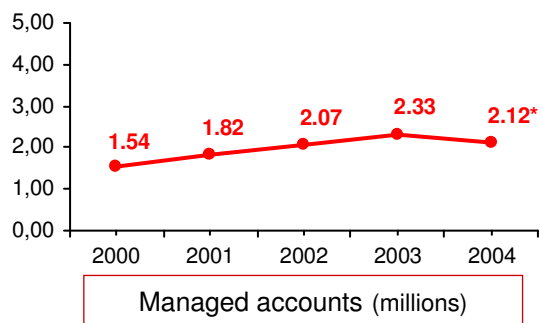
(1) Including unrealized capital gains

(2) Excluding Euromezzanine

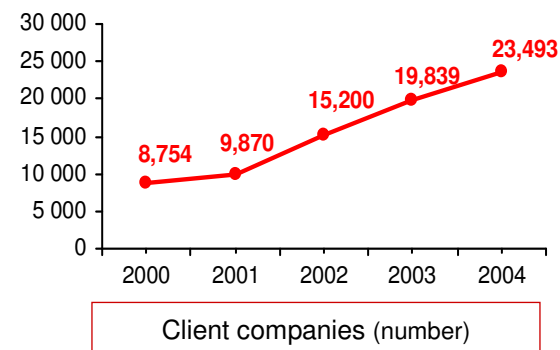
# Services (1/3)

## ■ Asset Management

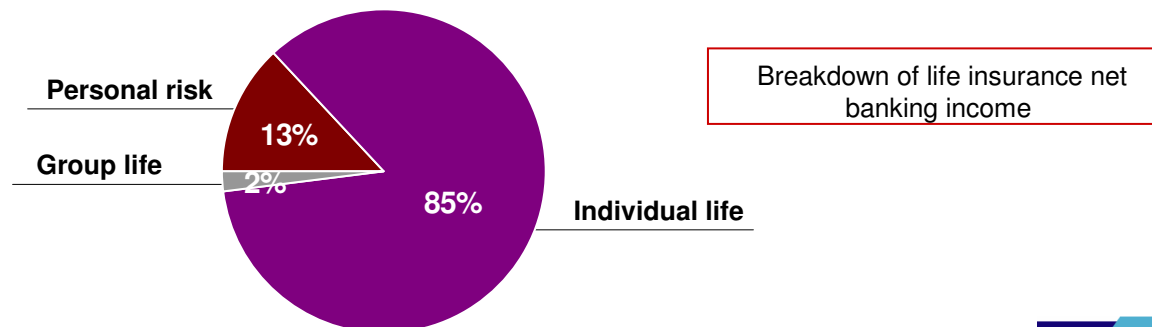
- Fund management: Recovery in market share of long-term mutual funds
- Employee savings plans:



\*Impact of government measures to allow early withdrawal of savings to support the economy



## ➤ Insurance:

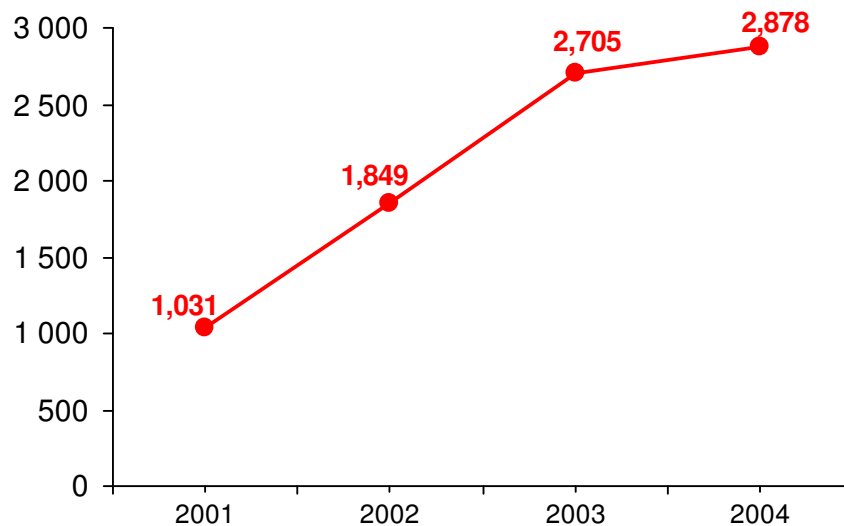


Appendices

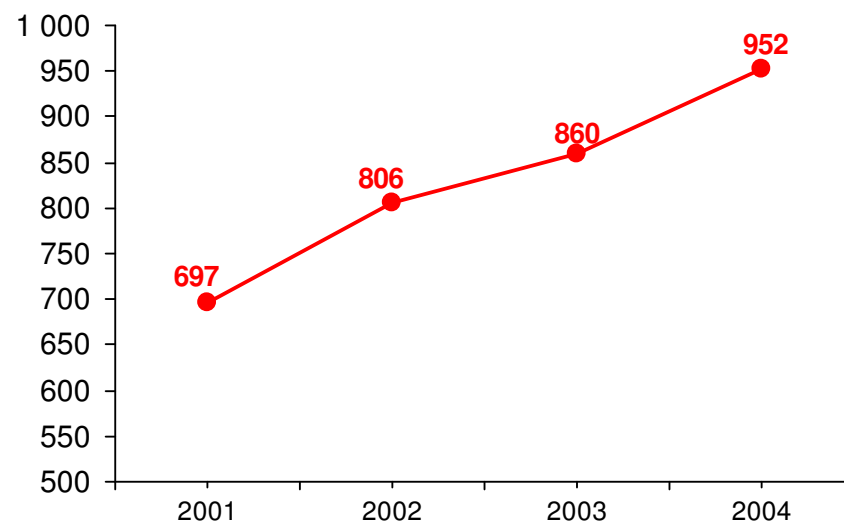
## Services (2/3)

### ■ Banking, Financial and Technology Services

#### ➤ Banking services



Number of SIT transactions processed (millions)

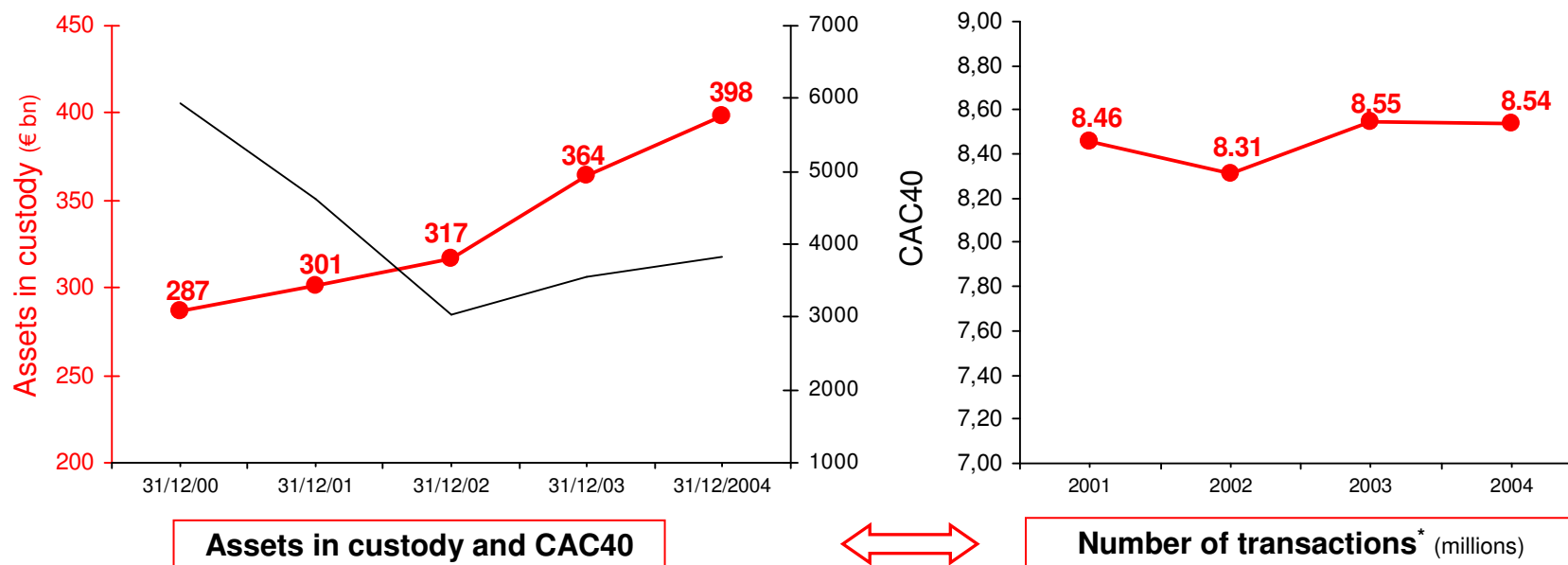


Number of card transactions processed (millions)

# Services (3/3)

## ■ Banking, Financial and Technology Services

### ➤ Financial services

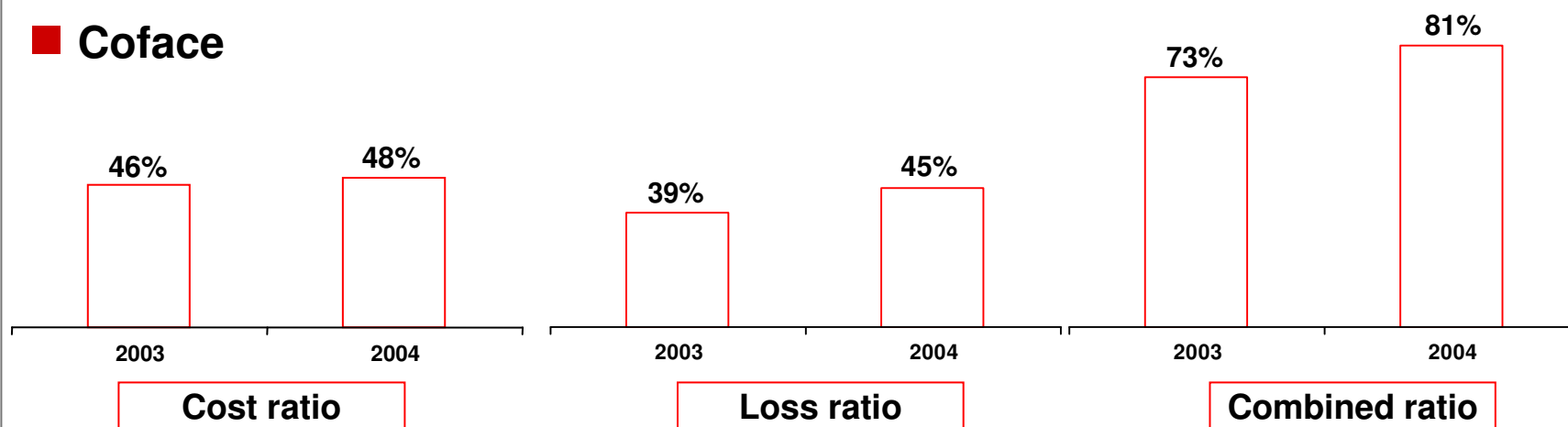


\* Involving assets in custody

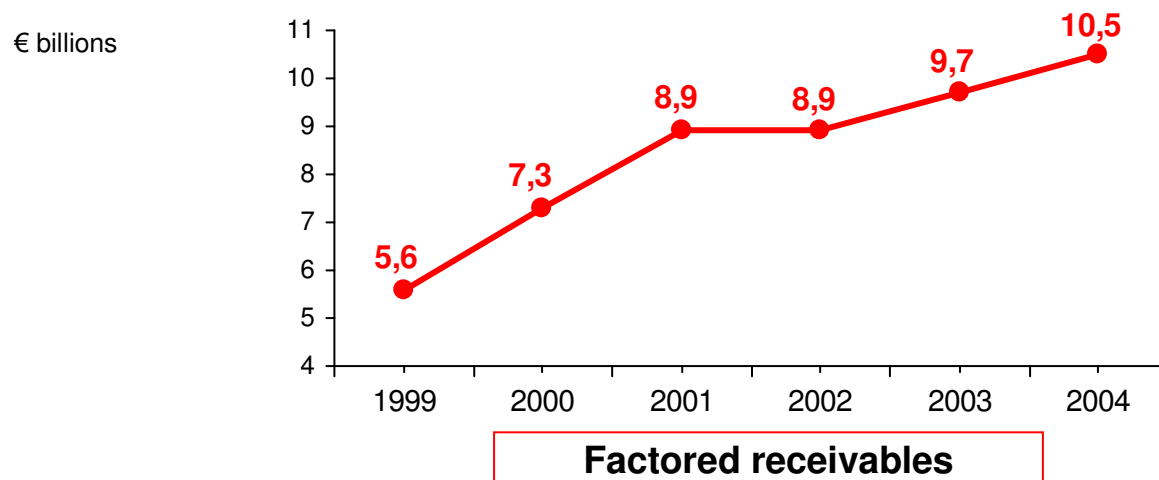
Appendices

# *Trade receivables management*

## ■ Coface



## ■ Natexis Factorem



# ***R**isk-weighted assets*

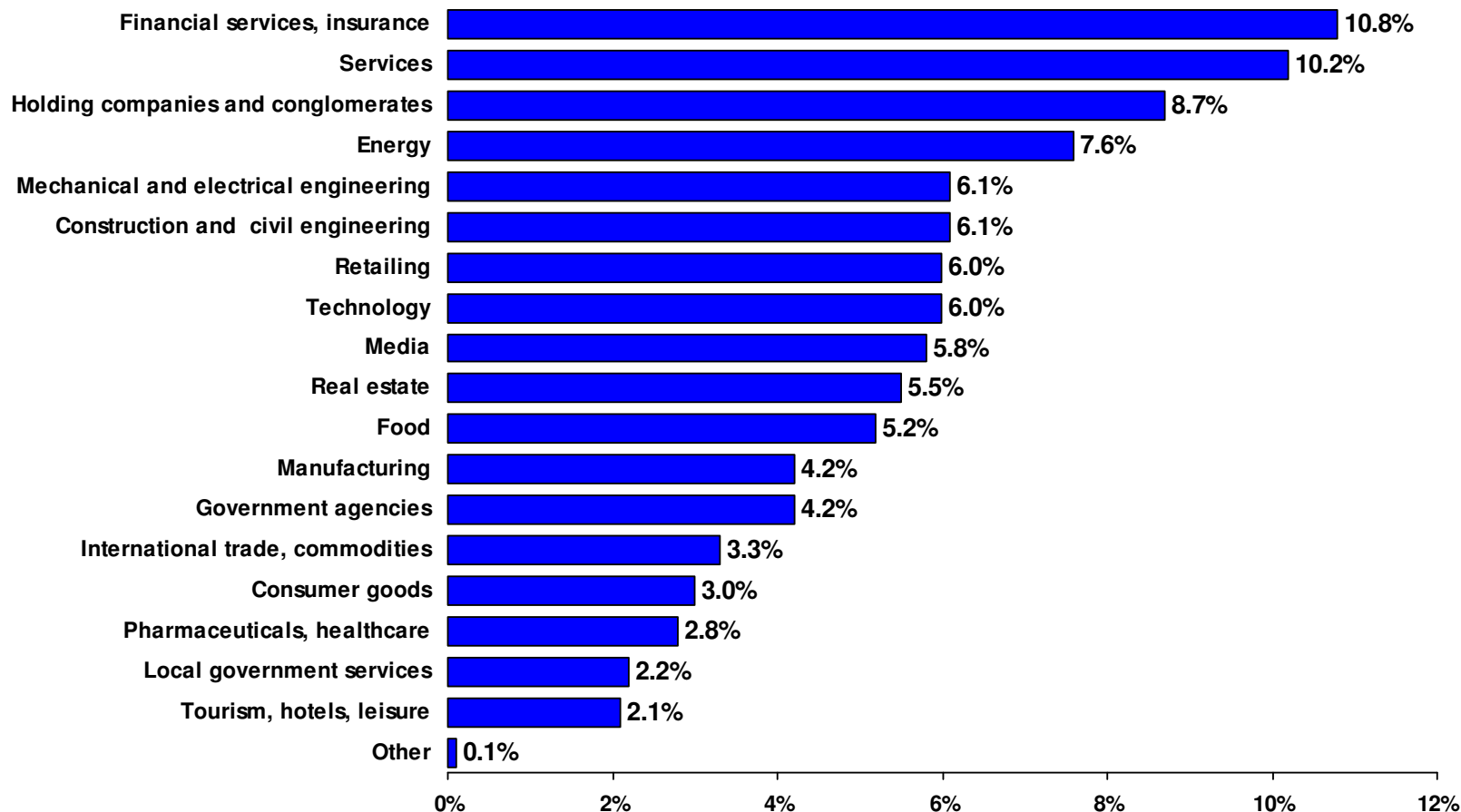
€ billions

|                              | 31/12/04 | 31/12/03 |
|------------------------------|----------|----------|
| ■ Credit risks               | 49.2     | 48.4     |
| ■ Market risks               | 5.7      | 4.7      |
| ■ Total risk weighted-assets | 54.8     | 53.1     |

Appendices

# Credit risk by client industry

## Corporate loan book <sup>(1)</sup>



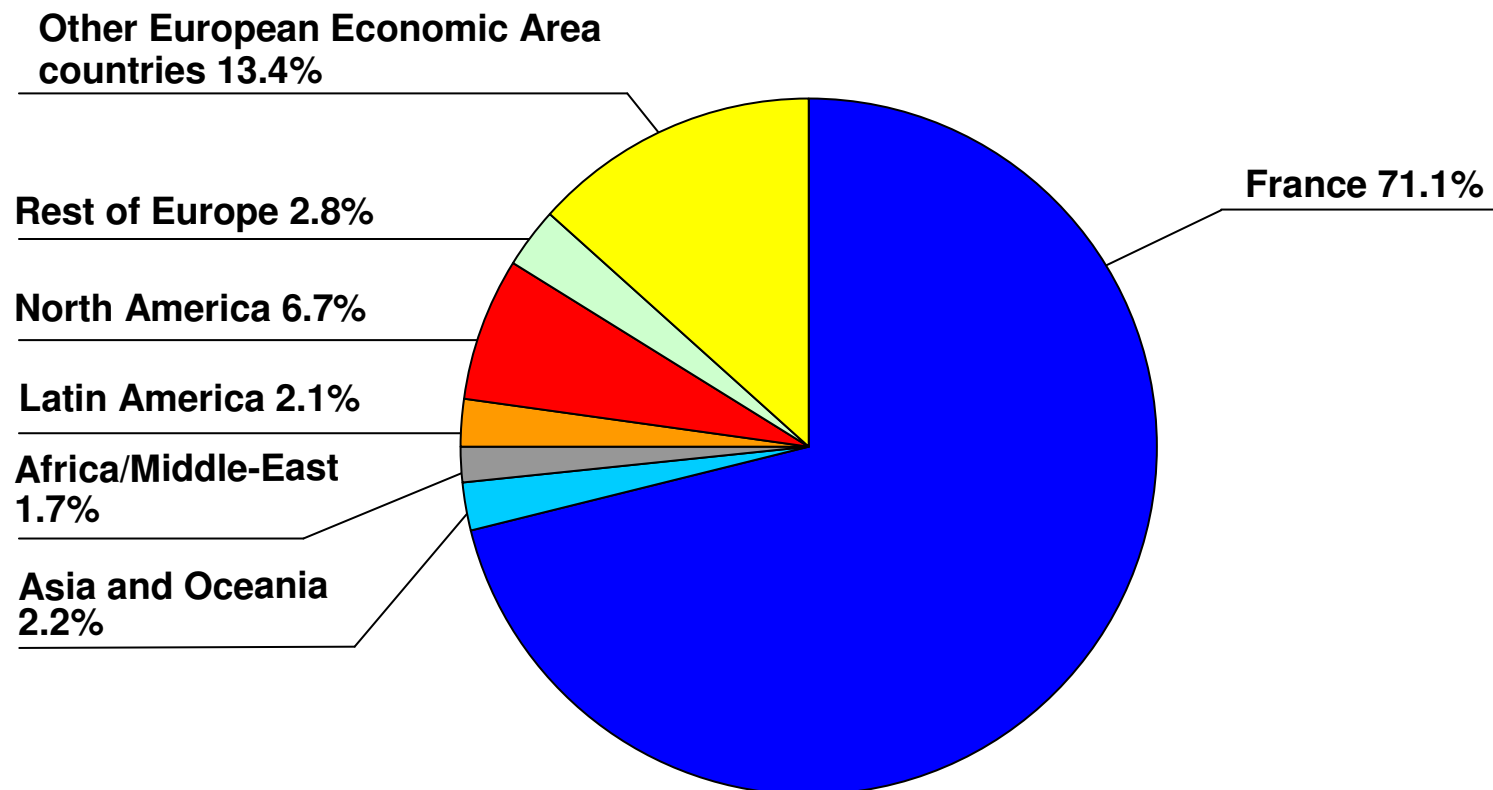
(1) €55.7 billion (on and off-balance sheet) excluding Natexis Lease and Natexis Factorem

## Appendices



# Credit risk by geographical area







## Corporate loan book (1)



(1) €63.5 billion (on and off-balance sheet), including Natexis Lease and Natexis Factorem

# Select deals in second half of 2004 (1/2)

## Corporate lending:

|   |   |  |   |   |   |
|---|---|--|---|---|---|
| <p>July, 2004</p>  <p>EUR 500,000,000</p> <p>Mandated Lead Arranger<br/>Bookrunner and Agent</p> | <p>October, 2004</p>  <p>EUR 2,000,000,000</p> <p>Mandated Lead Arranger</p> | <p>November, 2004</p>  <p>EUR 140,000,000</p> <p>Mandated Lead Arranger<br/>and Bookrunner</p> | <p>November, 2004</p>  <p>EUR 1,200,000,000</p> <p>Mandated Lead Arranger<br/>and Bookrunner</p> | <p>November, 2004</p>  <p>EUR 275,000,000</p> <p>Mandated Lead Arranger<br/>and Bookrunner</p> | <p>December, 2004</p>  <p>EUR 700,000,000</p> <p>Mandated Lead Arranger<br/>Bookrunner and Agent</p> |
|---|---|--|---|---|---|



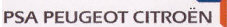


## Structured financing:

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| <p>RECAPITALIZATION</p> <p>Cinven, Carlyle Apax</p>  <p>Sales:<br/>EUR 235,500,000</p> <p>Mandated Lead Arranger</p> | <p>RECAPITALIZATION</p> <p>APAX Partners</p>  <p>Sales:<br/>EUR 526,800,000</p> <p>Mandated Lead Arranger</p> | <p>July 2004</p>  <p>Commercial Loan Financing<br/>into an Export Credit<br/>of 2 Airbus A321-200<br/>for<br/>Vietnam Airlines<br/>Commercial Loan Arranger</p> | <p>Switzerland October 2004</p>  <p>DUFERCO S.A.</p> <p>USD 50,000,000</p> <p>Export Secured<br/>Loan Facility</p> <p>Mandated Lead Arranger<br/>&amp; Bookrunner</p> | <p>Brazil November 2004</p>  <p>IRACEMA LTD</p> <p>USD 20,000,000</p> <p>Export Secured Loan Facility</p> <p>Mandated Lead Arranger<br/>&amp; Bookrunner</p> | <p>Brazil November 2004</p>  <p>Caramutu Alimentos LTDA</p> <p>USD 40,000,000</p> <p>Pre-Export Financing Facility</p> <p>Mandated Lead Arranger<br/>&amp; Bookrunner</p> |
|---|--|--|--|---|--|







## Appendices

# Select deals in second half of 2004 (2/2)

## Bond issues:

|   |  |   |   |   |   |
|---|--|---|---|---|---|
| <br><b>THALES</b><br>THALES<br><b>€500 million</b><br>4.375%<br>22/07/2011<br><b>Joint Bookrunner</b><br>July 2004 | <br><b>IMERYS</b><br>IMERYS<br>OPE 6% 05/05/2007<br><b>€300 million</b><br>5.125%<br>25/04/2014<br><b>Joint Bookrunner</b><br>July 2004 | <br><b>PSA PEUGEOT CITROËN</b><br>BANQUE PSA FINANCE<br><b>€100 million</b><br>4.625%<br>23/06/2006<br><b>Joint Bookrunner</b><br>July 2004 | <b>RALLYE</b><br>RALLYE<br><b>€500 million</b><br>5.625%<br>October 2011<br><b>Joint Bookrunner</b><br>September 2004 | <br><b>PINAULT<br/>PRINTEMPS-REDOUTE</b><br>PINAULT<br>PRINTEMPS-REDOUTE<br><b>€400 million</b><br>3M Euribor +50<br>22/10/2007<br><b>Joint Bookrunner</b><br>October 2004 | <br><b>CADES</b><br>CADES<br><b>€ 1 billion</b><br>1.85%<br>inflation linked July 2019<br><b>Joint Bookrunner</b><br>November 2004 |
|---|--|---|---|---|---|

## Equity and hybrid issues:

|   |   |  |  |   |  |
|---|---|--|--|---|--|
| <br><b>ALSTOM</b><br>Augmentation de capital<br>avec BSA<br><b>1 500 € millions</b><br>Co-lead manager<br>Juillet 2004 | <br><b>oeneo</b><br>AU SERVICE DU VIN<br>Restructuration Oceane<br>2006<br>Conseil<br>Juillet 2004 | <br><b>HAVAS</b><br>Augmentation de capital<br>avec DPS<br><b>400 € millions</b><br>Co-manager<br>Septembre 2004 | <br><b>Club Med</b><br>Oceane<br><b>150 € millions</b><br>Co-lead manager<br>Octobre 2004 | <br>autoroutes<br><b>PARIS RHIN RHONE</b><br>Introduction au Premier<br>Marché<br><b>1 350 € millions</b><br>Co-manager<br>Novembre 2004 | <br><b>BOURSE DIRECT</b><br>ABSA DPS<br><b>6 € millions</b><br>Sole lead Manager<br>Décembre 2004 |
|---|---|--|--|---|--|

## Appendices

# 2007 Business Plan

## Focus on key growth drivers (1/4)

### ■ Enhance value of business franchise

- Systematic efforts to step up cross-selling: capitalize on lending relationship to sell other products (market products, structured financing and asset management)
- Ongoing tailoring of business line action plans to meet evolving customer demand

#### Examples

- In corporate lending, focus on new business with key client targets (large and mid caps) to develop inner circle relationships
- In cash management, upgrade the product offering (develop an Internet offering, new payments offering, etc.) and sales capability (set up a specialist sales force)
- In capital markets, strengthen capability in fixed-income (enrich range of plain vanilla derivatives), credit (research, international sales) and forex (expand the options offering) in order to meet client needs

# 2007 Business Plan

## Focus on key growth drivers (2/4)

### ■ Develop synergies with Banques Populaires retail banking customers

#### → Strengthen distribution capability:

- In insurance, and particularly life insurance, facilitate growth in net banking income by upgrading information systems (more effective management of distribution, etc.)
- In fund management, step up new business in long-term funds
- In employee savings, develop a new standard offering for the VSB segment, particularly in group pension plans (PERCO)
- In lease financing, strengthen commercial capability available to BP retail banking network, and in factoring, harness synergies generated by the new Trade Receivables Management business line

#### → Encourage coordination at NBP (resources and objectives by business line) to provide Banques Populaires retail banking business with more effective support

- Pool marketing skills across NBP business lines (set up dedicated, integrated reporting, etc.)
- Better understanding of challenges specific to each BP bank

# 2007 Business Plan

## Focus on key growth drivers (3/4)

### ■ Strengthen business expertise

- Structured financing: develop revenues through international expansion for the two most mature businesses in France (LBOs and real estate financing)
- Commodities financing: continued expansion by broadening the customer base and extending the product offering
- Employee savings: strengthen positions in employee savings and broaden business franchise in both BP retail banking and NBP
- Private equity: consolidate on leading position in SME segment and strengthen capability available to Banques Populaires retail banks
- Trade receivables management: create global business lines for all activities (credit insurance, business information and factoring)

# 2007 Business Plan

## Focus on key growth drivers (4/4)

### ■ Step up expansion in continental Europe

- Spain: expansion through organic growth in some specialized business lines (structured financing, export credit, etc.) without significantly expanding the balance sheet
- Italy: organic growth and search for a partnership with a mid-sized bank to step up successful penetration of financial institutions segment
- Germany: expansion through organic growth and management of existing partnerships (DZ and IKB) in high value-added businesses (securitization, LBOs, cash management, corporate lending)



# Natexis Banques Populaires

## 2004 results



*Banque et populaire à la fois.*