banque
populaire
group

2008 FINANCIAL REPORTS
AND REGISTRATION DOCUMENT

BANQUE
POPULAIRE

Banque et populaire à la fois.

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2008 registration document

AUTORITE DES MARCHÉS FINANCIERS
AMF

This document is an English-language translation of the French "Document de référence" filed with the *Autorité des Marchés Financiers* (AMF) on April 27, 2009 in compliance with Article 212-13 of the AMF's standard regulations. Only the original French version can be used to support a financial transaction, provided it is accompanied by an Information notice "note d'opération" duly certified by the *Autorité des Marchés Financiers*.

This document was produced by the Banque Populaire Group, and the signatories to it are responsible for its contents.

Message from Philippe Dupont

Chairman of the Banque Populaire Group

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2008 was a year like never before for the European and global economy, hit by an unprecedented crisis. Like all companies in the banking and financial sector, our Group was also affected.

We sustained a net loss of €468 million, reflecting both the solid resilience of our retail banking business and difficulties facing subsidiary Natixis, particularly in its investment banking activities.

Gradually spreading to the real economy, the crisis also affected our clients, be they personal customers, small businesses or companies. More than ever, this climate has highlighted one of our chief responsibilities, that of supporting our clients under all circumstances to help them to make their plans become concrete.

It is with this sense of commitment that the Group continued, within the framework of the French government's economic stimulus plan, to increase its outstanding loans, which amounted to €139.2 billion in 2008, an increase of 13%.

In order to support their clients, the Banque Populaire banks drew on a daily basis on their strengths and specific attributes, namely their strong and long-standing local presence, and an ongoing commitment to helping those who have the daring and conviction to become entrepreneurs.

Our retail banks managed to maintain their commercial performance over the year, generating net banking income of €5,841 million, stable relative to the high level achieved in 2007. This performance was boosted by the acquisition in July of seven Regional Banks from HSBC France, making the Group the fourth-largest bank in France with 9,400,000 clients and 3,391 branches.

We also maintained our leading position among small business clients and SMEs. In 2008, we helped 70,000 business start-ups and supported the local economy.

This attests to our commitment to serving our customers, as well as supporting the community through social initiatives, sustainable development, solidarity-based products and the Banque Populaire Foundation.

All of these efforts reflect our values and originate from our cooperative business model, which is based primarily on the spirit of entrepreneurship and a long-term vision. Moving ahead in the long term means looking to the future. This is the idea behind the proposed merger with the Groupe Caisse d'Epargne to create France's second-largest banking group, an ambitious project for our customers, our member-stakeholders and our employees.

Interview with François Pérol

Chief Executive Officer of Banque Fédérale des Banques Populaires from March 2, 2009

1 2 3 4 5 6 7 8 9 10 11

Is the creation of France's second-largest banking group under way?

Things are already up and running. At the end of February 2009, around 20 individual projects were identified and bipartite working parties were set up and given precise remits. Our ambitions still need to take shape. We need to work together, quickly and pragmatically, respecting the business cultures of each Group.

What is the significance of the proposed merger?

The plan is based on a consistent industrial approach. The merger of the Banque Populaire Group, which finances the local economy, and the Groupe Caisse d'Epargne, which collects household savings, would create considerable growth potential for the two major networks, while also protecting their identity and their autonomy. Natixis, which would be a subsidiary of the new Group, would be a useful driver serving these networks. With capital of nearly €40 billion, the new Group would benefit from a solid financial structure, able to face the challenges of financing the economy. This project makes sense as it would bring together two groups with strong cooperative roots and firmly anchored in their respective regions, serving the development of the regional and local economy.

What role does the French government play?

The government's intervention – which is entirely exceptional and temporary – should provide the new entity with additional resources and financial strength of the highest standards during this time of crisis. It provides security and durability for clients of the two banking networks, in a climate characterized by a high level of mistrust of the banking system.

What are the main challenges you expect to face?

We have to devote all of our energies to this planned merger. We need to establish the main economic and strategic targets, identify synergies and costs that can be pooled, and create a solid new central body that will constitute a true "core" and will be operational from the second half of 2009. In doing this, we must not lose sight of the fact that the merger will not be able to succeed without the support of all those involved, in particular our 110,000 employees.

Banque Populaire Group's values

For decades, the Banque Populaire Group has played an active role in the French economy at both regional and national level. Every day, the Group demonstrates that it has retained its own distinctive style and forged a strong personality. In the future, just as in the past, the Group will continue to be guided by three fundamental principles: Entrepreneurship, Cooperation and Humanity.

Entrepreneurship

Founded by entrepreneurs for entrepreneurs, the Banque Populaire Group encourages entrepreneurship. It seeks to release the creative energy of its clients and staff. It respects bravery, tenacity and enthusiasm among people developing their professional or personal projects. The vision of the entrepreneur requires optimism. It is a source of constant progress.

Cooperation

The Banque Populaire Group's history, its way of doing business and its day-to-day experience show its dedication to the cooperative spirit. Cooperation means working together for the common good, accepting one's full responsibility to one's partners and society. It implies mutual trust. It is meaningless unless it is for the long term. It withstands the pressures of short-termism.

Humanity

The Banque Populaire Group is built on respect for the lifestyles, sensitivities, expectations and individuality of its clients and partners. Every person and every project is unique. To succeed, they need to be listened to and informed in a clear and transparent way, to be understood. Putting the individual at the heart of the process gives shape and strength to the banking relationship.

1 Presentation

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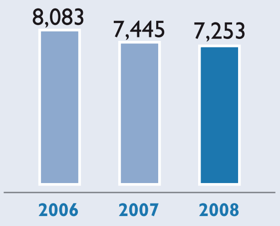
1.1 2008 Key figures

Banque Populaire Group

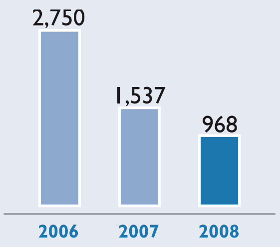
NET BANKING INCOME

in € millions



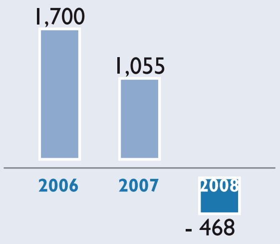
GROSS OPERATING INCOME

in € millions



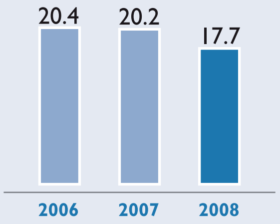
NET INCOME

in € millions



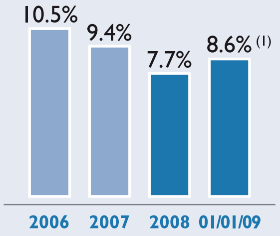
TOTAL REGULATORY CAPITAL

in € billions - at December 31



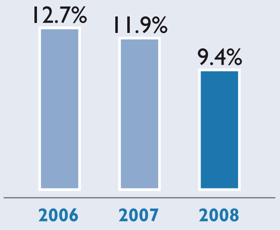
TIER ONE RATIO

at December 31



INTERNATIONAL CAPITAL ADEQUACY RATIO

at December 31



RATINGS	Long-term	Short-term	Financial strength	Outlook
Standard and Poor's	**A+**	**A-1**	**-**	**Stable**
Moody's	**Aa3**	**P-1**	**C+**	**Stable**

2006 data: pro forma and Basel I prudential ratios.

20
Banque Populaire banks (2)

3,460,000
member-stakeholders

9,420,000
customers

3,391
branches

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(1) Proforma with floor at 80%.

(2) 18 Banque Populaire regional banks, CASDEN Banque Populaire and Crédit Coopératif.

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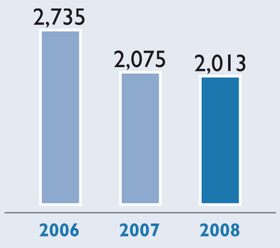
Banque Fédérale des Banques Populaires

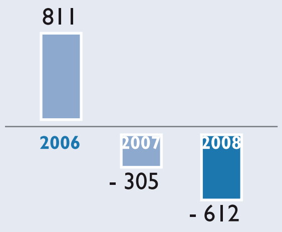
NET BANKING INCOME

in € millions



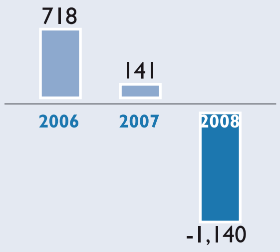
GROSS OPERATING INCOME

in € millions



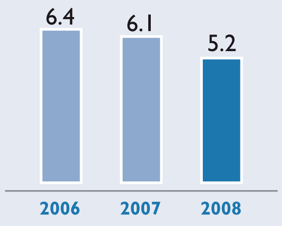
NET INCOME

in € millions



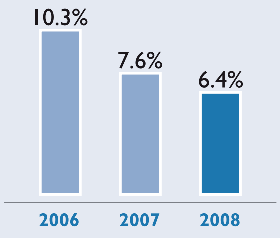
TOTAL REGULATORY CAPITAL

in € billions - at December 31



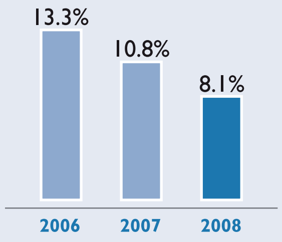
TIER ONE RATIO

at December 31



INTERNATIONAL CAPITAL ADEQUACY RATIO

at December 31



2006 data: pro forma and Basel I prudential ratios.

44,448
employees [3]

Present in **74** countries [4]

64
mutual guarantee companies

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(3) Full-time equivalent employees (permanent + temporary) at December 31, 2008.

(4) Natixis and its subsidiaries and equity investments in subsidiaries of BFBP.

1.2 The Group's history

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The Banque Populaire Group can trace its origins back to the late 19th century, with the creation of the first Banque Populaire bank in various regions of France (Angers, Menton, Montceau-les-Mines, Toulouse, etc.) on the initiative of shopkeepers, industrial companies and tradespeople, who grouped together to form associations to facilitate their member-stakeholders' access to lending.

March 13, 1917

Creation of the Banque Populaire banks

The Banque Populaire banks are established to help boost lending to small and medium-sized businesses. They are organized as cooperative companies entirely owned by their member-stakeholders.

June 20, 1921

Creation of Caisse Centrale des Banques Populaires

The 74 Banque Populaire banks, united by a common identity, set up a central structure to organize a system of mutual financial support by centralizing, managing and investing their cash surpluses.

May 23, 1929

Creation of Chambre Syndicale des Banques Populaires

A second central body is created to strengthen the system of mutual support. Its three roles are the exercise of control, the power to represent the banks and the establishment of a forum for dialogue and consultation.

And more recently,

June 2, 1998

Friendly takeover bid by Banque Populaire Group for Natexis SA

At the time, Natexis SA was the holding company of the Natexis Group, which had been formed through the 1996 merger of Crédit National and Banque Française du Commerce Extérieur. At the close of the offer period, Caisse Centrale des Banques Populaires owned 53.2% of Natexis SA and the Group's total interest was 71.4%. Its interest was raised to 74.36% at the end of 1998.

July 27, 1999

Creation of Natexis Banques Populaires

The businesses conducted by Caisse Centrale des Banques Populaires are transferred to Natexis SA, which is renamed Natexis Banques Populaires.

December 23, 1999

Caisse Centrale des Banques Populaires becomes Banque Fédérale des Banques Populaires

The registered office transfers to the Ponant de Paris building. By end-1999, the Group owns 88.06% of Natexis Banques Populaires. By year-end 2000, the figure has been reduced to 79.23% following the first public issue of new capital by Natexis Banques Populaires in its new configuration.

May 31, 2001

Banque Fédérale des Banques Populaires adopts joint stock ("*société anonyme*") status

Under Article 27 of the "NRE" Act (Act No. 2001-420 of May 15, 2001 concerning corporate governance), Chambre Syndicale des Banques Populaires is wound up and all its assets, rights and obligations are transferred to Banque Fédérale des Banques Populaires, together with the collective guarantee fund.

November 18, 2002

Memorandum of understanding between the Banque Populaire Group and Crédit Coopératif

January 10, 2003

Memorandum of understanding between the Banque Populaire Group and Crédit Maritime Mutuel

January 30, 2003

Crédit Coopératif adopts "*société anonyme coopérative de banque populaire*" status

Following approval by shareholders at its Extraordinary General Meeting, Crédit Coopératif becomes a Banque Populaire bank and joins the Banque Populaire Group's internal guarantee system.

August 1, 2003

Banque Fédérale des Banques Populaires becomes the central body of the Crédit Maritime Mutuel banks

Following changes in the law in the summer of 2003 (Article 93 of the French Financial Security Act No. 2003-706) and in accordance with the agreement signed in January 2003 between the Banque Populaire Group and Crédit Maritime Mutuel, Banque Fédérale des Banques Populaires replaced Caisse Centrale du Crédit Coopératif as the central body of the Crédit Maritime Mutuel banks.

November 17, 2006

Creation of Natixis

Natixis was created through the combination of the corporate and investment banking, asset management and services activities of the Banque Populaire Group and the Groupe Caisse d'Epargne. The two groups each own 45.52% of Natixis's share capital, before selling Natixis shares on the market as described below.

November 18 – December 5, 2006

Natixis shares were sold on the market under an open price offer in France for retail investors and a global placement for institutional investors in France and elsewhere.

January 13, 2007

Acquisition of FONCIA

Memorandum of understanding between Banque Fédérale des Banques Populaires, Jacky Lorenzetti and the family-owned holding company SEIP on the acquisition of FONCIA , the leader in residential real estate management services in France.

May 4, 2007

Success of the standing market offer (''*garantie de cours*'') for FONCIA shares followed by a squeeze-out, after which Banque Fédérale des Banques Populaires and Jacky Lorenzetti hold 100% of FONCIA's share capital in concert.

July 2, 2008

Acquisition of seven HSBC France Regional Banks.

October 8, 2008

Decision in principle to merge Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE), the central body of the Banque Populaire banks for BFBP and the Caisse d'Epargne banks for CNCE.

1.3 Key events of 2008

1.3.1 Banques Populaire banks

Banque Populaire banks continued to pursue their policy of winning new customers in all target segments:

- personal banking: 7,600,000;
- small businesses banking: 975,000;
- corporate banking and other*: 383,000.

The Banque Populaire banks further strengthened their regional position with the acquisition of seven HSBC France Regional Banks. These Regional Banks were attached to Banque Populaire banks according to the region they cover. Consequently, Banque de Savoie is a subsidiary of Banque Populaire des Alpes, Banque Chaix is a subsidiary of Banque Populaire Provençale et Corse, Crédit Commercial du Sud-Ouest and Banque Pelletier are subsidiaries of Banque Populaire du Sud-Ouest, and Banque Marze and Banque Dupuy, de Parseval are subsidiaries of Banque Populaire du Sud. Société Marseillaise de Crédit is a subsidiary of Banque Fédérale des Banques Populaires.

In addition, i-BP, the Banque Populaire banks' sole IT platform, continued with the implementation of CRM (customer relationship management) technology at the Banque Populaire banks, allowing for closer management of relationships with customers over the months and years. This will further enhance the banks' relations with their customers.

1.3.2 Banque Fédérale des Banques Populaires (BFBP)

Banque Fédérale des Banques Populaires focused on federating projects involving all components of the Group:

- major regulatory projects;
- negotiations with HSBC concerning the acquisition of the Regional Banks;
- devising the "Ambitions 2012" strategic development plan, due to begin in early 2009 after being approved by the Board of Directors of Banque Fédérale des Banques Populaires at the start of 2009;
- the roll-out of the "management reporting system" dedicated to the Banque Populaire banks;
- extension of the new asset and liability management (ALM) system to cover all areas and implementation of new stress test limits for systemic liquidity and credit ratings;
- the creation of a cash management department dedicated to refinancing for the Group's refinancing.

1.3.3 Banque Populaire Group

- Regional Banks acquisition. The acquisition began in early 2008 with the initiation of exclusive negotiations with the HSBC Group (*press release of February 29, 2008*), which came to an end in July 2008 with the finalization of the sale of the Regional Banks to the Banque Populaire Group (*press release of July 2, 2008*) for €2.1 billion.

  The deal is based on respecting the identity and brands of the Regional Banks in keeping with the Banque Populaire Group's decentralized model.

  The Regional Banks will be able to step up their rate of growth with the Banque Populaire Group's products, services and organizational structure.

  As well as strengthening its regional position in the south of France, the Group has risen up the ranks to become the fourth-largest retail banking network in France.

  The Banque Populaire Group and the Groupe Caisse d'Epargne confirm their support of their joint subsidiary Natixis during its capital increase…
- In July 2008, the Board of Directors of BFBP and the Supervisory Board of Caisse Nationale des Caisses d'Epargne (CNCE) agreed to participate in Natixis's €3.7 billion capital increase. The rights issue was underwritten by BFBP and CNCE. The two central bodies committed to subscribe in an amount proportional to their existing shareholdings, and to subscribe for any shares not subscribed by other investors. Concomitantly with this strengthening of Natixis's equity capital, the two core shareholders - BFBP and CNCE - mandated its executive management to take measures to reduce risks, redeploy the business portfolio and reduce the cost base (*press release of July 16, 2008*).

  In September 2008, BFBP and CNCE confirmed that, pursuant to the commitments made, they had subscribed to the rights issue in an amount proportional to their existing subscription rights (*press release of September 19, 2008*).

  …And in the corrected information published in a leading French financial newspaper:

  To this effect, BFBP and CNCE confirmed the success of Natixis's capital increase and its ability to step up the implementation of its strategic development plan, denying any rumours about a change of governance (*press release of September 25, 2008*).

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* *Associations, local authorities, etc.*

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- The Banque Populaire and the Groupe Caisse d'Epargne announced a framework agreement between CIFG - the joint credit enhancement subsidiary of their central bodies, BFBP and CNCE - and its main counterparties concerning a proposed commutation deal (*press release of September 2, 2008*). This framework agreement, approved by the New York Insurance Department, benefits from the support of three-quarters of counterparties. After the deal, BFBP and CNCE should each see their stakes in CIFG reduced by 5%.
- The French government has decided to adopt a plan to support funding for the economy, enabling the six largest French banks to access complementary funding and to maintain their high solvency ratios. The funding plan takes the form of subordinated debt which counts towards Tier 1 capital. In accordance with the government's expectations, the Banque Populaire Group and the Groupe Caisse d'Epargne decided to participate in the plan in the amount of €950 million and €1.1 billion respectively (*press release of October 21, 2008*).
- On October 8, 2008, the Board of Directors of Banque Fédérale des Banques Populaires agreed the principle of a merger between the Banque Populaire Group and the Groupe Caisse d'Epargne. The merger would be carried out by joining the two central bodies – Banque Fédérale des Banques Populaires (BFBP) for the Banque Populaire Group and Caisse Nationale des Caisses d'Epargne (CNCE) for the Groupe Caisse d'Epargne – to form a single central body for the two independent networks, creating France's second largest banking group. This new central body would be governed by a management board and a supervisory board (*press release of October 8, 2008*).

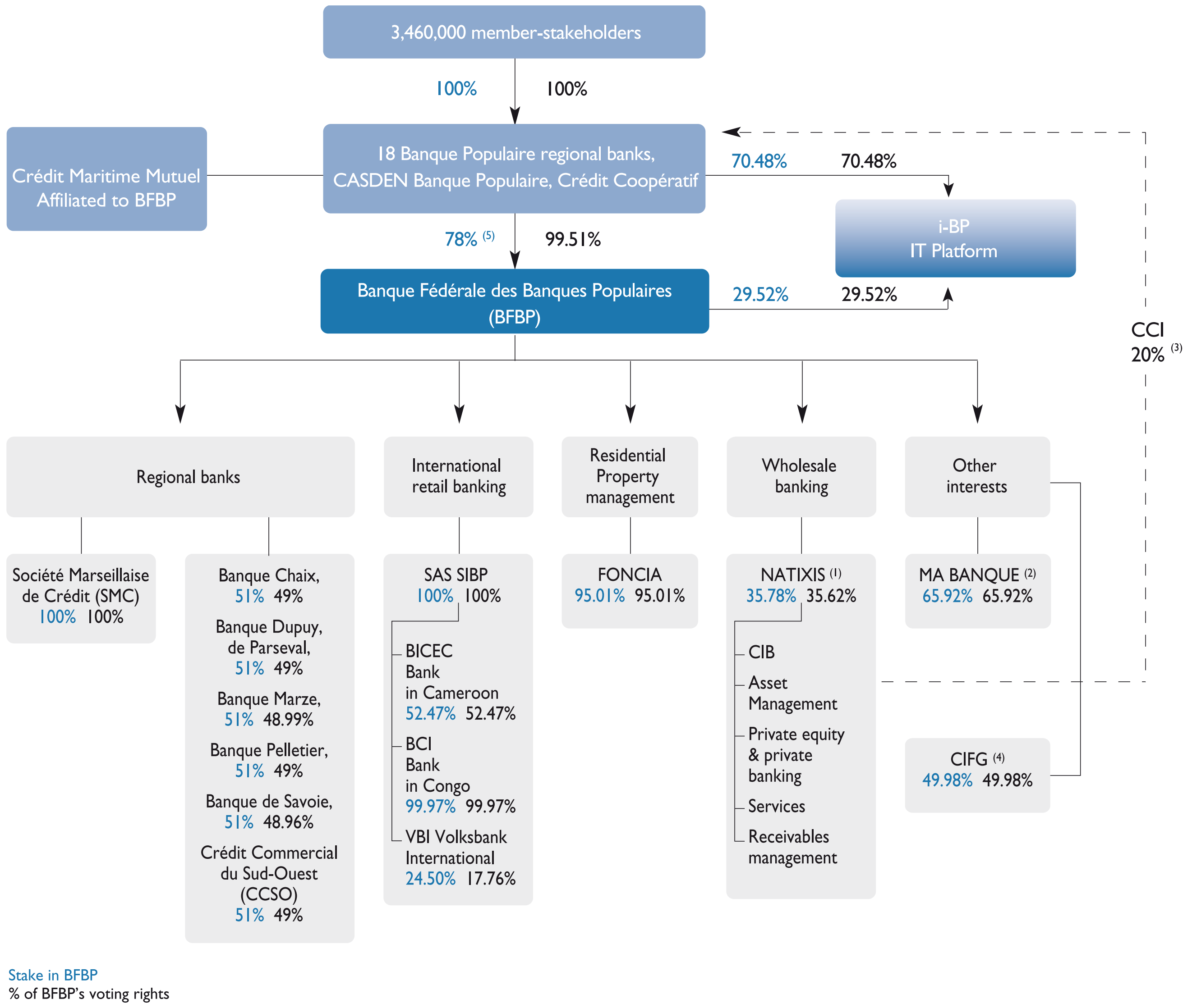
The merger of the two central bodies was followed on November 12, 2008 by an agreement between the Board of Directors of BFBP and that of CNCE to begin negotiations to establish the scope of the work to be undertaken and discussions to finalize the creation of a single central body resulting from the merger between BFBP and CNCE. The governance of the new company will be based on the principles of balance and parity between the two networks.

A project committee, chaired by Philippe Dupont and including Bernard Comolet, Alain Lemaire and Yvan de La Porte du Theil, is responsible for preparing and coordinating all of the transactions relating to the industrial project and the organization of the new entity (*press release of November 12, 2008*).

Following the meeting of the project committee on December 6, 2008, the relevance of the merger plan was confirmed, with strong convergence regarding the vision of the future group. Equipped with this unity of purpose, it was decided to bring together and engage the senior executives of the Caisse d'Epargne and Banque Populaire to participate in and build together the future group (*press release of December 6, 2008*).

All of these press releases are available in the regulated information section of the Banque Populaire Group's investor relations website *www.ir.banquepopulaire.fr*.

1.4 Banque Populaire Group organization chart at December 31, 2008



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(1) Joint subsidiary with the Caisse d'Epargne Group.
(2) Subsidiary of BFBP and COVEA MAB.
(3) Cooperative Investment Certificates: equity interest in the Banque Populaire Group and Groupe Caisse d'Epargne networks.
(4) Equal stake of 49.98% held jointly by CNCE, the central body of the Groupe Caisse d'Epargne.
(5) Voting rights limited by the bylaws.

1.5 The Group worldwide

Present in 74 countries

Europe

- 🟦 Austria
- 🟦 Belgium
- ■ Bosnia-Herzegovina
- ■ Bulgaria
- ◩ Croatia
- ◩ Czech Republic
- 🟦 Denmark
- 🟦 Estonia
- 🟦 Germany
- ◩ Hungary
- 🟦 Ireland
- 🟦 Italy
- 🟦 Kazakhstan
- 🟦 Latvia
- 🟦 Lithuania
- 🟦 Luxembourg
- 🟦 Netherlands (the)
- 🟦 Norway
- 🟦 Poland
- 🟦 Portugal
- ◩ Romania
- 🟦 Russia
- ■ Serbia
- ◩ Slovakia
- ◩ Slovenia
- 🟦 Spain
- 🟦 Sweden
- 🟦 Switzerland
- ◩ Turkey
- 🟦 Ukraine
- 🟦 United Kingdom

Americas

- 🟦 Argentina
- 🟦 Brazil
- 🟦 Canada
- 🟦 Chile
- 🟦 Colombia
- 🟦 Costa Rica
- 🟦 Ecuador
- 🟦 Mexico
- 🟦 Panama
- 🟦 Peru
- 🟦 United States
- 🟦 Venezuala

Africa/Asia-Pacific

- 🟦 Algeria
- 🟦 Australia
- 🟦 Benin
- 🟦 Burkina Faso
- ◩ Cameroon
- 🟦 China (P.R.)
- ■ Djibouti (Republic of)
- 🟦 Egypt
- 🟦 India
- 🟦 Indonesia
- 🟦 Israel
- 🟦 Ivory Coast
- 🟦 Japan
- ■ Laos
- 🟦 Lebanon
- 🟦 Malaysia
- 🟦 Mali
- 🟦 Morocco
- ■ Republic of the Congo
- 🟦 Senegal
- 🟦 Singapore
- 🟦 South Africa
- 🟦 South Korea
- 🟦 Taiwan
- 🟦 Thailand
- 🟦 Togo
- 🟦 Tunisia
- 🟦 United Arab Emirates
- ■ Vanuatu
- 🟦 Vietnam

🟦 Countries in which Natixis is present under its own name or via its subsidiaries or commercial representations

■ Subsidiaries of BFBP (VBI, BCI, BICEC) and/or BRED Banque Populaire

◩ Multiple offices

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2 Group structure

Introduction

The Banque Populaire Group is a cooperative group comprising 20 Banque Populaire banks (18 Banque Populaire regional banks, CASDEN Banque Populaire and Crédit Coopératif). The capital of these companies is wholly owned by their member-stakeholders. The Banque Populaire banks are the parent companies of Banque Fédérale des Banques Populaires (BFBP), the central body of the Banque Populaire Group and Crédit Maritime Mutuel. Since the end of 2006, BFBP, jointly with Caisse Nationale des Caisses d'Epargne (CNCE), has also been the central body of Natixis, the listed vehicle jointly owned by Banque Populaire Group and Groupe Caisse d'Epargne. At the end of 2008, BFBP and CNCE together owned 35.62% of Natixis, the investment and projects bank, in equal proportions. BFBP also directly or indirectly owns other equity interests in France and abroad.

2.1 Member-stakeholders

Member-stakeholders committed to entrepreneurship and local developement

At December 31, 2008, Banque Populaire Group totaled more than 3.4 million member-stakeholders, up 3.4% compared with December 31, 2007.

Over the same period, Banque Populaire regional banks, CASDEN Banque Populaire, Crédit Coopératif and Crédit Maritime Mutuel's combined share capital increased by 3.1% to €3,6 billion.

2.1.1 Reaffirming cooperative values

Historically, Banque Populaire banks were created by and for entrepreneurs. It is therefore only natural that they support and encourage the ambition of entrepreneurs. This local commitment to its member-stakeholders' personal, professional and citizenship projects is the hallmark of the "Banque Populaire Spirit".

The Banque Populaire Group's history, its way of doing business and its day-to-day experience show its dedication to the cooperative spirit. Cooperating means working together for the common good, acting in concert with reciprocal trust and transparency. That is why they have built up strong and lasting partnerships with their member-stakeholders.

Banque Populaire banks put the individual at the heart of their process. The Banque Populaire Group is built on respect for the lifestyles, sensitivities, expectations and individuality of its clients and partners. They are heavily committed to the development of the local economy, a shared interest with their member-stakeholders.

2.1.2 Encouraging member-stakeholders to voice opinions

A number of Banque Populaire banks have initiated processes to encourage member-stakeholders to voice their opinions:

- Banque Populaire Rives de Paris carried out a survey - to be repeated annually - to determine how the bank is perceived by its member-stakeholders and to identify their expectations. In addition to the figures being very satisfactory, the survey highlighted the fact that the member-stakeholders feel truly involved in the bank's operations and value its cooperative spirit. The bank also drafted a Member-Stakeholders Charter which defines the reciprocal commitments between the bank and its member-stakeholders, based on lasting transparent relationships.
- Along the same lines, Banque Populaire Atlantique launched an online questionnaire entitled "Member-stakeholders, have your say", in partnership with the business school Audencia-Nantes with which the Group has signed a charter on micro-finance.

Apart from the General Meeting, where the member-stakeholders can voice their opinions, the member-stakeholders of Crédit Coopératif can now contact the bank's Board of Directors via a dedicated internet link. Member-stakeholders receive an individual reply to their questions.

2.1.3 Capturing member-stakeholders' useful energy

Each of Banque Populaire's 19 banks continued to launch corporate citizenship initiatives to give meaning to the words cooperation and entrepreneurship. Initiatives such as the "Clubs Déclic", regional initiative awards, business start-up meetings, member-stakeholder meetings and councils, summer schools, voluntary work awards and social economy initiative awards are all examples of harnessing creative energies and encouraging the region's economy and social and cultural activities.

This momentum is relayed by the member-stakeholders, who are playing an ever-more active role in events organized by the network, supported by very large budgets.

Twelve Banque Populaire banks (Alpes, Alsace, Bourgogne Franche-Comté, Centre Atlantique, Loire et Lyonnais, Massif Central, Occitane, Ouest, Sud, Provençale et Corse, Sud-Ouest, Val de France) organize regional initiative awards annually. The scope of regional initiative awards is extended to cover areas of social responsibility such as sustainable development, solidarity and support for life's unforeseen events.

Once again, Banque Populaire des Alpes awarded its "Trophées Pull Rouge de l'innovation économique en montagne" to reward French ski instructors for outstanding performance of their professional activities.

Every quarter, Banque Populaire d'Alsace awards its Alsace regional initiative prizes (PIRA) in turn in its three regions: Northern Alsace, Central Alsace, Southern Alsace.

A record breaking twelve thousand eight hundred Banque Populaire Bourgogne Franche-Comté member-stakeholders voted and awarded a Member-stakeholder special prize to one of the nine finalists of the 2008 regional initiative prizes.

Banque Populaire Loire et Lyonnais pre-selected 28 member-stakeholder projects, among which its member-stakeholders (40,000 households) chose the winners of the 2008 regional initiative prizes. The 10% response rate showed the significant member-stakeholder participation. In 2008, the Bank's regional initiative prizes introduced a new "transmission of knowledge" section relating to regional heritage, education and culture.

Banque Populaire Côte d'Azur launched the Dynamic member-stakeholder's prize, which rewards member-stakeholders for their involvement in regional life in the following three areas: volunteer work, humanitarian aid and corporate social innovation.

For the past 37 years Banque Populaire Lorraine Champagne has organized region-wide member-stakeholder meetings bringing together between 200 and 500 member-stakeholders by branch. There were twenty two meetings in 2008.

Banque Populaire du Massif Central, which in 2007 decided to associate secondary school pupils and a local newspaper to its regional initiative prizes, decided for its 2008 edition to honor each of its 6 award winners at local events, for example "les Fêtes du Roi et l'Oiseau" at Puy-en-Velay.

Banque Populaire Occitane's Association of Clients and Member-stakeholders, which is unique in its kind throughout Europe, totals more than 92,000 members and is a forum for sharing Banque Populaire Group values. Founding members of the Hôpital Sourire association, Banque Populaire Occitane and Toulouse University Hospital are annually involved in initiatives helping sick children.

In 2008, Banque Populaire du Sud set up a system for detecting and dealing with vulnerable clients. As an active partner in social economy for a number of years now, Banque Populaire du Sud has decided to step up its involvement by helping to finance the leading French institute of social economy entrepreneurship (EEES), and supporting the Languedoc-Roussillon regional chamber of social economy (CRES-LR). The institute's first students will start courses in March 2009. Its aim is to train future management in the fields of social and solidarity economy, and to give this sector a clearer identity and make it more attractive.

Banque Populaire Val de France works together with "Cap Emploi", specialized in integrating disabled persons into working life, and participates actively in specialized forums. The bank also intends to increase its use of "Établissements et Services d'Aide par le Travail" (ESAT - organizations which employ disabled persons in adapted structures) and adapted companies which employ disabled persons.

Four Banque Populaire banks (Nord, Ouest, Occitane, Provençale et Corse) have set up "Clubs Déclic". This represents more than 150 "Clubs Déclic" which cover almost 500 financed projects.

In March 2008, Banque Populaire du Nord launched "Initiatives", a quarterly newsletter to communicate on best practices, and to build a link between the 24 Clubs of member-stakeholders based throughout the five departments in its region.

Banque Populaire Atlantique decided to revamp its voluntary work awards for their 18th edition. The new "Voluntary work regional initiative awards" are closer to the regional initiative prizes; they honor regions, local heritage, and local initiatives, and only reward associations. Its Pop-Reporter competition, now in its fifth year, involves almost 4,000 school pupils every year.

Banque Populaire du Sud-Ouest organizes an annual "Young Heritage Reporters" competition, in association with the National Education Department and the newspaper "Sud-Ouest". The competition has been extended to become "Young Eco-Citizen Reporters", with an additional partner, the ADEME (French Environment and Energy Control Agency).

BRED Banque Populaire is involved in several solidarity-based initiatives. For example the customer sponsorship program, by which the bank makes a donation to a charity for every customer referral, and also long lasting partnerships with various charities (Fondation de la 2^{e} Chance, Médecins sans Frontières, Jeunesse au Plein Air, etc.)

Nineteen Banque Populaire banks regularly hold member-Stakeholder meetings. Six of them organize welcome meetings or business start-up meetings, which bring together hundreds of new customers in their branches. In 2008, more than 1,200 meetings took place involving over 100,000 member-stakeholders.

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2.1.4 Supporting entrepreneurship

Three of Banque Populaire's female Directors won the CEFEC awards

On CEFEC's 20th anniversary (Conseil Européen Femmes Entreprises et Commerce - European Council for Women in Business and Trade) three of Banque Populaire banks' female Directors (Claudine Esnault - Atlantique, Nicole Prulho-Cartau - Centre Atlantique, and Chantal de Larrard - Rives de Paris) were presented with the award in Paris, at the Paris Chamber of Commerce and Industry, by Jean-Pierre Jouyet, Secretary of State for European Affairs, Hervé Novelli, Secretary of State for Commerce, Craft, Trades and Tourism, Jean-Pierre Raffarin, former Prime Minister, and Simone Veil, former cabinet minister, and former president of the European Parliament.

Organized every two years, this award is presented to women throughout France and Europe, who have created their own company thereby promoting entrepreneurship. Banque Populaire banks' involvement in this initiative, at a time when the bank intends to increase the number of women in managerial positions throughout the Group, was an ideal opportunity to honor outstanding female French regional candidates who are deeply committed to their regional economy. This is a way for the Banque Populaire regional banks to assert their commitment to cooperative values.

"Entrepreneur member-stakeholders and their local regions, together a winning team"

This slogan which embodies the entrepreneurship values characteristic of the Banque Populaire banks and their member-stakeholders, sums up the essence of the 2008-2010 member-stakeholders brochure launched in the fourth quarter of 2008 throughout the network of seventeen Banque Populaire banks. The aim is to assert the Banque Populaire banks' values - Entrepreneurship, Cooperation and Humanity - via projects by companies or associations launched by member-stakeholders in close relationship with their account manager.

As well as these visions of local experiences in the Banque Populaire regions - illustrated by a series of twenty tandems of member-stakeholders/account managers - explanatory modules have been developed to explain recurring issues about member-stakeholders and Cooperation. Posters displayed in the bank's branches round off the advertising campaign.

"Roads of Entrepreneurship" – a series of short films

For the second year running, Banque Populaire d'Alsace honors the winners of the regional initiative prizes Alsace and the Banque Populaire Group Foundation by broadcasting a series of short films on the France 3 regional Alsace TV channel, at prime time.

These short films entitled "Roads to Entrepreneurship" illustrate Banque Populaire's fundamental values: ambition, entrepreneurship and close local relationships. They promote men and women who have decided to step out through their entrepreneurship, by creating companies or associations.

"Roads to Entrepreneurship" is a campaign which is all the more relevant in a downbeat economy where it is essential to boost confidence and place humanity and entrepreneurship back at the heart of regional economy. These widespread consumer campaigns give a clearer view of Banque Populaire's initiatives, both internally and externally.

2.1.5 Involvement of member-stakeholders at federal level

- Banque Populaire Group created a new governing body at the end of 2008: the Cooperative Committee, to strengthen the Group's cooperative identity further.
- The 7th national annual and decentralized meeting of member-stakeholders was held in June 2008, in the Banque Populaire Bourgogne Franche-Comté's region. It brought together 120 managers, Directors, Member-Stakeholder Committee chairmen, member-stakeholder representatives and business owners, and several external participants including Jean-Noël Ory, University lecturer at Metz University (hybrid cooperative models) and Hervé Guider, General Manager of the European Association of Cooperative Banks – EACB – (cooperative lobby).
- Member-stakeholder representatives meet annually to share best practices and determine the initiatives for the annual action plan.
- A member-stakeholder reporting scoreboard is applied each year in March using a qualitative and quantitative approach to measure the progress of member-stakeholders in the Banque Populaire regional banks.
- Societatis, the member-stakeholder intranet, is a tool used to enhance exchanges on best practices among Banque Populaire banks. It is a means of communication that capitalizes on successful experiences in regional initiatives, training, member-stakeholder communications and events.

2.2 Banque Populaire banks

True to their cooperative values, the Banque Populaire banks foster close, lasting relationships with their customers and member-stakeholders. They are key players in their local regional economy.

2.2.1 Banks driven by the cooperative spirit

The Banque Populaire banks draw their strength from the spirit that inspired their creation by a group of men aiming to take control of their own destiny. This is reflected in their cooperative status and the way in which they conduct their day-to-day business

They are firmly rooted in the cooperative movement, which places the individual client, member-stakeholder or employee firmly at the center of their concerns.

Under their cooperative status, clients of all of these banks can become member-stakeholders, provided they meet the criteria set out in the bank's membership policy. Clients who have become member-stakeholders own the majority of the share capital of their Banque Populaire bank. The dividends they earn on their shares in the bank may not exceed the average yield on bonds issued by private sector companies.

The cooperative spirit ensures an emphasis on long-term growth at the Banque Populaire banks. Part of the very essence of a cooperative company is that it represents a freely elected association of individuals seeking to provide a long-term solution to their shared economic requirements.

The importance of these widely shared cooperative values has contributed to the Group's expansion in recent years. In 2003, Crédit Coopératif decided to become a new Banque Populaire bank, while Crédit Maritime Mutuel has become a bank affiliated to Banque Fédérale des Banques Populaires.

The shared IT platform, i-BP, was created six years ago to support the development of the Banque Populaire banks. It is owned by the Banque Populaire banks and Banque Fédérale des Banques Populaires. It operates on several sites and its activities are grouped into three areas:

- developing sales teams' workstations with the "Equinoxe" program.

  The new working environment of sales teams uses new technologies such as internet which are more flexible, user friendly, and easy to integrate. To provide a new sales approach, the workstations within branches are designed around customer relationship (pre-sale, sale and after-sale) and improved sales and administrative productivity;
- developing home banking and automatic teller machines:
  - Banque Populaire banks' personal and small business customers have easy access to their accounts via the internet service Cyberplus or the automatic telephone system Tonalité+. Clients can easily gain access to their account balance, make transfers and also simulate a loan or an investment,
  - Automatic teller machines, not only enable customers to withdraw cash, but also offer multifunction solutions. Such as technical support (control and development of technical environments) and operations (ensuring optimum operability of the platform on a daily basis);
- back office tools:

  The daily operations of a bank require tools that can perform batch processing of huge volumes of information on production, payment systems and external dealings.

  This cooperative spirit was further strengthened in 2007, with the "cooperative commitment" program. The logic behind this program is twofold: assert the cooperative model in an ever more challenging environment and strengthen the identity and values of the Group which has undergone significant changes over recent years. The managers of the Banque Populaire banks were called upon to identify the Group's cooperative hallmark and to promote this further in its offer and in its day-to-day relationships with member-stakeholders, customers and employees. This program has three main pillars: entrepreneurship, lasting relationships and close local involvement, which are sub-divided into eleven commitments.

  During the first half of 2008, this program gave rise to the creation of a new governing body: the Cooperative Committee.

2.2.2 Member-stakeholder clients at the heart of the organization

The status of member-stakeholder clients is unlike any other. Their capital investment may not be speculative in nature and is not made with a view to generating a profit through large dividends. Although member-stakeholders are not traditional investors, nor are they traditional clients. They subscribe to the key cooperative value of loyalty. They are committed to a long-term relationship and have a natural tendency to introduce new clients, thereby enlarging the mutual base.

Cooperative status gives priority to collective investment over individual investment. The optimization of profits, a way of assessing the efficiency of any company, becomes an essential step towards fulfilling the cooperative company's service to the common interest. This is a long-term endeavor and there cannot be any conflicts of interest between member-stakeholders and clients. Reserves do not contribute to the value of the shares in the Company but are simply a collective asset owned by current and future member-stakeholders.

Member-stakeholder clients contribute to the life of the bank: they understand its constraints, they support its ambitions and help drive them forward on a daily basis.

This strong commitment to the Group's cooperative spirit is demonstrated by the ever increasing number of member-stakeholders.

2.2.3 Strong regional roots

As cooperative regional banks, Banque Populaire banks demonstrate every day their capacity to work closely with their clients in a number of ways. This cooperative, human dimension has been adopted as a major pillar of future expansion.

The Banque Populaire banks have retained and developed the regional focus that has guided them since their creation. For them, being a regional bank goes much deeper than simply providing services in a particular geographical area. It means being fully involved in and committed to developing the regional economy and dedicated to serving the local community.

Their 284 Directors (excluding Crédit Coopératif whose Directors are legal entities) 49% of which are business owners, 8% are trades people and independent retailers, 4% are farmers and winegrowers and 8% are self-employed professionals. The hundred or so Directors of the eight Crédit Maritime Mutuel regional banks linked to Banque Populaire banks in coastal areas include around 50 representatives of the marine trades (fishing, oyster farming and shellfish farming). All of them maintain close ties with local community and business organizations as well as local chambers of commerce, in many cases serving on their boards.

This involvement of Directors in all areas of regional life gives the Banque Populaire banks an in-depth understanding and knowledge of their local economy. They thus cement particularly strong links with their regions and are key players in regional development. They serve to reconcile the interests of their member-stakeholders, clients, staff and local socio-economic environment.

2.2.4 Prominent regional players

With the European Union increasingly becoming a community of regions, several Banque Populaire banks have merged to form major regional players. By joining forces to become prominent regional players, they are better able to support clients, further strengthen their capital base, sharpen their regional image, win market share and give their employees more career development opportunities.

Since 1999, twenty-two Banque Populaire banks have taken the decision to pool their skills and strengths.

Today's new communications technologies have also led to a continued improvement in information sharing, resulting in a more effective allocation of resources, but without losing sight of the overriding need to maintain close relations between the bank and its member-stakeholders, its clients and the many other players in the regional economy.

2.2.5 Close relationships with clients

Local personalized service forms the cornerstone of the Banque Populaire banks' client relationships. This unwavering emphasis on closeness is made possible by highly skilled and motivated teams and backed up by identification of the best solutions for each client based on a global approach to their needs.

Every member of staff at the Banque Populaire banks is aware that the aim is not to get clients to sign up immediately for this savings product or that loan, but to gain an in-depth understanding of each client's needs and expectations. This focus on client requirements and on the way they change from one moment to the next has helped build up momentum right across the Banque Populaire network. It is this same approach that allows client relationships to be built and developed over the long term.

The Banque Populaire branch network is steadily expanding. During 2008, the number of branches increased by 454 branches (including 394 branches of the regional banks) raising the total number of branches operated by the Group to 3,391 at December 31, 2008.

For the Banque Populaire banks, local banking remains the main avenue of expansion.

This local service is supported by local decision-making. The empowerment of all relationship managers ensures that decision-making channels remain as close to the clients as possible.

It is further supported by remote banking technology, which provides a full range of online banking services.

2.2.6 Bylaws

The Banque Populaire banks are "sociétés anonymes coopératives de banque populaire" governed by Article L. 512-2 et seq. of the Monetary and Financial Code and the various legislative texts concerning the Banque Populaire banks, the Cooperative Movement Act of September 10, 1947, Article I to IV of book II of the Commercial Code (code de commerce), the first chapter of section I of book V and section III of the Monetary and Financial Code, the related enabling legislation and by their individual bylaws. Their bylaws were extensively amended to comply with the provisions of the Corporate Governance Act of May 15, 2001.

To enable the production of consolidated financial statements for the Banque Populaire Group under the new IFRS accounting standards, including IAS 32 regarding debt and equity instruments, the Board of

Directors of Banque Fédérale des Banques Populaires, meeting on December 15, 2004, requested the Banque Populaire banks with variable capital to make the changes to their bylaws needed in order to allow the shares in these banks to be recognized as capital instruments for accounting purposes.

These changes to the bylaws were submitted to member-stakeholders at the Combined General Meeting held to approve financial statements for 2004.

In autumn 2006, the Banque Populaire banks also amended their bylaws to allow for the capital increase through the issuing of CCIs (Cooperative Investment Certificates) as part of the creation of Natixis.

The Banque Populaire banks are licensed to operate as credit institutions and are thus authorized to conduct the following transactions:

- all banking transactions with trading and manufacturing companies, small businesses, agricultural ventures, self-employed professionals, whether incorporated or unincorporated, as well as with any other grouping or legal entity, which may or may not be member-stakeholders. They may also provide services to personal customers, participate in any and all transactions guaranteed by the mutual guarantee companies, make loans to holders of CEL ("Compte Épargne Logement") or PEL ("Plan Épargne Logement") home-savings accounts for the acquisition of a residential property, and collect deposits from private individuals and companies;
- all related transactions as defined in Art L. 311-2 of the Monetary and Financial Code, all investment services governed by Article L. 321-1 and L. 321-2 of the Monetary and Financial Code and all brokerage and insurance transactions;
- all real estate and securities investment transactions. They may purchase any and all marketable securities, for their own account, and acquire equity interests in any and all companies, associations and other unincorporated entities and more generally, carry out any transaction of any type related directly or indirectly to their corporate purpose and likely to facilitate the development or achievement of this purpose.

Any individual or company is eligible to become a member-stakeholder of a Banque Populaire bank, regardless of whether they are clients of the bank. To become a member-stakeholder they must be approved by the bank's Board of Directors and be recognized as creditworthy.

The bylaws of the Banque Populaire banks state that their Boards of Directors are not required to explain the reasons for rejecting any application to become a member-stakeholder.

Member-stakeholders' liability for any losses of a Banque Populaire bank is limited to the value of their shares in the bank.

All member-stakeholders are entitled to attend General Meetings and vote on resolutions personally or by proxy, in accordance with the applicable law and regulations, irrespective of the number of shares they own.

All member-stakeholders may vote by correspondence using a postal voting form addressed to the Banque Populaire bank in accordance with applicable law and regulations.

As stipulated in Article L. 512-5 of the Monetary and Financial Code, at General Meetings of the shareholders, no member-stakeholder may exercise a number of voting rights including proxy votes and votes in respect of shares held indirectly representing more than 0.25% of the total voting rights attached to shares of the relevant Banque Populaire bank.

All shares of the Banque Populaire banks are issued in registered form. They may not be sold or transferred without the prior authorization of the Board of Directors. The capital of all of the Banque Populaire banks (except for BRED Banque Populaire) is variable. The capital is increased on issuance of shares to new member-stakeholders or to existing member-stakeholders, in both cases with the prior approval of the Board of Directors.

The Board of Directors may set a ceiling on the number of shares that may be held by a single member-stakeholder. Different ceilings may be set for different categories of member-stakeholders.

The capital may be reduced by buying back member-stakeholders' shares. If the buybacks were to have the effect of reducing the capital to less than three-quarters of the highest amount reached since the Banque Populaire bank was set up, the prior authorization of Banque Fédérale des Banques Populaires must be obtained before the capital may be reduced. In addition, under no circumstances may the capital be reduced to below the minimum capital required under banking regulations.

The bylaws also stipulate that the dividends paid on shares, as decided each year by the Annual General Meeting, may not exceed the average corporate bond yield as published by the French Ministry of the Economy (Article 14 of the Cooperative Movement Act of 1947 and Article L. 512-3 of the Monetary and Financial Code).

Dividends on shares acquired or surrendered during the year are paid pro rata to the number of full months for which the shares were held. The price at which shares are bought back by a Banque Populaire bank may not exceed their par value. Buybacks may be carried out no later than the 30th day following the Annual General Meeting held to approve the accounts for the year in which the withdrawal of the member-stakeholder and the surrender of his or her shares was approved by the Board of Directors. In accordance with Article 42 of the bylaws, dividends are paid no later than nine months after the end of the financial year. The details of dividend payments are determined by the General Meeting or, failing that, by the Board of Directors.

CCIs make up 20% of the Banque Populaire banks' capital, the issuance of which was reserved for Natixis.

These certificates are marketable securities without voting rights, issued for the duration of the Company's existence and representative of pecuniary rights attached to shares in the Banque Populaire banks. They are governed by Title II of the law of September 10, 1947, concerning the status of cooperatives and by decree 91-14 of February 4, 1991, concerning general meetings of holders of CCIs. Holders of CCIs have a right to net assets proportionate to the capital they represent. They are also entitled to dividends determined by the Annual General Meeting depending on profits for the year. These dividends must be at least equal to those paid in respect of shares in the banks.

Banque Fédérale des Banques Populaires may authorize the Banque Populaire banks to incorporate a portion of their reserves into their share capital in the event of a capital increase, a maximum of half of which relates to the incorporation of reserves and the remainder of which is subscribed in cash. The portion of reserves incorporated in this manner may not exceed half the level of such reserves.

In the event of successive incorporation, the portion of reserves that may be incorporated may not exceed half the increase in reserves since the previous incorporation.

In accordance with Article R. 512-1 of the Monetary and Financial Code, capital increases carried out via subscription in cash must be at least equal to the amount taken from reserves.

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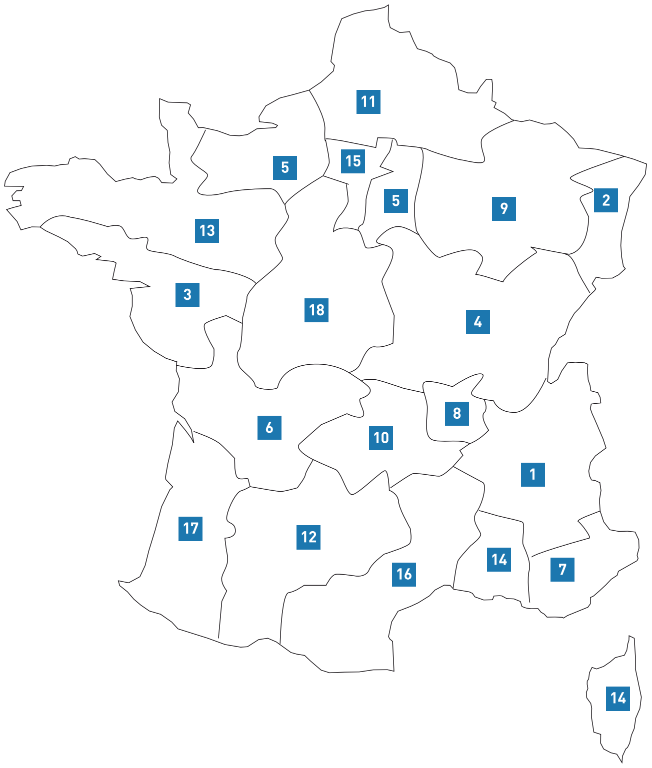
2.2.7 Banque Populaire banks



1 BANQUE POPULAIRE DES ALPES
2 BANQUE POPULAIRE D'ALSACE
3 BANQUE POPULAIRE ATLANTIQUE
4 BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ
5 BRED BANQUE POPULAIRE (1)
6 BANQUE POPULAIRE CENTRE ATLANTIQUE
7 BANQUE POPULAIRE CÔTE D'AZUR
8 BANQUE POPULAIRE LOIRE ET LYONNAIS
9 BANQUE POPULAIRE LORRAINE CHAMPAGNE
10 BANQUE POPULAIRE DU MASSIF CENTRAL
11 BANQUE POPULAIRE DU NORD
12 BANQUE POPULAIRE OCCITANE
13 BANQUE POPULAIRE DE L'OUEST
14 BANQUE POPULAIRE PROVENÇALE ET CORSE
15 BANQUE POPULAIRE RIVES DE PARIS
16 BANQUE POPULAIRE DU SUD
17 BANQUE POPULAIRE DU SUD-OUEST
18 BANQUE POPULAIRE VAL DE FRANCE
19 CASDEN BANQUE POPULAIRE (2)
20 CRÉDIT COOPÉRATIF (2)

End 2008 figures(3), Directors in office as at December 31, 2008

1 BANQUE POPULAIRE DES ALPES

Chairman

Jean Clochet

Chief Executive Officer

Pascal Marchetti

Number of member-stakeholders: 134,795

Number of employees: 1,895

Number of branches: 157

Regulatory capital: €809.8 M

Net banking income: €290.2 M

Net income: €32.4 M

www.alpes.banquepopulaire.fr

2 BANQUE POPULAIRE D'ALSACE

Chairman

Thierry Cahn

Chief Executive Officer

Dominique Didon

Number of member-stakeholders: 101,478

Number of employees: 1,261

Number of branches: 102

Regulatory capital: €703.6 M

Net banking income: €195.3 M

Net income: €31.9 M

www.alsace.banquepopulaire.fr

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(1) BRED Banque Populaire also operates in the following countries and overseas territories: French Polynesia, New Caledonia, Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.

(2) Banque Populaire on a national level.

(3) Consolidated French GAAP data for the Banque Populaire banks, except for BRED Banque Populaire and Crédit Coopératif, whose consolidated data are expressed in IFRS. Consolidated regulatory capital (under French GAAP) includes general banking reserves.
Full time equivalent employees (permanent + temporary).

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3 BANQUE POPULAIRE ATLANTIQUE

Chairman

Jean-Guy Sarrazin

Chief Executive Officer

Stéphanie Paix

Number of member-stakeholders: 108,972

Number of employees: 1,823

Number of branches: 159

Regulatory capital: €964.9 M

Net banking income: €280.6 M

Net income: €41 M

www.atlantique.banquepopulaire.fr

4 BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ

Chairman

Jean-Philippe Girard

Chief Executive Officer

Bernard Jeannin

Number of member-stakeholders: 147,862

Number of employees: 1,840

Number of branches: 184

Regulatory capital: €1,172.4 M

Net banking income: €339 M

Net income: €69 M

www.bpbfc.banquepopulaire.fr

5 BRED BANQUE POPULAIRE

Chairman

Stève Gentili

Chief Executive Officer

Jean-Michel Laty

Number of member-stakeholders: 105,955

Number of employees: 3,584

Number of branches: 325

Regulatory capital: €2,160 M

Net banking income: €883.7 M

Net income: €241 M

www.bred.banquepopulaire.fr

6 BANQUE POPULAIRE CENTRE ATLANTIQUE

Chairman

Jacques Raynaud

Chief Executive Officer

Gonzague de Villèle

Number of member-stakeholders: 72,493

Number of employees: 992

Number of branches: 107

Regulatory capital: €463.4 M

Net banking income: €151.3 M

Net income: €22.7 M

www.centreatlantique.banquepopulaire.fr

7 BANQUE POPULAIRE CÔTE D'AZUR

Chairman

Bernard Fleury

Chief Executive Officer

Jean-François Comas

Number of member-stakeholders: 63,501

Number of employees: 1,145

Number of branches*: 98

Regulatory capital: €396 M

Net banking income: €161 M

Net income: €14.8 M

www.cotedazur.banquepopulaire.fr

8 BANQUE POPULAIRE LOIRE ET LYONNAIS

Chairman

Hervé Genty

Chief Executive Officer

Olivier de Marignan

Number of member-stakeholders: 73,415

Number of employees: 1,163

Number of branches: 107

Regulatory capital: €601.4 M

Net banking income: €200.3 M

Net income: €28.1 M

www.loirelyonnais.banquepopulaire.fr

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* *Including Monaco.*

9 BANQUE POPULAIRE LORRAINE CHAMPAGNE

Chairman

Raymond Oliger

Chief Executive Officer

Jacques Hausler

Number of member-stakeholders: 156,791

Number of employees: 1,672

Number of branches: 140

Regulatory capital: €1,213.2 M

Net banking income: €336.4 M

Net income: €52.2 M

www.lorrainechampagne.banquepopulaire.fr

10 BANQUE POPULAIRE DU MASSIF CENTRAL

Chairman

Dominique Martinie

Chief Executive Officer

Christian DU PAYRAT

Number of member-stakeholders: 77,648

Number of employees: 855

Number of branches: 87

Regulatory capital: €420.3 M

Net banking income: €138.4 M

Net income: €22.7 M

www.massifcentral.banquepopulaire.fr

11 BANQUE POPULAIRE DU NORD

Chairman

Jacques Beauguerlange

Chief Executive Officer

Gils Berrous

Number of member-stakeholders: 75,606

Number of employees: 1,170

Number of branches: 116

Regulatory capital: €436.2 M

Net banking income: €151 M

Net income: €15.7 M

www.nord.banquepopulaire.fr

12 BANQUE POPULAIRE OCCITANE

Chairman

Michel Doligé

Chief Executive Officer

Alain Condaminas

Number of member-stakeholders: 144,880

Number of employees: 2,308

Number of branches: 223

Regulatory capital: €1,304.6 M

Net banking income: €358 M

Net income: €72.1 M

www.occitane.banquepopulaire.fr

13 BANQUE POPULAIRE DE L’OUEST

Chairman

Pierre Deloumel

Chief Executive Officer

Yves Breu

Number of member-stakeholders: 93,953

Number of employees: 1,701

Number of branches: 135

Regulatory capital: €818.9 M

Net banking income: €258.6 M

Net income: €26.2 M

www.ouest.banquepopulaire.fr

14 BANQUE POPULAIRE PROVENÇALE ET CORSE

Chairman

Jean-Louis Tourret

Chief Executive Officer

François-Xavier de Fornel

Number of member-stakeholders: 55,896

Number of employees: 1,308

Number of branches: 86

Regulatory capital: €418.2 M

Net banking income: €143 M

Net income: €22.1 M

www.provencecorse.banquepopulaire.fr

15 BANQUE POPULAIRE RIVES DE PARIS

Chairman

Marc Jardin

Chief Executive Officer

Jean Criton

Number of member-stakeholders: 368,624

Number of employees: 2,917

Number of branches: 230

Regulatory capital: €1,344.7 M

Net banking income: €476.9 M

Net income: €74.6 M

www.rivesparis.banquepopulaire.fr

16 BANQUE POPULAIRE DU SUD

Chairman

Claude Cordel

Chief Executive Officer

François Moutte

Number of member-stakeholders: 163,194

Number of employees: 2,092

Number of branches: 156

Regulatory capital: €1,012.6 M

Net banking income: €316.8 M

Net income: €48.5 M

www.sud.banquepopulaire.fr

17 BANQUE POPULAIRE DU SUD-OUEST

Chairman

François de la Giroday

Chief Executive Officer

Dominique Wein

Number of member-stakeholders: 92,690

Number of employees: 1,675

Number of branches: 104

Regulatory capital: €554.1 M

Net banking income: €213.8 M

Net income: €29.6 M

www.sudouest.banquepopulaire.fr

18 BANQUE POPULAIRE VAL DE FRANCE

Chairman

Gérard Bellemon

Chief Executive Officer

Yvan de La Porte du Theil

Number of member-stakeholders: 133,623

Number of employees: 2,227

Number of branches: 207

Regulatory capital: €1,399.6 M

Net banking income: €342.2 M

Net income: €60.3 M

www.bpvf.banquepopulaire.fr

19 CASDEN BANQUE POPULAIRE

Chairman and Chief Executive Officer

Pierre Desvergnes

Number of member-stakeholders: 1,157,976

Number of employees: 461

Number of branches: 1

Regulatory capital: €1,455.1 M

Net banking income: €175.3 M

Net income: €43.2 M

www.casden.banquepopulaire.fr

20 CRÉDIT COOPÉRATIF

Chairman

Jean-Claude Detilleux

Chief Executive Officer

Philippe Jewtoukoff

Number of member-stakeholders: 41,738

Number of employees: 1,840

Number of branches(4): 101

Regulatory capital: €911.4 M

Net banking income: €375.2 M

Net income: €22.2 M

www.credit-cooperatif.fr

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(4) Scope: Crédit Coopératif, BTP Banque, Coopamat, Inter-Coop, Sicomi Coop

2.3 Banque Fédérale des Banques Populaires

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2.3.1 General presentation

Banque Fédérale des Banques Populaires (BFBP) is the driving force behind a continuously evolving multi-business group with increasingly demanding requirements. It has three fundamental roles, the content and mix of which change in line with developments in the Group and its environment.

It combines the functions of the former Chambre Syndicale des Banques Populaires, namely internal guardianship, control and the role of central body within the meaning of French banking law, and the functions of the former Caisse Centrale des Banques Populaires, which since 1999 had refocused on centralizing the Banque Populaire banks' cash surpluses and managing their refinancing needs.

BFBP is responsible for optimizing the Group's economic value while respecting the strategic objectives and directions set with the Banque Populaire banks. It ensures that the Group creates value in a balanced manner. It defines and implements the cross-Group policies required for its development and management. It also defines the appropriate reporting requirements for monitoring its objectives.

BFBP plays a role that sets the Banque Populaire Group apart from other banking institutions. It does not head the Banque Populaire Group as such, but rather operates at the heart of the organization. It plays the role of central body, head of the network and holding company.

Central body

Banque Fédérale des Banques Populaires is the central body of the Banque Populaire network, Crédit Maritime Mutuel and the mutual guarantee companies. It is also the central body of Natixis, jointly with the Caisse Nationale des Caisses d'Epargne (CNCE).

As such:

- it guarantees compliance with laws and regulations and with commitments made to the regulator;
- it provides technical and financial security by guaranteeing the Group's liquidity and capital adequacy through the internal financing mechanisms described on page 48;
- it represents the Group in France and abroad and defends its interests in market place organizations and professional bodies.

Its role as central body has grown as a result of developments in the regulatory and financial reporting framework.

Head of network

Under L. 512-12 of the French Monetary and Financial Code, the Banque Populaire network encompasses:

- the Banque Populaire banks, all of which are cooperative banks;
- the mutual guarantee companies, whose sole corporate purpose is guaranteeing loans issued by Banque Populaire banks; and,
- Banque Fédérale des Banques Populaires, a joint stock company ("société anonyme") governed by company law.

Banque Fédérale des Banques Populaires is the head of the Banque Populaire network. It steers the process of setting strategic objectives and directions. It manages the process of developing products and services for the Group's various customer groups and corresponding markets.

It organizes and coordinates the resources enabling the Group to achieve its objectives effectively. This role has expanded along with the Group's own increased size and reach, and with the need to maintain optimum organization based on the Group's existing strengths.

Its Board of Directors, which comprises the Chairmen and Chief Executive Officers of the Banque Populaire banks, takes decisions on matters which, once approved, apply to all Group entities.

Each bank also takes part in Group life through the various working bodies and in association with the Banque Fédérale des Banques Populaires:

- the Federal Committee, which brings together members of the Board of Directors, Commission Chairmen and senior managers;
- the Federal Conference, which comprises all Chairmen, Chief Executive Officers and technical managers; and
- the Federal Commissions, which examines matters tabled by the Board of Directors, at the proposal of the Group Chairman.

The cross-Group commissions contribute their views and their expert opinions in areas such as development, communication, technology and information systems, risk management and finance, human resources and development in Europe and internationally.

Also a credit institution licensed to conduct banking transactions, Banque Fédérale des Banques Populaires manages a cash pool for the Banque Populaire banks and also meets their refinancing needs.

Holding

Banque Fédérale des Banques Populaires owns a series of major equity interests on behalf of the Banque Populaire banks, including Natixis. It is therefore the Group's holding company and as such, has to be streamlined and responsive, even though its role evolves in line with the size and diversity of the Group's business and the international dimension of its equity interests.

Implementing its roles

BFBP has chalked up some major achievements in implementing its various roles:

- in 2001, it launched the integration process of Crédit Coopératif, initiated the strategic decision for Natexis Banques Populaires' acquisition of Coface, promoted a charter for cooperation between the Banque Populaire banks in coastal areas and Crédit Maritime Mutuel, an affiliate of Banque Fédérale des Banques Populaires, and acquired a majority holding in BICEC in Cameroon;
- in 2006, it played a central role in the creation of Natixis;

- in the same year, it acquired a 24.5% stake in and became a member of the management board of Volksbank International AG (VBI), the holding company of retail banks in Central and Eastern Europe set up in partnership with ÖVAG (the central body of the Austrian Volksbank network) and German central cooperative banks DZ Bank and WGZ Bank;
- it contributed to the Group's continuing expansion in Central Africa with the acquisition of Banque Commerciale Internationale (BCI) in the Republic of the Congo;
- BFBP assisted BRED Banque Populaire in setting up operations in Djibouti and the Comoros;
- the acquisition of FONCIA in 2007 has provided the Group with a major new source of future growth;
- in 2008, the acquisition of seven HSBC France Regional Banks strengthened the Banque Populaire Group's regional foothold in the South of France;
- it is the driving force as regards several significant regulatory projects such as:

– the implementation of Basel II by the Risk Management department,

– "FINREP" reporting produced by the Finance department and "COREP" reporting produced jointly by the Finance department and the Risk Management department,

– the implementation of MiFID by the Business Development department,

– the SEPA project led by the Technology department with support from the Business Development department;

- the Group's strategic program resulted in the formalization and approval of the Group Strategic Plan. This Group Strategic Plan reached its term at the end of 2008. Despite a difficult environment, the Group came close to meeting its targets, with a significant growth in the number of active personal customers and active small business customers and the creation of a dedicated structure for private banking which enabled the Group to surpass its ambitions with strong growth in new loan origination and strong net inflows of new premium range life insurance contracts.

External growth was another of the plan's key pillars with the acquisition of FONCIA and seven HSBC France Regional Banks, and the Group increasing its stake in VBI.

"Ambitions 2012" is the successor of the Group's Strategic Plan and will cover the period 2009-2012. Four Federal Commissions were launched in 2008 to define the targets of this new plan, based on the following priorities: the retail banking market, other markets, operational diversification and excellence, quality control. At the outcome of these discussions, the Commissions drew up a business plan focused on efficient customer acquisition.

- The "Défis 2010" business plan reconfirms the functions of Banque Fédérale des Banques Populaires and supplements them with five new goals to ensure the Group's balanced growth.

  These goals include three commitments to the parent companies, the Banque Populaire banks, their clients and partners, which are designed to accelerate the Group's growth while guaranteeing a proper balance:

– encourage controlled, balanced growth;

– promote collective efficiency;

– guarantee the Group's corporate social responsibility.

The other two commitments are to the men and women who work for the Group, and to guaranteeing an optimum, transparent way of operating.

The completion of this business plan has a launched a new momentum within the Group:

- the Human Resources department has put forward two objectives: "Promote collective efficiency" and "Men and women committed to serving Group interests". These two themes were used as a basis for setting the following objectives for the HR department: efficiently manage unforeseen events through effective use of human resources and organize and promote the exchange of best practices within the Group. Appropriate action plans have been defined to achieve these targets and the concerned parties have committed to closer involvement;
- the Finance department targets four priorities: become a pole of excellence producing reliable information which is relevant to users' requirements; improve efficiency; set up a comprehensive training/information process and increase employees' corporate belonging to BFBP and to the Group. The following initiatives have been taken: weekly debriefing meetings to increase awareness of current issues, IFRS training modules to improve Group employees' expertise, breakfast meetings for new recruits and stronger involvement in optimal project management;
- the Risk Management department defined two major commitments. The first is its contribution to a balanced and controlled development of the Group. To this end a project for setting up a reporting system has been designed. The aim of this system, which will be used by all Group departments, is to summarize reports, data and information transmitted by Natixis, and management analysis, to provide a global view of this subsidiary jointly held with CNCE. In addition, a standardized risk monitoring and management procedure for BFBP subsidiaries is under currently review. The department's second commitment, is to promote collective efficiency and the sharing of best practices. Basel II created the forum for implementing this commitment as cross-functional processes were required involving all BFBP departments concerned by the Basel II reform. This commitment to collective efficiency also resulted in a guide on risk assessment in the real estate sector, the operational integration of the seven Regional Banks, a quarterly newsletter for Risk Officers and nationwide meetings on credit risks. This business plan promoted a transparent and flexible organization;
- the Group Internal Audit department aims towards an optimal and transparent organization, via clearly defined processes and roles. In addition to its adherence to Group values, the Internal Audit department has also adopted a value of its own: Integrity, which includes independence, objectiveness, reliability and thoroughness. These aspects were structured as projects to be managed by working groups comprised of audit officers with varying experience: in recruitment and training, in collaboration with the Group Human Resources department, to increase awareness of Internal Audit functions within universities and modify the Group's training programs to take into account the changing environment.

  A multi-year program to review auditing standards, to ensure ongoing improvement in working methods;
- corporate Communications focuses on the following two commitments:

– a controlled and balanced communications policy. In line with its main missions, the Corporate Communications department aims to ensure "A controlled and balanced Group communications policy". In the constantly changing financial context, placed under ever increasing pressure, it is all the more essential to develop a coherent and consistent image of the Group both internally and externally. To achieve its commitment the department has launched several initiatives: provide clearer information on the Group and its ambitions. This has resulted in the revamp of financial reports (the Registration document and Overview), improved investor relations section on the Group's website (*www.ir.banquepopulaire.fr*) and regular presentations addressed to Banque Populaire regional banks. As regards institutional communication, a brochure giving a brief description of the Banque Populaire Group has just been launched which presents the Group to its customers, future and new recruits and employees of the newly integrated companies (FONCIA, regional banks). The department is developing the use of audiovisual media,

– implementing and coordinating the Group's collective and efficient communications policy fosters greater mutual awareness of Group entities, due to sharing of best practices and success stories. As a result "Carnet de Route" a roadmap is published at the beginning of the year which highlights the major events and most outstanding initiatives of each of the twenty Banque Populaire banks. In addition, the first nationwide internal communications meeting was held during the year. These meetings are aimed at organizing exchanges between internal communication officers and sharing expertise;

- the Technologies department has implemented three initiatives defined by its three businesses in line with their missions and responsibilities: "Federal Information Technology", "Interbank relationships and innovation", and "Business continuity":

– improving collective efficiency:

The "Federal Information Technology" team created the Management reporting system, a new reporting system for measuring the performance of Banque Populaire banks.

From a technical point of view, Federal Information Technology also targeted the financial and technical optimization of its infrastructures by creating the Federal Zone and implementing the Group Decision-making process, which are the new pillars of the Federal IT system.

Other projects have been rolled out in collaboration with the Strategy department: creation of Sustainable Development intranet and internet sites, in addition to the Group studying the dematerialization of documents and paper recycling. The seven Regional Banks were linked up to the Group's IT systems, while the Group accelerated the harmonization of the Federal standards,

– sharing experience to promote best practices:

The intranet site "Security and Business continuity" has been redesigned in an aim to promote best practices. Also, nationwide meetings of those responsible for the security of persons and property, the security of IT systems and business continuity are organized annually, and foster progress through experience sharing. "Blukiwi", the social internet network dedicated to technological innovations and the "Innovation" committee also enhance the sharing of ideas between Banque Populaire banks and "Interbank Relationships and Innovation" and the advent of innovative solutions. Project culture is widely accepted throughout the department's teams,

– improve global risk management:

The "Security and Business continuity" activity defines common policies on operational risk prevention and reduction in conjunction with other Group entities. These policies are supported by deployment tools based on best practices,

– supporting Group interests:

It is the mission of the "Interbank Relationships and Innovation" business line, namely as regards payment services, to defend Group interests in market place organizations and interbank companies;

- the Logistics and Organization department's has defined collective efficiency as its main priority. Several areas of potential improvement have been clearly identified. As regards Group Contracts and Purchasing, the department has set up improved monitoring of services, a data warehouse to provide enhanced knowledge of suppliers, standard documents on specifications, invitations to tender and reporting. The department's contribution to achieving collective efficiency has resulted in Organization and Quality making several recommendations such as the sharing of best practices and experience sharing. Similarly in the Logistics and Management services department, ideas presented by working parties confirmed or completed initiatives already taken such as competitive intelligence and harmonization of processes.

2.3.2 Main subsidiaries

The seven regional Banks are retail banks like Banque Populaire Regional Banks, with strong regional roots due to close relationships with their customer base. They are based in the south of France.

SOCIÉTÉ MARSEILLAISE DE CRÉDIT

143 years of regional presence. La Société Marseillaise de Crédit was created in 1865. The keystones of the bank are its strong regional roots and its strong identity.

In 1998, the bank launched a strategic restructuring plan, based on three major priorities: clarify the bank's positioning by promoting close customer relationships, modernize the company organization, and tighten management processes. Once this plan was completed in 2005, the bank concentrated on growth with its growth plan entitled "South 2008" which defined the strategic lines of development and boosted sales performance.

La Société Marseillaise de Crédit offers all its customers the close relationships of a large regional bank via its network of 145 branches and 18 Regional Divisions covering 12 counties and Monaco. At December 31, 2008 the bank had: 194,000 customers, €5,240 million in customer assets managed, €2,340 million in outstanding loans.

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Net banking income	193	201	210
Gross operating income	62	74	86
Operating income	60	80	93
Net income	60	55	74

BANQUE CHAIX

84 years of regional presence. Created in 1924, Banque Chaix has a strong regional foothold in the Vaucluse and the north of Bouches du Rhône due to organic and external growth with the acquisition of nine family owned banks in the Rhône valley. It is also present in certain parts of the Gard, Drôme and Hérault.

The bank's development is based on its strengths: a region with high economic potential driven by dynamic demographics, a strong premium image in its founding region, an almost family-like relationship with its customers, high penetration rate among entrepreneurs in the Vaucluse area and a renewed sales reorganization which is starting to bear fruition.

At December 31, 2008, the bank totaled 84,400 customers, 68 branches covering 5 counties, €2,190 million in customer assets managed, €883 million in outstanding loans.

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Net banking income	80	77	80
Gross operating income	30	32	38
Operating income	19	29	36
Net income	18	19	25

BANQUE MARZE

120 years of regional presence. Banque Marze was founded in 1886 in Aubenas by a group of Ardèche industrial millers. Jean Marze became the Chairman and gave his name to the company incorporated as a partnership. This bank is a leading financial partner in Aubenas and has become a driving force of regional development. Its client base is comprised of small businesses, trades people, industries and self-employed professionals.

Its reach extends beyond southern Ardèche covering 2 counties with 9 branches in Ardèche and 2 in Drôme.

The following key strategies for growth have been set by the bank: increase penetration with young people, improve the number of products per client and continue to develop the dual relationship of personal/small business clients.

At December 31, 2008, the bank totaled 16,000 customers, €306 million in client assets managed, €144 million in outstanding loans.

CONDENSED INCOME STATEMENT (100%)

in € millions	**2008**	**2007**	**2006**
Net banking income	13	11	13
Gross operating income	7	5	7
Operating income	6	4	6
Net income	5	2	4

BANQUE DUPUY, DE PARSEVAL

160 years of regional presence. Founded in 1845 as a banking house, Banque Dupuy, de Parseval is one of the oldest banks in France. Banking was carried out by the founding families as early as the late 18th century. The bank was founded in Sète to support trade.

Its development is based the following strengths: strong and historic regional foothold with excellent brand recognition, in-depth knowledge of its markets and clients, for which it is often the main bank, high-end income clients, employees who are strongly committed to their bank and presence in a region with the strongest demographic growth in mainland France.

Growth opportunities are focused in three areas: increase the density of coverage throughout the region to lever demographic growth, set up a specific service for high net worth clients and increase the number of products per client.

At December 31, 2008, the bank totaled 47 branches covering 4 counties, 41,000 customers, €1,100 million in customer assets managed, €609 million in outstanding loans.

CONDENSED INCOME STATEMENT (100%)

in € millions	**2008**	**2007**	**2006**
Net banking income	38	38	42
Gross operating income	14	14	19
Operating income	10	11	17
Net income	8	7	11

BANQUE PELLETIER

134 years of regional presence. Founded in 1874, the bank's main business revolved around the local industrial activity and forestry.

With growth, the bank's customer base became increasingly diversified. The bank is now focused on three segments: personal customers, self-employed professionals and SMEs.

The bank has targeted four objectives for future growth: total more than 20,000 clients in 2010, extend the network into the Basque region, reduce the cost/income ratio to below 60% and maintain a high level of risk control.

At December 31, 2008, the bank totaled 14,000 customers, 13 branches covering 3 counties, €485 million in customer assets managed, €297 million in outstanding loans.

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Net banking income	15	15	15
Gross operating income	4	5	5
Operating income	3	5	4
Net income	2	3	3

CREDIT COMMERCIAL DU SUD-OUEST (CCSO)

The CCSO was founded in 1991 when three Crédit Commercial de France (CCF) counters merged. The CCF had a network of 39 branches. The customer base was comprised primarily of personal clients.

The bank's development consisted of two main periods: the first (1991-2000) in which sales efforts were focused on lending to personal clients and client acquisition remained limited.

In the second period (as from 2000) the bank revamped its sales methods, improving network coverage together with a new brand image, modernized its offer, increased its focus on small business customer acquisition and expanded its offer to include financial savings. The CCSO now covers customer segments ranging from personal customers to regional SMEs. This strong focus on growth is also reflected by the fact that 75% of employees are allocated to the bank's network.

At December 31, 2008, the bank totaled 74,300 customers, 57 branches covering 4 counties, €1,475 million in customer assets managed and €754 million in outstanding loans.

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Net banking income	54	56	58
Gross operating income	11	12	21
Operating income	8	11	18
Net income	5	7	12

BANQUE DE SAVOIE

96 years of regional presence. Banque de Savoie is the continuation of the Savoy trading houses at the end of the 19th century, which, given the lack of specialized credit institutions, gradually increased their activity in discounting, loans and exchange in a region of growing international tourism. The name "Banque de Savoie" appeared for the first time in 1851. At the time it was a commercial bank and the Duchy of Savoy's bank of issue. However, it rapidly lost its issuing status to the Banque de France when Savoy became part of France and ceased to exist in 1865. Founded in 1912, Banque de Savoie arose from the merger of several local Savoy banks.

Its strong regional presence led Banque de Savoie to operate most of its business in Savoy, but also in the Rhone region.

The bank has set itself 3 targets: increase the proportion of younger clients, boost cross-selling and regain strong growth in the small business segment. These objectives will be supported by a strong regional economy, a new sales IT system and a wider range of products and services.

At December 31, 2008, the bank totaled 37,400 customers, 53 branches covering 5 counties, €1,442 million in customer assets managed, €617 million in outstanding loans.

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Net banking income	42	45	49
Gross operating income	12	16	21
Operating income	11	15	20
Net income	3	11	14

FONCIA

At December 31, 2008, FONCIA employed 6,510 people up 12% compared with the previous year. 84% of revenues arose from activities which generate recurring revenues and 16% from real estate transactions. FONCIA has an integrated network of 165 firms with 513 branches (including 15 agencies and 31 branches outside France). The franchise network is made up of 95 agencies with 124 branches. In total the bank has 637 branches. This year, FONCIA acquired 113,500 managed properties including 107,700 in France (76,800 property management units, 29,700 rental management units and 1,300 holiday rental units).

In 2008, all of FONCIA's core businesses showed growth trends in line with its business activities. Overall, the company's activity remained positive:

- in rental management, the number of units managed increased by 12% to 240,900 at December 31, 2008, compared with 215,500 at December 31, 2007;
- letting revenue rose 18.2% including 5.3% in organic growth (including 3.2% due to pricing) and 12.9% in external growth almost 1/3 of which is due to holiday lets;
- revenues from property management rose 11.3% over the year. At December 31, 2008, FONCIA added 105,400 units to its property management portfolio and managed 32,085 properties and 1 million units;
- FONCIA sold 9,133 properties in 2008, which is comparable to the number of sales in 2006 (9,230). On a like-for-like basis, the number of sales declined 25% over the year.

FONCIA's franchise business which was launched in 2007, comprised 95 franchise agreements and 124 franchises at December 31, 2008.

International revenues increased +2% in 2008 to €36 million, with net income supported by external growth in Germany (+€2.5 million) and currency translation effect (Swiss Franc gained +3.6%).

International revenues represent 6.9% of FONCIA Group revenues compared with 7.3% in 2007.

The transfer of banking services from FONCIA to the Banque Populaire banks was also finalized during 2008. FONCIA has continued to diversify its customer services, to include the "Passe Location FONCIA" consumer credit, a comprehensive homeowners' insurance policy and financing and insurance solutions in collaboration with Solufimmo (subsidiary of FONCIA).

Lastly, close contacts were established in 2007 at local level between the FONCIA network and the Banque Populaire regional banks and led to a 3 month cross-referral campaign in 2008 entitled "5/5 Eté 2008". The aim was to increase cross-referrals of customers from one network to the other. To boost the synergies between the two networks, an intranet was created and FONCIA information points have been set up in Banque Populaire branches since the end of 2008.

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Revenue	525	484	431
EBIT	50	56	62
Net income	19	28	35

MA BANQUE

MA BANQUE is a bank assurance subsidiary which joins together Banque Populaire Group, MAAF and MMA. This partnership resulted in the launch of the Group's first co-branded payment cards.

It is a multi-access bank and relies on its partners networks for sales activity: MAAF, MMA and others such as EDF, Gaz de France, and Taitbout Group.

It provides its partners with a range of own brand banking products and services which enables them to develop banking activities as well as their core insurance business.

MA BANQUE has developed tailor-made offers for MAAF: credit, precautionary savings and day-to-day banking products, and for MMA: credit and day-to-day banking products.

Three *Sociétés en Participation* (SEP) (a type of joint venture) have been created to enable appropriation of net income depending on sales activity and associated costs: SEP Maaf, SEP MMA, SEP Banque Fédérale.

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Net banking income	29	28	26
Gross operating income	6	8	6
Operating income	4	7	6
Net income	4	6	6

BICEC

BICEC (Banque Internationale du Cameroun pour l'Epargne et le Crédit) was created following the restructuring of BICIC (Banque Internationale pour le Commerce et l'Industrie au Cameroun).

In March 1997, the management of BICEC was entrusted to the Banque Populaire Group. In 2000, BICEC became a subsidiary of the Banque Populaire Group.

BICEC is now a leading player in the Cameroonian banking market and achieves a solid overall performance. With 622 employees and 28 branches, it is the leading branch network in Cameroon with strong roots in the 10 Cameroonian provinces.

It has 274,000 clients of which 266,000 personal customers and 8,000 small business customers.

At December 31, 2008, customer deposits outstanding totaled €532 million (+7%) and loans outstanding totaled €343 million (+23%).

CONDENSED INCOME STATEMENT (100%)

in € millions	2008	2007	2006
Net banking income	51	47	44
Gross operating income	23	20	20
Operating income	22	21	19
Net income	11	11	10

BCI

BCI (Banque Commerciale Internationale) began operations on October 4, 2006, following its spin-off from Cofipa Investment Bank at the time of the latter's liquidation. It is 100%-owned by SAS SIBP and has share capital of €3 million.

After BICEC's successful development in Cameroon, BCI has become the Banque Populaire Group's second operation in the Economic and Monetary Community of Central Africa (CEMAC). BCI has 16 branches and as such has the tightest network in Congo focused in Brazzaville and Pointe-Noire. It has about 48,000 customers, including 45,000 personal customers and 2,000 business customers.

The bank develops both its deposits and lending activities.

Deposits:

- average monthly deposits at end-2008 amounted to €104 million, up 25% over the year representing a market share of 12%.

Lending:

- customer loans totaled €64 million, up 75% representing a market share of 18%.

CONDENSED INCOME STATEMENT (100%)

in € millions	**2008**	**2007 (15 months)**
Net banking income	11	8
Gross operating income	1	(1)
Pre-tax income	0.6	(0.4)

This subsidiary is not yet included in the scope of consolidation.

VBI

In 1991, VBI - Volksbank AG was one of the first banks to move into the high growth markets of neighboring Central and Eastern Europe, founding a subsidiary in Slovakia.

Since the end of 2004, DZ Bank AG and WGZ Bank together and Banque Fédérale des Banques Populaires (BFBP) in France have each held 24.5% of VBI - Volksbank International AG (VBI).

VBI, which is based in Vienna (Austria), manages a banking network spanning nine countries in Central and Eastern Europe. Each country is covered by one or two banks: Slovakia (L'udova Banka), the Czech Republic (Volksbank CZ,a.s), Hungary (Magyarorszagi Volksbank Zrt), Slovenia (Volksbank Ljudska Banka d.d), Croatia (Volksbank d.d), Romania (Volksbank Romania SA), Bosnia-Herzegovina (Volksbank BH d.d and Volksbank a.d Banja Luka), Serbia (Volksbank a.d) and Ukraine (Elektron Bank). It also has a subsidiary in Malta.

Performances in Romania illustrate VBI's sales momentum: Volksbank Romania is considered to be the bank displaying the most upbeat growth on the Romanian market, and was awarded the "Nine O'Clock Bank Award" for its outstanding services.

With a market share of more than 5% it now ranks eighth on the Romanian banking market – without making any acquisitions.

These banks focus mainly on personal and SME clients. They meet customer needs with a comprehensive range of financial products and services, many of which are standardized to guarantee consistency across CEE countries.

This range was completed by "CEE UNLIMITED", an initiative aimed at assisting and supporting partner banks and their customers from Austria, Germany, France and Italy with their business activities in Central and Eastern Europe.

The system is extremely straightforward, and mutually profitable for all those involved. Corporate customers will continue to be served and advised by their own bank. However, from this starting point, customers and their account managers then have access to professional banking services in the desired CEE market.

The 1.477 million customer accounts are managed by a network of 630 branches (*data as at November 2008*).

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CONDENSED INCOME STATEMENT (100%)

in € millions	2008 (estimates)	2007	2006
Net banking income	453	339	221
Operating income	90	70	40
Net income	72	56	33

NATIXIS

Corporate and Investment Banking

(Revenue: -€595 M – Net income: -€3,239 M)

The Corporate and Investment Banking division (CIB) offers its clients – companies, institutional investors, insurance-companies and banks – a full range of financing and capital-markets products taking advantage of all of Natixis' expertise: advisory services, origination, structuring and distribution. Since the beginning of 2008, this division has been organized in three business lines and two regional platforms:

- Corporate and Institutional Relations: which manages client coverage in France and internationally, and directly manages straight financing, cash management and mergers and acquisitions advisory services. Net Banking Income 2008: €521 million;
- Debt and Finance: which includes Structured Finance and Commodities, Real Estate, Debt solutions and the Structured Credit and Securitization. Net Banking Income 2008 excluding GAPC(1) : €976 million;
- Capital Markets: structured around centers of expertise in interest-rate, foreign exchange, commodity, debt and equity markets. Net Banking Income 2008 excluding GAPC(1): €1,019 million.
- Two regional platforms in North America and Asia, with dedicated resources to support each of the business lines in their international development, in a controlled manner.

The CIB Division's support functions (in addition to human resources, corporate secretary and economic research) include two departments one of which is dedicated to systems, organization, operations and finance, and the other to active risk management and supervision.

The Net Banking Income of the CIB (excluding operations transferred to Workout Portfolio Management, which is described below) was €2.86 billion in 2008(2) compared to €2.57 billion in 2007.

CIB restructuring plan

Following the worsening of the financial crisis and the bankruptcy of Lehman Brothers in mid-September 2008, on December 18, 2008, Natixis' Supervisory Board approved a restructuring plan proposed by Management designed to profoundly transform the activity of the CIB division.

The measures adopted include:

- the termination of the principal finance and proprietary structured credit investment activities in the Debt and Finance business line: these proprietary activities have been halted, and a segregated structure has been created to optimize management as the business is phased out;
- the termination of the most complex market activities;
- a renewed focus on strategic customers and customer activities, including large corporate customers in France and in Southern Europe, corporate mid caps in France, institutional investors in Europe and structured financing customers in the international market;
- a narrower international presence: involving sharp cutbacks in Asia (termination of most market activities, with maintenance of a simple customer-based service) and in the United States (termination of equity derivatives operations and plain vanilla financing for corporate customers) and closure of marginal offices (particularly in South America);
- the enhancement of risk management in all activities;
- a reduction in staff and costs: The impact of the termination of the most complex or high-volatility market activities will result in a 40% staff reduction in the activities concerned. Overall, CIB staff is expected to be reduced around 10% in 2009: at the end of 2009, the total workforce will fall to less than 5,000 employees, after having reached a maximum of 5,700 employees in March 2008. This will also result in a 10% reduction in the direct fixed costs related to CIB.

Creation of a segregated structure

Natixis has created a segregated structure within the CIB, known as GAPC (*Gestion Active des Portefeuilles Cantonnés*, or Workout Portfolio Management), to manage the phase down of activities involving assets most impacted by the crisis and those that are no longer considered part of the core business in light of the new strategic focus on customer activities. These activities include primarily the principal finance and proprietary structured credit investment activities, credit-correlation activities, portfolios of mortgage-based securities for the ABM Corp subsidiary in New York and the most complex operations within the interest- rate and equity derivatives business lines. In total €31 billion in risk-weighted assets (value as at December 31, 2008) have been transferred to the GAPC.

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(1) GAPC: Gestion Active des Portefeuilles Cantonnés (Workout Portfolio Management).

(2) The division's total net banking income includes that of the three business lines, as well as other net banking income of €0.34 billion, which includes €0.54 billion from Credit Portfolio Management.

Main rankings and Awards in 2008 *

- **No. 1 in primary equity capital markets in France** by number of transactions (Natixis and Lazard-Natixis) and **No. 4** by amount of issues *(source: Bloomberg)*
- **2nd best broker in French securities** (Natixis Securities) *(source: Agefi-Thomson Extel Focus France)*
- **No. 1 Mandated Lead Manager (MLA) on real estate finance in France** and No. 4 MLA in the Europe, Middle East and Africa (EMEA) zone *(source: Dealogic- January 2009)*
- **No. 2 book runner on French corporate bond issues in euros** and **No. 2 book runner on bond issues from French AAA issuers in euros** *(source: Dealogic Loanware)*
- **No. 2 MLA on LBO financing in France by amount** *(source: Agefi Hebdo/Dealogic)*
- **No. 4 book runner on the worldwide market for covered bonds in euros** *(source: Dealogic)*
- **No. 10 book runner on bond issues in euros** *(source: IFR)*
- **No. 10 MLA book runner on syndicated loans** in the EMEA (Europe, the Middle East and Africa) zone by number of transactions, No. 19 by amount *(source: Dealogic)*
- **"Eurobond deal of the year**" by IFR and **"Euro high grade deal of the year**" by *Credit Magazine* for the GDF-Suez bond issue co-managed by Natixis
- "**Aeronautical financing transaction of the year**" for the transaction arranged for the manufacturer Embraer, by Air Finance Journal
- **5 transactions won awards in aeronautical financing** from Jane's Transport Finance for their innovative characteristics: Turkish Airlines, Qatar Airways, TAM, Air Asia and Jet Airways
- **"Best Rail Financing Transaction Europe**" for financing Angel Trains, awarded by Jane's Transport Finance
- **6 awards in project financing: "Best financing transaction of the year**" for the transactions arranged by Natixis, awarded by the specialized magazines *Project Finance Magazine and Project Finance International*
- **"Best trade bank of the year**" **in commodities financing in the metals category** from the specialized magazine *Trade & Forfaiting Review.*

* *Updated February 2009.*

Corporate and institutional relations

The Corporate and Institutional Relations department provides the Coverage function for all corporate and institutional customers in France and internationally, and directly manages three activities: straight financing operations, cash management, and mergers and acquisitions advice. It also manages the subsidiaries and branches around the world, with the exception of Asia and North America.

Coverage: close relations with customers

Coverage coordinates marketing and sales activities at customer level across all business lines with a focus is on controlling risk and optimizing overall profitability from client relationships over the long term. Coverage offers the full spectrum of Natixis services and businesses, including CIB, asset management, private equity and private banking, services and receivables management.

The department maintains close-knit relations with almost all major French corporations and institutions and is well-entrenched in the medium-to-large French company segment. Internationally, Natixis has close relationships with the main corporations and institutions, particularly in Europe.

The marketing and sales approach is structured to include senior bankers, sector groups and regional departments, with priority given to local customer relationships and sector expertise; this approach is organized by client type: companies and investment funds, institutional and public-sector clients, and natural resources.

The size of the network was reviewed at the end of 2008, and two regional departments where closed (reduced from 11 to 9), as were centers in the Paris region (reduced from 5 to 3) and several offices abroad, among them offices in Panama, Bogotá and Teheran.

Financing

Straight Financing is the basis of the client relationship, from which other services are offered. The business optimizes use of Natixis' regulatory capital, making use of syndication and securitization, managing a portfolio of the main credit lines, and selectively allocating commitments according to the prospects for developing Natixis' other products and services; in doing this, the bank relies on its recognized sector experience in certain economic areas, particularly in luxury goods, food processing, telecommunications and IT services and the automobile industry.

Some examples of financing transactions completed in 2008:

- in France: SFR (acquisition of Neuf Cegetel), Tereos, Aker Yards (performance bond), Clarins (financing the Public Repurchase Offer), EDF (acquisition of British Energy), Renault, Gaumont, Energy Capital Partners, Gazprombank;
- internationally: Nordzucker (acquisition of Danisco), Acciona (acquisition of Endesa), Ferrovial, Finmeccanica, Lucchini, Region de Lazio.

Cash management

Natixis offers its clients cash-management services to meet their requirements for disbursements, receipts and cash-management at the national, European and international levels.

In 2008, the business line continued optimizing its organization and its processing of operations. It obtained an extension to its ISO 9001 certification to cover the implementation of cash-management solutions on the client's premises; until then, the certification was reserved for designing products and services and processing operations.

The cross-company Projects business, which focused on the development of new applications and new products, remained busy, particularly with the introduction of the SEPA payment transfer(1) and the BIC IBAN service. In January 2008, Natixis was the first European bank to issue a SEPA payment on the Euro Banking Association (EBA) exchange system. Natixis confirmed its role as advisory bank, providing its expertise to its customers on topical subjects: payments within Europe, the development of banking communication and cash management. The increase in volumes and associated income shows the effectiveness of the marketing operation.

Mergers and acquisitions

Natixis Finance acts as a mergers/acquisitions advisor, particularly to corporate midcaps, financial institutions and private equity funds; it has special expertise in the utilities and infrastructure sectors as well as in real estate.

In 2008, Natixis acted as consultant to GDF in the divestiture of Coriance, to PAI in the divestiture of Stoeffler, to Malteurop in the acquisition of ADM Corp., to IBM in the takeover bid/public repurchase offer on ILOG, to La Poste in outsourcing part of its premises, to Cube Infrastructure Fund (Investment Fund) in its investment in SAUR and to CDC Capital Investissement in the Socotec transaction.

Debt and finance

Debt & Finance designs customized financing and investment solutions for Natixis' corporate and institutional customers. These solutions combine Natixis' expertise in the areas of specialized origination, credit structuring and distribution. The department is organized in four business lines: Structured Finance and Commodities, Real Estate, Debt Solutions and Securitization on behalf of clients.

Structured Finance and Commodities

Structured Finance and Commodities provides Natixis' customers with global expertise as an arranger, based on an integrated value chain: investment, advisory services, debt structuring and distribution. It includes 7 complementary business-lines:

- *Aeronautical Financing:* Natixis, via its wholly-owned subsidiary Natixis Transport Finance, remains a key player in the market for aeronautical financing, a worldwide market that refocused on a few core participants in 2008. Involved in aeronautical finance for more than 30 years, Natixis is currently financing nearly 500 aircraft of all models and has developed a full range of financing solutions (advance-payment financing, fiscal *leasing*, Islamic finance, export credits, etc.). In 2008, five transactions won awards from Jane's Transport Finance for their innovation (Turkish Airlines, Qatar Airways, TAM, Air Asia and Jet Airways) and the transaction arranged for the manufacturer Embraer was elected "aeronautical financing transaction of the year" by Air Finance Journal;
- *Financing assets for maritime and land transport:* Natixis is a major participant in this business, with more than 400 assets and more than 80 clients financed in ten years. Based in Paris, with offices in Hong Kong, Singapore, New York and Dubai, the activity is geographically diversified and finances a wide range of assets (oil-tankers, chemical tankers, gas tankers, bulk carriers, containers and container vessels, ferries, offshore platforms, etc.). In 2008, more than 30 transactions were successfully arranged and syndicated, including Emarat Maritime (Dubai), Vantage Drilling (Houston), Shipping Corporation of India (India) and Socatra (France). As part of its financing of land transport, the "Angel Trains" transaction won the "best rail financing Europe" award from Jane's Transport Finance;
- *In project financing,* Natixis offers a full range of products throughout the world: financial advisory services, arranging, subscription and acquisition of interests in senior and subordinated bank financing, syndication, agent services, hedging products, etc. The structure is organized in four sectors (infrastructure/environment/public-private partnerships, electricity and renewable energy, natural resources and telecommunications) over 8 regions (Paris, London, Dubai, Madrid, Milan, New York, Hong Kong and Sydney). In 2008, Natixis was No. 15 by amount in MLA for the EMEA zone, No. 10 in North America and No. 19 in the world *(source: Infrastructure Journal)*. Six awards for "Best financing transaction of the year" were awarded by the specialized magazines Project Finance Magazine and Project Finance International for transactions arranged by Natixis, including 3 for North American: YahSat (2 awards), Tuin Zonn, Topaz Power, Southwest Gen/Black Hills and Kleen Energy;
- *Acquisition and LBO financing* provides recognized expertise as an MLA, and acts as book runner on a complete range of financing solutions (senior, subordinated, LBO, LBI, Build-up) for wide and innovative coverage of financing requirements (family business transfer, hive-offs, stock market exits, secondary LBOs, mixed LBO/real estate and LBO/infrastructure operations, etc.). In 2008, in spite of an economic climate with limited access to liquidity, Natixis remained a major player in the domestic market, with 9 transactions successfully arranged and syndicated, among them the key Converteam, Maisons du Monde and Socotec transactions. Natixis was ranked No. 2 MLA in France in 2008 by amounts *(source: Agefi Hebdo/Dealogic)*. Natixis also continued to develop these skills internationally, particularly in Italy, where it arranged 3 of the 5 most important LBO financing transactions of the year: Giochi Preziosi (senior debt of €375 million), Guala Closures (senior and mezzanine debt of €428 million) and most importantly, N&W (senior debt of €470 million);
- *Financial engineering* arranges customized structured financing for corporate and institutional clients: optimized financing, equity financing (financing share acquisitions, equity-backed financing, monetization of shares, secured loans replicating the profile of a financial instrument, etc.), and asset financing (deconsolidation and monetization of contracts). In 2008, this model, based on transactions that are diversified, innovative and very selective in terms of risk and counterparty, allowed Natixis to support its customers (particularly Essilor, Nissan America, Groupe Arnault, Socatra, Auchan, Rallye, Apax and Colony), in a difficult economic climate. Financial engineering has continued to develop its products aimed at large corporate clients, shipping companies and airlines;
- *Commodities financing* combines sector expertise (energy, metals, agricultural commodities) and geographical specialization (Commonwealth of Independent States, Central and Eastern Europe, Latin America, North America, Africa and Asia). The business line

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(1) SEPA: Single Euro Payments Area.

maintains active relationships with all those involved in the value chain (producers, importers, traders and services companies) through a team of 120 account executives specialized in this market and the requirements of clients. In 2008, it confirmed its expertise in arranging major facilities in pre-financing and by supporting consolidation in the metals and energy sectors. The specialized magazine *Trade & Forfaiting Review* voted Natixis "best trade bank of the year" in the "metals" category; 5 transactions arranged by Natixis also won the "best transaction of the year" award from the magazine *Trade Finance*: Kazakhmys (Kazakhstan), Total Gabon (Gabon), Cocobod (Ghana), H&H – Huomei Hongjun Aluminium & Electricity (China) and Metalloinvest (Russia). The sector also has intensified development of cross-selling with the Group's other business lines (export finance, employee savings schemes, bond issues, primary equity capital markets in the United States, project financing, Coface and commodities derivatives);

- *Structured Export Finance:* the activity meets the financing and payment-security requirements generated by international contracts, particularly cross-border financing, through the Global Trade Services (GTS) range. GTS's international contracts are based on a variety of underlying assets including raw materials, capital equipment and services, turnkey projects, and investments involving export credit agencies. The mandates won by GTS, particularly in export financing (Areva, Cobra/Pemex-Brazil, ISOLUX/CFE-Mexico, Bhushan Steel-India, Dassault-Turkey, MBDA-Peru) confirm the development of the business in France and in the international level;

Real Estate

The Real Estate business line covers Real Estate Financing (REF) for institutional customers on all types of assets (offices, residential, hotels/leisure, commercial), in Continental Europe and the United States, as well as short/medium-term equity transactions via a dedicated subsidiary, Natixis Immo Développement.

In 2008, REF downsized its activities, while continuing to meet the needs of its historical customers (AxaReim, Nexity, Altarea/Cogedim, etc.,) and confirmed a strong position in France (No. 1 with 6 transactions arranged as MLA, representing a 35% market share) and in the EMEA zone (No. 4 MLA with 9 transactions) (*sources: Dealogic*). REF began to reduce its portfolio of commitments in 2008, particularly through an active policy of syndication.

In spite of the significant slowdown in the US real estate business, REF maintained a presence in the US real estate finance market, carrying out 11 new syndicate transactions that were widely distributed among investors and participants. By focusing on syndication and the sale of debt and subordinated interests in debt, actively managing the portfolio and covering credit risks, REF reduced its outstanding loans by about 44% during 2008.

Debt Solutions

The Debt Solutions teams are involved in all financing transactions originated by the CIB, to configure, assemble and structure them for the markets in which they are to be placed: bank syndication, sale to investors.

- *In the syndicated loan market,* Natixis is recognized for its ability to structure and distribute loans: corporate, financial institutions and structured finance. Based in Paris, London, New York, Hong Kong and Singapore, the teams operate in Europe, the Middle East, Africa and Asia. Natixis is also a regular player in the secondary loan market. In 2008, in spite of tightening liquidity, the business performed comparably to the previous year. Natixis is in 10th place in the EMEA zone with 45 transactions finalized as MLA/Bookrunner, among them Rexel, Grupo Planeta, Groupe Gascogne, Faurecia, Cofidis, NordZucker and Orchestra, and is placed 19th by amount *(source: Dealogic).*
- *Debt engineering* has an objective of developing debt products and balance-sheet solutions specifically adapted to Natixis' clients and their shareholder groups, as well as financing solutions for companies that are being restructured. In 2008, the "Horizon PME" debt fund, dedicated to the long-term financing of small-to-medium-sized business clients of the Banques Populaires and the Caisses d'Epargne, was officially launched and successfully finalized its first transactions. The "debt repackaging" business financed the purchase of the network of Virgin Megastores in France by Butler Capital Partners.
- *Debt Solutions North America* provides clients of Natixis with access to the American debt markets (public and private), and offers American issuers global coverage of their debt requirements. Based in New York, it offers integrated expertise in origination, structuring, implementation and syndication of syndicated loans, Company debt, secured loans, Company securitization, municipal debts and risk transfers. In 2008, Debt Solutions North America took part in 6 major transactions, in close collaboration with the structured-finance activities. These transactions were syndicated on the American market.

Global Debt Origination

In association with the "Capital Markets" and "Debt and Finance" activities, a cross-company origination team is dedicated to any problem involving debt financing, mainly in euros, using techniques in the markets for credit syndication, primary debt capital markets and securitization. The team offers Natixis' customers the most appropriate solutions for their situations.

Securitization

Natixis is a recognized player in the securitization market, in the United States and in Europe, focused on the specific requirements of its customers. This business line offers alternative and competitive sources of financing to customers of the bank, corporations and financial sponsors. Natixis works as a structurer, arranger, syndication lead manager and as counterparty for interest rate and/or foreign-exchange swaps for securitization vehicles. The underlying assets include: trade receivables, bank debt (personal loans, mortgages, consumer loans, credit cards, automobile loans, etc.), student loans, commercial mortgage-backed securities, collateralized debt obligations, subscription loans, and insurance risks.

Natixis also offers a *warehousing* service to its clients, allowing them to monetize their asset portfolios by placing them in dedicated conduits (Direct Funding, Elixir and Versailles), prior to their placement.

In a difficult economic environment, Natixis has developed its US advisory business, particularly in acquisitions/divestitures. The bank gives its clients access to its specialist knowledge of complex structured products, its sophisticated analysis tools, its privileged relationships with purchasers and sellers of structured assets, and the dynamism of its marketing teams. It also has a sound reputation with a large base of investors, allowing it to refinance effectively. In 2008, Natixis securitized $1.5 billion of assets (Asset-Backed Securities – ABS) in the United States, excluding CDOs and mortgages.

In Europe, the business has refocused on arranging the financing of debt portfolios and distributing securities backed by portfolios, for companies and financial institutions, including insurance companies. The financial crisis and the transition to Basel II have encouraged transactions giving access to liquidity for the sellers. In this capacity, Natixis arranged or co-arranged 4 real-estate bond programs.

The development of the swaps securitization activity facilitates execution of transactions on the capital markets. Natixis has thus adapted its range of products to the requirements of its bank customers, hedge funds or corporate issuers.

Capital markets

Natixis, a recognized player in European capital markets, offering its customers a diversified and customized range of products in the interest rate, foreign-exchange, commodities, debt and equity markets.

Interest-rate, foreign-exchange and credit markets

Natixis offers its customers investment and hedging products in foreign-exchange, interest-rates, credit and emerging markets:

- forex teams give quotes on simple or more complex products in the main currencies;
- the interest-rate activities give quotes on cash products in euros (government bonds) or simple or complex derivatives (including inflation) in European, Asian currencies or currencies in the Americas;
- the credit sector includes the origination and trading of public or private bonds or credit derivatives;
- in emerging markets, Natixis offers interest-rate, credit and foreign-exchange products, and continues to grow by following a niche strategy including geographical positioning to develop the other activities of the bank (China, Russia, Vietnam).

All of these products rely on a large research system and distribution teams organized by type of customers (corporate, financial institutions, customers of our shareholders or local authorities), and for institutional customers by type of product.

The business is mainly established in Europe (Paris, London, Milan, Madrid and Frankfurt), but is also carried out through trading and distribution platforms in Singapore and New York.

The significant events of 2008 were as follows:

- **the interest-rate and credit** sectors suffered from the financial crisis in several segments of their business: exotic operations involving interest rates and hybrid interest/exchange rates, as well as loan portfolios (ABS, covered bonds, corporate, financial and High Yield) suffered from the high volatility of markets and lack of liquidity;
- **commercial** activities have nevertheless stood up well in this difficult environment, based on close local relationships with clients. The distribution teams improved their commercial performance by 20% in terms of contributions per customer over 2008;
- **in the primary bond market,** 2008 saw Natixis ranked among the 10 best-performing banks in the Euro market, maintaining its rank as a first-rate player in Euro-denominated covered bonds, and confirmed its leadership in the public sector and among French corporate issuers.

Ranking on 12/31/2008	Product	Source
No. 10 bookrunner	Bond issues (in euros)	IFR
No. 4 bookrunner	Covered bonds (in euros)	Dealogic
No. 2 bookrunner	Bond issues by AAA French issuers	Dealogic
No. 2 bookrunner	French corporate bonds (in euros)	Dealogic

In 2008, Natixis managed several noteworthy issues, among them: the GDF Suez transaction was recognized as the "*Eurobond deal of the year*" by IFR and "*Euro high grade deal of the year*" by *Credit Magazine*, the corporate issue transactions for Danone, Lafarge and Bouygues, all for amounts greater than €1 billion; the inaugural issue from SFEF, recognized as the "*Euro Supranational/Agency bond of the Year*" by Euroweek, together with their second transaction, which both constituted the largest issues underwritten in this market in 2008; covered bond transactions for the Royal Bank of Canada, Sparebank 1 and BCP Millenium, which were the first covered transactions managed by Natixis in Canada, Norway and Portugal; two leading Spanish issues, those of Caja Madrid (€1,250 million) and the inaugural covered issue from Bankinter (€1,500 million); long-term (more than 10 year) issues from the French agencies SNCF and RATP and the Dutch agency BNG; the first issue underwritten by the Dutch government for the investment bank NIBC; lastly the inflation-indexed issue from the Agence France Trésor (€3 billion).

The foreign exchange sector continued its development (2nd best worldwide increase by volume of operations handled, according to the Euromoney 2008 survey), strengthening its trading systems; it now has a 24 hour a day service from platforms in Singapore, Paris and New York, with an expanded range of products, while maintaining profitability.

The interest-rate, foreign-exchange and loan business constitutes, after segregating the most complex products, one of the bank's long-term activities, both in support of financing activities and to meet the requirements of priority clients, particularly institutional clients.

The Treasury and Arbitrage team ensures that the entities of the Natixis Group are refinanced over the short, medium and long terms, and carries out arbitrage transactions on interest-rates and loans (relative value).

Commodities Markets

In 2008, Natixis continued to develop its OTC[1] derivatives platform on underlying commodities. It now offers a complete range of derivative products on a number of families of underlying assets: base and precious metals, energy and agriculture. Also, Natixis Commodity Markets (NCM), a subsidiary specialized in intermediation and trading on commodities, continued to develop the use of its electronic order-entry platform for its customers. NCM, present in London, New York, Hong Kong and Tokyo, offers services from execution to clearing on the various commodity markets.

The high volatility in commodity markets during 2008 drove clients to make massive use of derivative products to hedge their risks. In this context, Natixis has continued to win market share with clients such as consumers, producers, traders or investors interested in commodities as products to diversify their portfolios. Natixis is currently developing an Energy trading platform in the United States.

The synergy between the Structured Finance and Commodities teams allows Natixis to offer its clients a wide range of products combining financing and risk hedging related to high market volatility.

Equity Markets

Natixis has developed great expertise in equity markets in the areas of brokerage, arranging of primary transactions, and the structuring and sale of hedging or investment products.

Natixis Securities

In the context of extreme market conditions in 2008, Natixis Securities showed a strong performance in the share-intermediation business.

A specialist in the French market, Natixis Securities has a multi-product distribution platform (cash equity, lending transactions in partnership with Natixis Asset Management and Natixis, listed derivatives and bonds) serving a large customer base (900 customers in Europe, the United Kingdom and the United States).

In addition to being specialists in all products of the French market, Natixis Securities' research teams cover the major European corporations. Natixis Securities has been ranked for the second consecutive year as the No. 2 broker in French securities in 2008: No. 1 broker for trading and execution services, and No. 2 for research in France, with more than 340 securities monitored in 25 sectors. In 2008, research on French securities was ranked in the top 3 on 24 occasions, including 12 first positions *(source: Thomson Extel Focus France – December 2008).*

Natixis Bleichroeder Inc.

Natixis Bleichroeder Inc. (NBI) is an American broker-dealer registered with the SEC, which offers institutional and corporate customer services covering brokerage, order execution, prime brokerage, lending transactions, advisory services and access to stock markets. NBI covers 55 world markets and its trading services are available 24 hours a day. In 2008, NBI consolidated its expertise in the brokerage of American Depositary Receipts (ADR) traded over-the-counter.

In spite of the significant drop in stock markets, the American institutional sales team had a performance in 2008 that was superior to that of the previous year, due to a strong diversification of its customer base.

In the area of research, NBI's reputation is growing in the three areas in which it specializes (energy, health and media), and it received an award in 2008 from "Institutional Investor All-American Research", a well-known survey.

Equity Capital Markets

In the *Equity Capital Markets* field, Natixis offers personalized advisory services and high value-added products on primary equity markets. Origination capacity is augmented through its links with Lazard in France.

In 2008, in spite of the particularly difficult economic climate, Natixis and Lazard-Natixis confirmed their first-rate position in the business in France, together being ranked No. 1 by number of transactions, with 11 transactions managed by Natixis and Lazard-Natixis as the lead manager and bookrunner, and No. 4 by volume *(source: Bloomberg).*

Natixis structured and managed several significant transactions during the year: in May 2008, the OCEANE issue[2] of €150 million for Vilmorin (the only significant convertible issue last year), the accelerated placement of €920 million of Vivendi shares in March (2nd largest block sale of shares by size in 2008), the two restructuring transactions carried out for Eurotunnel, respectively for €800 million in February and €915 million in May, the €375 million increase in the capital of Altarea in June (the only significant transaction in the real estate sector), the €130 million increase in the capital of Altran Technologies in July, and lastly, Natixis acted as global coordinator to manage the €3.7 billion capital increase for Natixis in September. The bank also managed the issues of OBSAAR [3] for NextradioTV, Havas and Akka Technologies.

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(1) OTC: Over The Counter.

(2) OCEANE: bonds with the option for conversion into new or existing shares.

(3) OBSAAR: bonds with redeemable share purchase warrants.

Equity derivatives

Both in the primary and secondary markets, Natixis offers its customers a wide range of equity derivative products for hedging and investments based upon a wide variety of underlying assets and investment instruments. In spite of a second half-characterized by high volatility and a general drop in stock-market indices, equity derivatives continued to pursue their objective of developing a balanced business mix in 2008. During the year, the business line focused on:

- arbitrage activities, based on the introduction of its own NORTH technical platform and the continuation of its policy of direct membership of various stock markets (particularly Tokyo, Hong Kong and Northern Europe); this strategy aims to expand the range of tradable underlying assets;
- the consolidation of the Equity Finance teams present in three geographical zones (Europe, Asia, USA), whose recognized expertise ensures Natixis a place in the worldwide top 10 *(source: International Securities Finance);* particular investment has been made in asset managers;
- flow-management products, particularly through a variance swap business aimed at asset manager clients. Also, a platform (Natixis Direct) for products and services is made available to personal banking clients.

Corporate Solutions – Nexgen

The Corporate Solutions teams offer customers customized and innovative solutions for managing and optimizing their balance-sheets or transferring their risks during restructuring and acquisition transactions, as well as a capacity to execute such transactions of recognized quality. With a team of 150 persons and present in 12 countries, Corporate Solutions is aimed at a large international corporate client base located in Europe, the Middle East, in Asia (North and Southeast), in India and in the Americas.

The total number of transactions for the Corporate Solutions Strategic Derivatives team increased by 30% in 2008. The year consisted of two very contrasting periods, with three quarters of strong growth in Asia, India and the Middle East and consolidation in Europe, followed by a final quarter of restructuring of existing transactions for key clients and reducing the number and size of new transactions in all regions against the backdrop of the worsening financial crisis. The Corporate Solutions, Global Risk and Strategic Derivatives businesses were able to maintain their margins despite the crisis.

Tailor-made Structured Products (Alternative Assets)

Natixis is a recognized player in structuring and managing funds, present in the United States, Europe and Asia.

In 2008, the creation of a marketing team dedicated to the range of Alternative Assets products opened up new geographical zones such as the Middle East and extended the customer base to fund managers.

The range of funds-based derivative products had constant business in the first semester 2008, unlike in the second half of the year, which was gradually impacted by the financial crisis. Currently considered non-strategic, the business is now concentrated on restructuring transactions aimed at reducing risk, both incurred by Natixis and by its customers. Factors such as hedge-fund risk aversion, the lack of liquidity and external events, such as the Madoff fraud, have weighed heavily on the performance of portfolios.

Natixis has continued to develop of specialized alternative management products. Natixis Capital Partners, a subsidiary specialized in the real estate sector, introduced its third investment fund, Captiva, whose regulatory capital stood at €420 million at the beginning of 2009. Other "new generation" products, providing enhanced transparency and covering assets in which Natixis has expertise (such as ABS and commodity financing) have also supplemented the product range.

Natixis Alternative Investments International

Within a secure framework, Natixis has developed activities in asset management on behalf of third parties having strong business and marketing synergies with the CIB and aimed at French and international institutional investors.

Grouped in the Natixis Alternative Investments International holding company, the activities include:

- the management of the *greenfield* and *brownfield*, infrastructure funds;
- the management of environment and sustainable-development funds (the carbon fund, the renewable-energies fund);
- the management of insurance risk transfer funds (*alternative risk transfer*);
- European industrial and commercial real estate funds;
- a range of managed funds and alternative multi-management funds;
- the management of specialized and structured funds.

The North American platform

Constituting an extension to Natixis' global product line, the Corporate and Investment Banking division's North American platform offers customized solutions and first-rate service to institutional customers, companies and local authorities in the American market. These services are mainly offered by the New York subsidiary and the subsidiaries Natixis North America Inc. and Natixis Bleichroeder Inc. Their dedicated teams, specialized in structured finance and some capital markets activities for companies and institutional investors, are mainly located in New York and the New York region, with some activities located in Boston, Houston and Los Angeles.

Since May 2008, the North American platform has implemented a series of measures aimed at regrouping its businesses in accordance with Natixis' plan to restructure the businesses of the CIB. It also continues to meet the needs of its customers coping with difficult markets, offering them solutions to meet their financial objectives or aiming to minimize the impact of market volatility. Furthermore, senior management, business-line managers and the risk-management teams have worked assiduously to reduce the risk profile related to the American operations.

Responsive to market trends and aware of the requirements of its customers, the North American platform also expanded Natixis' foreign-exchange activity in 2008, offering financial institutions and capital managers based in the United States a more complete range of products and services, combining consulting, analysis and the provision of an electronic brokerage platform. The North American establishment has also enhanced its *Debt Solutions* business, for issuing, structuring and distributing syndicated loans, private bond issues, secured loans, securitization, local-authority bonds and risk transfers.

The Asian platform

Natixis is present in 12 countries in Asia via a platform created in 2008, which includes the "Financing" and "Capital Markets" businesses. It seeks to support French clients in the Asia-Pacific region and to build a portfolio of regional large accounts.

Institutional and Corporate Finance : coverage was enhanced in 2008, particularly in the Energy sector, and financial sponsors now have a targeted geographical and sector network that works to complement the specialized business lines. Significant transactions have been carried out: the Fraser & Neave and Parkway Holdings market transactions in Singapore, those for Tata Communications in India and those for PCCW in Hong Kong; factoring transactions in China and matched funding in India (including Videocon with the assistance of Coface), and a growing number of export credits in Indonesia, India, Vietnam and Malaysia benefit from Coface, Hermes, KEIC or Sinosure coverage. Among financial institutions, despite a sharp slowdown in activity, Natixis has remained among the market leaders in India (Punjab National Bank, Bank of India, HDFC Bank, Indian Overseas Bank), and has developed new relationships with certain funds such as La Salle Asia Opportunity Fund (Singapore) and Khazanah (Malaysia).

Structured and Commodities Finance : *In project financing,* the business had a remarkable debut as MLA in Australia (4 mandates, including DUET and Sydney Airport; No. 11 MLA in project finance in Australia, *source: Dealogic*), as well as a breakthrough in Asia, with the key Lion Power operation in Singapore (purchase of Senoko Power by GDF Suez/Marubeni). *In aeronautical finance,* Natixis continued to display its leadership, particularly in China (Air China, Shanghai Airlines, Hainan Airlines), India (Jet Airways) and in Southeast Asia (Lion Air in Indonesia and Air Asia in Malaysia). *In financing for shipping and land transport,* some 15 mandates were awarded in 2008, among them: Samudera and Mermaid Maritime (Singapore), Arpeni (Indonesia), PetroVietnam Transportation (Vietnam), STX PanOcean (Korea), SCI Forbes (India) and Emarat Maritime (Dubai). *In the financing of acquisitions and LBOs,* the Hong Kong and Sydney teams continued their strategy of moving upmarket, based on a very selective approach to risk, with their first mandate as arranger awarded in Australia (Lindores). *In commodities financing,* in 2008, the business was refocused on the main producers and importers in each country, and emphasis was placed on structured operations. Further success came through some 10 mandates as arranger in China (H&H and Coalmine pre-financing), in Southeast Asia and Oceania (RBL financing for Oil Search and Salamander Energy), and in India (Reliance Industries). In addition to these activities a regional *banking syndication* platform was put in place in 2008. Natixis was ranked No. 17 as MLA in syndicated loans in 2008 in the Asian zone – excluding Japan *(source: Loan Connector).*

In Capital Markets: as part of the CIB restructuring plan presented at the end of the year, the exotic interest-rate and equity products were halted, mainly in Tokyo. The plain vanilla cash, foreign-exchange and interest rate activities have been maintained and will continue to be developed.

Research commands strategic priority status

Economic research

The Economic Research team headed by Patrick Artus is recognized for its expertise and in-depth analyses. Coverage includes tracking the economic situation with economic and financial forecasts, analyzing interest rate, currency and equity markets, preparing country assessments and compiling investment strategies. Some 40 key countries are covered in total, including the main emerging countries.

Credit research

The Credit Strategy and Analysis teams combine quantitative and fundamental approaches that result in in-depth and independent analyses of 90 private euro-zone bond issuers. They also study trends in the credit market (developing new segments, such as government-underwritten debt) or problems specific to the credit market (Company liquidity). A range of publications offers clients the best opportunities available on the market at any given time.

Financial analysis

Natixis Securities was ranked No. 2 in December 2008 for research in France, with more than 340 securities monitored in 25 sectors. In 2008, research on French securities came in the top three on 26 occasions, including 12 first positions *(source: Thomson Extel Focus France – December 2008).*

Quantitative research

Quantitative Research is geared to developing and maintaining models for valuing and managing the risks associated with financial products like derivatives and complex structured deals. Quantitative Research acts as a vector for tailoring the product offering to client needs and is used by traders and structurers. The Natixis Foundation for Quantitative Research funds fellowships for doctoral theses and university-based research projects on subjects which directly impact the concerns of financial institutions. It assists in the Bank's technology watch activities and ensures that the latest financial engineering developments are incorporated into products.

Support functions

Active risk management and supervision

The role of the Active Risk Management and Supervision structure (ARMS), in coordination with the risks department, is to advise the CIB division in the strategic management of the business. ARMS is responsible for Credit Portfolio Management (CPM), the objective of which is to manage commitments with a view to reducing concentration (sector, geographical, etc.) and outstanding loans. ARMS also directs the Special Affairs and Disputes department, the bank's center of expertise on cases of companies in difficulty. Lastly, ARMS runs the structure for the special segregated GAPC activity mentioned above.

Systems, organization, operations and finance

Cost control, risk control and operational rigor

The CIB's Systems, Organization, Operations and Finance Department covers the entire processing sequence for the segment's products.

Its teams were kept particularly busy in the difficult context of 2008. They managed the crisis on a day-to-day basis, increasing checks on the transactions of the most risky counterparties. They also absorbed peaks of activity and controlled operational risk through increased checks, thus meeting new regulatory requirements. They also undertook measures to optimize and reduce costs, as part of the bank's cost-reduction plan, were also undertaken.

Achievements 2008

Numerous projects were carried out to enhance operational efficiency in a sustained and structured manner.

All processes were optimized in all of the department's activities, to increase productivity gains. The teams were also heavily involved in the bank's large common projects.

The Information Systems Department continued system decommissioning and thus achieved post-merger synergies. Infrastructure management was optimized and basic services, such as IT hosting, were pooled at the Group level. The Research portfolio was adapted to the bank's new strategic requirements.

In the back-office, productivity gains took place on the control of cash management and STP* was introduced for equity market settlement/delivery. The back office for cash-management activities for provincial business centers was gradually centralized, as were the functions monitoring commitments in Europe.

At the middle-office level, information systems security was enhanced, the Financing middle office was reorganized and the redistribution of the Market Data workload began.

Lastly, consistent procedures for reconciling the results of post-merger market activities were implemented in the Results Service, while a project commenced to extend the central calculation of daily P&L to the "financing" businesses and at the international level.

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* *Straight Through Processing.*

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Asset Management

Revenues: €1,358 M – Net income: €208 M

Natixis' Asset Management division develops a wide range of investment solutions in the form of funds, dedicated products and mandates on all asset classes (money market, bonds, equities, real estate, alternative and diversified). An innovative divisional architecture – based on a global distribution platform serviced by multi-specialist asset managers – ensures a high degree of competitiveness.

Under the aegis of the Natixis Global Asset Management holding company, the division continued its policy of development on world markets and for a wide range of clients: institutions, large corporates, intermediaries and personal customers. In July 2008, the Company was designated "Asset Management firm of the year", for its overall strategy, by the magazine *Global Investor*.

The economic and financial crisis impacted the world market for inflows in asset management, which began to contract in the summer of 2007, and especially since the end of 2008. In this new context, the amount of assets under management by NGAM stood at €446.7 billion at the end of 2008. Net inflows are practically stable. Operating income remains positive.

Natixis Global AM: a global asset manager

Natixis Global Asset Management is one of Natixis' most highly-internationalized entities and ranks among the top 15 asset managers worldwide[1]. It commands strong positions in Europe (mainly in France), and in the USA, and is expanding in the Asia-Pacific region and in the Middle East.

Asset Management's federal-type organization comprises the Natixis Global Asset Management holding company – which manages and ensures the consistency of overall asset management operations and also has responsibility for business development – the Natixis Global Associates worldwide distribution structure and some 20 specialized asset management companies based in Europe, the United States and Asia. Headcount totals 2,900, with almost 1,700 staff based in the USA.

This multi-boutique organizational model, which covers all asset classes and management styles, is designed to leverage the specific expertise of each asset management company to the full, while providing the advantages of a global distribution network. It is adapted to a highly varied range of clients: institutional and corporate, insurers, banks, personal banking and private-banking clients.

It responds to developments in the worldwide market for asset management, which has slowed since 2007, but for which the background trends remain: positive medium-term prospects for growth and profitability, the growth of the open architecture (strongly present in the United States and developing in Europe) and the emergence of global distributors, growing demand for integrated and customized solutions with high added-value (particularly for institutional clients, personal banking distributors and private-banking clients).

The overall market for inflows in asset management has contracted on all products except money-market instruments and in all of the main geographical zones. This began from the summer of 2007 and intensified in the third quarter of 2008 following the bankruptcy of Lehman Brothers.

This new context has impacted the division, which, after several years of growth in assets under management, saw a drop in its assets to €447 billion at the end of 2008 against €591 billion at the end of 2007. These are divided between Europe (€294.1 billion), the United States (€152.3 billion, or $214.1 billion), and with the balance in the Asia Pacific region.

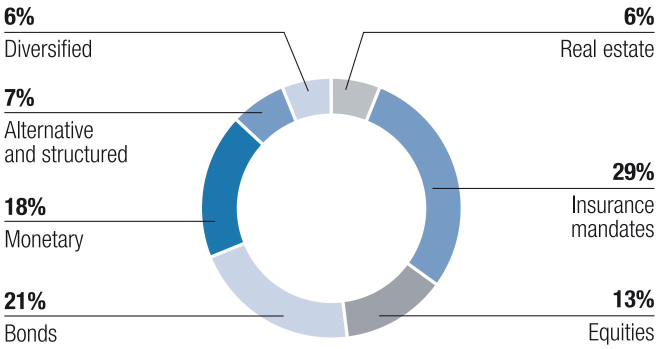
The variation in assets managed is mainly explained by negative exchange effects and market effects of €70 billion and the programmed 72 billion asset withdrawals from La Banque Postale. Other than these effects, outstandings are practically stable (-€2.5 billion, namely 0.3% of total outstandings), thanks to gross inflows that remained strong in spite of the very difficult market context in the fourth quarter.

Operating income dropped slightly by 5% (in constant euros) compared to 2007, which was a record year for profits. They remain positive and the ROE is around 13%, a level that is perfectly respectable in a period of crisis. These results position the division very favorably in relation to the competition.

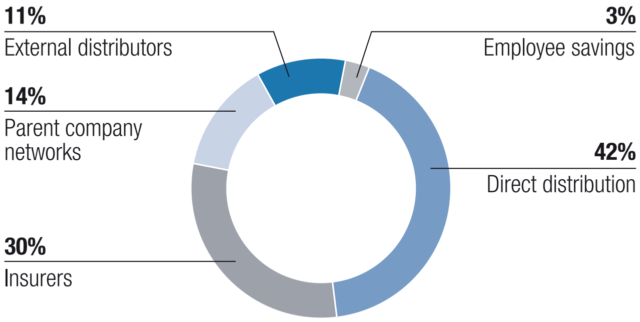
The multi-boutique model used by Natixis Global AM is evidence of its commercial and financial strength. The strategy implemented by Natixis Global AM has been confirmed. Transforming a Franco-American group into a global player remains the main ambition of the Asset Management division, through the regular extension of the range of management expertise and the development of its distribution platform, particularly in emerging zones, such as Asia or the Middle East, but also in Europe and the United States.

2009 will be another difficult year, but the division should remain in profit, thanks to its structural assets: a good competitive position in France and the United States, recognized expertise, the premium granted to the large market players, and a cost structure that is a relatively flexible thanks to its decentralized model.

ASSETS UNDER MANAGEMENT BY CATEGORY OF ASSETS



ASSETS UNDER MANAGEMENT BY DISTRIBUTION CHANNEL



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[1] *Cerrulli Ranking - July 2008, covering assets under management at the end of 2007.*

Natixis Global Associates: a worldwide distribution platform to serve asset-management companies

Natixis Global Associates is Natixis Asset Management's global distribution platform. Its distribution network already serves clients in about 30 countries on all continents. It markets the entire range of products of all Natixis' asset management companys, tailoring them to the needs of each country and grouping them with additional services. In the USA, Natixis Global Associates mainly targets distributors of personal banking savings products. Internationally, it services institutional clients via teams organized on a geographic basis.

In 2008, targeted actions were carried out to implement the development strategy of Natixis Global Associates. In the United States, two new initiatives were taken in the area of distribution to wealth-management consultants and institutional investors (Independent Channel and Institutional Services). Internationally, investments were oriented towards growth zones, especially Asia, the Middle East and Great Britain.

At the end of 2008, the amount of outstandings generated by Natixis Global Associates represented €63.8 billion ($89.7 billion). In an unfavorable worldwide economic environment, inflows were slightly positive in the United States, which is a considerable achievement in comparison to other comparable players, and negative in the rest of the world.

Natixis Global Associates' activities complement the direct distribution function exercised by the various asset management companies both to institutional clients in the USA and France, and to personal banking customers in France through the Caisses d'Epargne and Banques Populaires networks. With Natixis Global Associates handling distribution, Natixis' asset management companies can concentrate even more on their core business of creating performance, while reaping the benefit of worldwide commercial firepower and shared support functions.

Natixis Asset Management: a key player in Europe

The European asset management business managed €294.1 billion of assets at the end of 2008.

Natixis Asset Management (€273.2 billion of assets under management) is Natixis Global Asset Management's European expert, with its two subsidiaries, Natixis Multimanager, specialized in multi-management, and Natixis Epargne Financière. Natixis AM is one of the largest European asset managers and now delivers a wider range of high-performing management solutions to institutions, large corporates and personal banking customers of Groupe Banque Populaire and Groupe Caisse d'Epargne.

In 2008, Natixis Asset Management registered a sharp drop in the volume of its assets under management, related to a strong negative market effect and the programmed exit of €72 billion of assets from CNP's life insurance contracts distributed by La Poste, which occurred at the end of 2008.

Other than this exceptional factor, the impact of which was marginal in terms of income, considering the difficulties that appeared in dynamic money-market products and which were checked during the year, Natixis Asset Management stood up well, gaining market share in France and achieving second place for open funds in Europe.

The Company continued implementing its strategic plan. It adapted to the new context by increasing local relationships with clients, rationalizing the range of open funds and enhancing product expertise, particularly for the euro. Natixis Asset Management also confirmed its marketing ambitions to independent wealth-management consultants by taking a 25% stake in the capital of the Dorval Finance management company.

In 2008, Natixis Epargne Financière, a common distribution entity serving the networks for the Banques Populaires and Caisses d'Epargne groups, was established. Its purpose is to support the networks in their policy of developing sales of mutual funds, mainly managed by Natixis Asset Management.

Lastly, the Asset Management division's real estate management activity continued its organizational unification and its development policy: held at 60% by Natixis Global Asset Management and at 40% by the Caisse des Dépôts et Consignations, AEW Europe, a real estate asset-management company present in 10 European countries, particularly Paris and London, manages €17.6 billion in real estate assets. A subsidiary of AEW Europe, NAMI, develops real-estate investment trusts and real-estate mutual funds in France.

The European management companies thus provide a complete range of products and services covering all classes of traditional assets: money-market, interest-rates, equities and real estate, and expertise in high added-value areas, such as structured products, socially-responsible investment and multi-management.

This core expertise is underpinned by Global Associates' sales & marketing subsidiaries in the UK, Italy and Germany and in Dubai, where a subsidiary was opened in 2006 to boost Middle East sales, and by Global Associates' various European sales forces, which cover Austria, Scandinavia, Benelux, Portugal, Spain, Switzerland, etc.

The main awards in 2008

In the 9th edition of the Agefi 2008 Asset Management Grand Prix, Absolute Asia AM Pacific Rim Equities Fund won 1st place in the "Equities Asia, excluding Japan" category.

The magazine "*Mieux Vivre votre Argent*" awarded a "*Corbeille d'or*" to the Caisse d'Epargne network for the financial management of its funds delegated to Natixis Asset Management (category "Retail banks" over 1 year). Option Finance ranked Natixis Asset Management as second in France for institutional clients. Two gold trophies (best SICAV range and diversified funds – "Network banks" category over three years, and best overall performance – "Insurers" category) were awarded by the magazine Le Revenu for management delegated to Natixis Asset Management. "Mieux Vivre votre Argent" awarded an Excellence Label for Réactis Equilibre from Natixis Multimanager in the "Balanced" category.

AEW Europe won two "IPD EuroProperty Investment Awards" for its management in France during the last three years, one for diversified portfolios and the other for specialized portfolios.

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Marketing activity in the United States and the Asia Pacific region

In the United States, assets under management for some 15 American and Asian subsidiaries stood at about $214.1 billion (€153.3 billion) at the end of 2008.

Gross inflows in asset management stood at $28 billion and net inflow remained positive at $1 billion in spite of very adverse market conditions, particularly due to the success of the "hedged equity" offer from Gateway.

The management companies acquired in 2007, Gateway Investment Advisers (definitively acquired in February 2008), specialized in "hedged equity", and Alpha Simplex, specialized in quantitative and alternative management, introduced several funds adapted to the new market environment and placed their expertise at the service of the Group. Furthermore, Natixis Caspian Private Equity was created in partnership with Natixis Private Equity, a company managing funds and co-investors in private equity in the United States.

All of the American management companies directly provide distribution services for institutional clients in the United States. In the personal banking segment, they enjoy the support of Natixis Global Associates, which distributes products, provides advisory and structuring capabilities, and also offers related services that can be tailored according to differences in markets and distribution channels. Natixis Global Associates supplies both volume retailers and private investment advisers.

Natixis Global Associates also assists American asset management companies in developing sales of their products in the Asia-Pacific region in Singapore, Japan and Australia. In 2008, a partnership was initiated with China Industrial Bank to create an asset-management joint-venture; it should be finallized in 2009 when the required approval is obtained.

The main US awards in 2008

Fortune magazine named Ken Heebner "America's Hottest Investor." Dan Fuss was selected in the list drawn up by SmartMoney of the five best investors in the world (August 2008 edition). Loomis Sayles was ranked in the "Top Equity Fund Family" by Lipper for their performance over three years.

AEW was ranked number 1 by the Global Investor/Watson Wyatt Global Alternatives survey.

US and Asian asset management companies at end-2008

- Loomis Sayles (€75.4 billion in assets managed): management of assets (growth, core, value) and bonds (core to high yield)
- Harris Associates (€26.8 billion): management of American and international value equities
- Reich & Tang Asset Management (€10.1 billion): management of small and mid-cap American equities, core and high-yield international bonds; money market
- AEW Capital Management (€8.2 billion): real estate asset management
- Harris Alternatives (€6.4 billion): alternative multi-management
- Capital Growth Management (50%-owned, €5.1 billion): equity management
- Gateway Investment Advisers (€5.0 billion): hedged equity
- Vaughan Nelson (€4.8 billion): management of value equities and bonds
- Hansberger Global Investors (€4.2 billion): management of international equities
- Snyder (€1.1 billion): small and mid-cap American value equities
- Westpeak (€0.8 billion): index-linked and quantitative management
- Natixis Caspian Capital Management (51%-owned, €0.7 billion) alternative and money-market management
- Alpha Simplex (€0.5 billion): quantitative management
- Absolute Asia Management (€0.3 billion): management of Asian equities (excluding Japan), emerging Asian equities.

Services

(Revenue: €1,477 M – Net income: €342 M)

The Services division groups six complementary and interactive business-lines, both at the commercial and technical levels, organized in specialized subsidiaries, with the exception of the retail custody-services activity, which is integrated with the parent company.

The division develops competitive products and services for the clients of the bank networks and supplies complete, high-performance solutions to banks and institutional clients. Previously attached to the Corporate and Investment Bank, three activities – financial leasing, international development consulting for companies, and the banking subsidiary established in Algeria – joined the division in mid-2008.

Four of these six business lines – Insurance and Guarantees, Specialist Financing, Employee Benefits Planning, International Services – are specialized in the design of products and services marketed mainly by the "Banques Populaires" and "Caisses d'Epargne" networks.

The Payments and Securities Services businesses round out the offering by providing payment and transaction processing services.

All the services are tailored to satisfy the needs of specific client types (i.e. private individual, professional, corporate and institutional) and are based on two core principles. Systems and processing are industrialized and pooled so as to provide efficient and competitive solutions for the distribution networks. Natixis focuses on integrated and open systems that respond to the needs of the European market.

In 2008, the Services division strengthened its presence with the two networks serving the Caisses d'Epargne and the Banques Populaires, and also developed its clients outside these two groups.

Rankings

- No. 1 employee savings manager in France *(source: AFG June 30, 2008);*
- No. 2 in guarantee insurance in France;
- No. 2 French player in real estate leasing in France *(source: ASF survey, March 2008);*
- No. 10 (CACEIS) in institutional custody services worldwide *(source: Global Custodian);*
- No. 2 in retail custody services in France;
- No. 3 electronic banking operator in France;
- No. 4 French player in consumer loans in France;
- No. 4 non-life bancassurer in France *(source: G11 2008)*

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Insurance and guarantees

Insurance: an uneven year

In insurance, Natixis provides products and services covering all areas: life insurance and provident insurance for private individual clients, professionals and companies; non-life insurance marketed to private individual clients and professionals.

Life-insurance is standing up to the crisis

In a turbulent environment of economic and financial crisis and with high short-term rates, life-insurance inflows are down for the entire market. The bancassurers have thus seen a drop in activity of 13% on average *(source: G11)*. Natixis Assurances, in spite of a drop of 20% in its revenues in individual life insurance, had outstandings of €31 billion at the end of 2008, slightly up compared to 2007.

The development of products and services for private clients continued, particularly via Foncier Assurance, a 60%-owned subsidiary of Natixis Assurances since June 2007 (the balance being held by Crédit Foncier de France). Totally integrated into its parent company, Foncier Assurance aims to develop significantly in the market for independent financial advisors and partnerships. The introduction of Scintilium in the Crédit Foncier network in June 2008 illustrates this diversification strategy. With a minimum investment of €1,500, Scintilium offers two tax frameworks (life insurance/personal savings plan and Capi-personal equity plan/ insurance), a wider range of instruments offered by managers of repute, as well as automatic management services (reinvestment of capital-gains in secure or higher-performance instruments, gradual investment, relative stop-loss and performance corridor).

The declared objective of strong development in high-net-worth clientele and wealth management has also resulted in significant growth in inflows on the Solévia (+2.2%) and Solévia Patrimoine (+3.7%) products marketed by Banques Populaires.

Strong growth in provident insurance

The Provident insurance activity, which is less sensitive to the financial climate, is continuing to grow and reached the objectives that Natixis Assurances set itself for 2008, with revenue up by 22%.

The revenue for Autonomis dependency-insurance contracts increased by 89%, while the number of "Multi-risk Non-Work-Related Accidents" contracts increased by 12% to reach a total of 121,000 contracts in the portfolio. There was also a 9% increase in premiums relating to Fructi-Famille, a contract for sheltering families from financial worries in case of death or absolute and definitive invalidity.

Lastly, Natixis Assurances continued the introduction of its insurance products for borrowers from the regional Banques Populaires. From January 1, 2009, Natixis Assurances' solutions are now offered in 13 Banques Populaires, representing about 80% of the new production of Groupe Banque Populaire's amortizable loan issuance.

Non-life insurance continued to develop

Non-life insurance, still subject to a very competitive environment, particularly in pricing, had gross production of 160,000 contracts in 2008, bringing the number of contracts in the portfolio to 680,000. The average drop of 7.4% in prices for automobile insurance in 2008 contributed to improving the competitiveness of Natixis Assurances' products in this market.

The non-life products designed for professionals, introduced in 2008, have also produced good results, in accordance with the objectives that were set.

In total, non-life revenue stood at €195 million, up by 6%.

2009 Outlook

Prospects for inflow in life insurance are more favorable in 2009, bearing in mind the standardization of the level of short rates, especially with the "Livret A" rate being reduced to 2.5% at the beginning of the year.

The effort to develop in the independent financial advisors market continued with the introduction of a "house-branded" range of products and services provided by Foncier Assurance.

Particular emphasis will be placed on the pursuit of growth in provident and non-life insurance, in particular through a national marketing campaign by Banque Populaire Group.

Also, Natixis Assurances continues to invest in renovating its production facilities and consolidating its work methods:

- the vast program to overhaul the IT system, which began in 2007, will enter a key stage with the partial activation of the system for managing life-insurance contracts;
- "Solvabilité 2", a program mobilizing numerous staff within the Company, aims for the operational application of the effects of future regulatory changes, not only in terms of capital adequacy and the internal risk-assessment model, but also in matters of corporate governance.

Guarantees and sureties: a harmonized, multi-market range of products and services

In 2008, Natixis Garanties merged its subsidiaries CEGI, SACCEF and SOCAMAB to form the Compagnie Européenne de Garanties et Cautions, a multi-business platform for financial guarantees and sureties. Natixis is thus providing the French market with a major player in guarantees and sureties, of particular interest to companies and banks in the current economic climate.

The names Cegi, Saccef and Socamab will remain in existence as product lines. They have been harmonized and distinguish the products in the documents designed for clients and partners: marketing brochures, surety bonds, etc.

The main guarantee insurance company in France, with outstanding guarantees that exceeded €53 billion at the end of 2008, the Compagnie Européenne de Garanties et de Cautions occupies 2nd place in the French market for guaranteeing mortgages to private individual clients, with 125,000 cases guaranteed in 2008. It also provides guarantees to nearly 26,000 companies, covering regulatory, tax and contractual requirements.

In the real estate market in France, 1 in 3 new houses are covered by a completion guarantee from Natixis under the law introduced in 1990, representing 21,000 homes in 2008. Also, Natixis Garanties is the second-largest provider of professional guarantees for realtors and real-estate administrators in France, with 4,380 guarantees supplied under the Hoguet law (including the FONCIA and Lamy Groups).

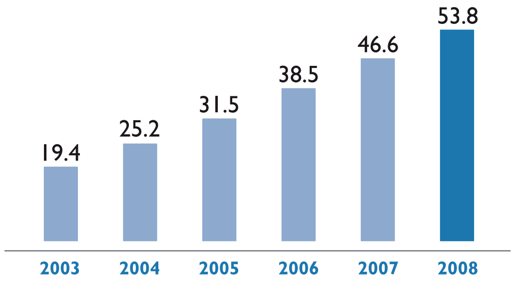
Natixis has a team of experts who maintain close relationships with professionals and provide guarantee services to a very wide range of economic sectors: housing, the social economy, manufacturing, financing of small-to-medium-sized businesses/manufacturers, the environment and public-private partnerships. For its clients and partners, it also stands out via its on-line services, provided through its proficiency in information technologies, in a professional world traditionally based on paper, where the signed document was authoritative.

Some significant events of 2008

- February 1, 2008: document dematerialization for business sureties with *www.cautiondemarche.com*;
- June 17, 2008: SACCEF obtains 88.5% overall satisfaction in the Quality Barometer from Groupe Caisse d'Epargne, the best score shared with Natixis Financement in the ranking of the network's dedicated subsidiaries;
- September 16, 2008: market introduction of CEGI guarantee products for Corporate clients of Natixis;
- December 11, 2008: approval by Groupe Banque Populaire of the surety services for small-to-medium-sized businesses/manufacturers;
- December 12, 2008: activation of the online sureties site *www.cmi-garanties.com*; annual housebuilders' convention and presentation of "Excellence trophies" to nine winners;
- Mid-December: introduction of the Saccef-Agri product range by Banques Populaires;
- Year-end 2008: after the FONCIA contract in 2007, signature of the Lamy contract, respectively No. 1 and No. 2 French players in asset management.

TOTAL COMMITMENTS GIVEN

in € billions



Specialist financing

French number 2 in real estate leasing

Natixis Lease designs and manages a complete range of lease finance products for real estate and non-real estate investments in France, Spain and Italy.

Number 2 in French financial leasing *(source: ASF survey - March 2008)*, number 4 in equipment leasing *(source: BNP Paribas Lease Group survey – January 2008)* and number 1 in French finance provider for wind farms, Natixis Lease improved its positions during 2008 to achieve new production of €2.8 billion and average outstandings of €7.5 billion.

Thus, in financial leasing, with €720 million, Natixis Lease improved its production by 35% in a market that grew by 7.5% *(source: ASF – March 2009)*. Other than the increase in contributions from Banque Populaire regional banks, Natixis Lease used its expertise to carry out several significant operations with large corporate clients: Décathlon, Leroy Merlin, Airbus, Lidl, Liebherr, etc.

In Sofergie financial leasing, Natixis Energéco consolidated its dominant position in financing renewable energy, particularly wind and solar power, and had new production of nearly €150 million.

In equipment leasing, the preferred means for small and medium-sized businesses to finance their investments, Natixis Lease had an increase of 9% for new financing of €1.7 billion. Of this new production, 52% was contributed by the Banques Populaires network and 18% by that of Caisses d'Epargne.

With Natixis LLD, Natixis Lease provides an automobile fleet-management service. This activity reported nearly 2,000 orders in 2008 and currently manages more than 5,500 vehicles used by a clientele composed of very small, small and medium-sized businesses.

Internationally, in spite of the difficult economic environment in Spain and a market that is very weak, the Natixis Lease Madrid subsidiary had €102 million of new production, a result close to that of 2007. The Italian subsidiary had production of €75 million, up by 18% compared to 2007.

In 2008, Natixis Lease continued rationalizing its IT system, migrating the financial leasing activity to the new Cassiopée system.

In 2009, Natixis Lease will continue supporting the regional Banques Populaires in their marketing approach and will integrate its products with those offered by the seven Regional Banks, now subsidiaries of Groupe Banque Populaire. Natixis Lease will also support the Caisses d'Epargne in developing their business with professionals and companies.

Consumer Finance: increase in all activities

Natixis Financement provides all its expertise in the consumer-credit value chain to serve the Caisse d'Epargne and Banque Populaire networks: marketing and design, network organization, credit scoring, management of applications, collection and litigation.

The Teoz revolving credit service, distributed by Caisses d'Epargne, maintained a good rate of development, with more than 186,000 accounts opened at the end of December 2008, for a financing volume that was sustained at €615 million.

A highlight of 2008 was the success of the Créodis revolving credit card, developed for Banques Populaires. Since its introduction in October 2007, more than 94,000 accounts have been opened and €102 million of loans have been taken throughout the network.

Lastly, Natixis Financement manages personal loans for Caisses d'Epargne using "IZICEFi", a tool for proposing services to clients that are appropriate for their financing requirements, via an easy-to-use interface. The steady progression of Caisses d'Epargne in personal loans characterized 2008, with financing reaching €4.1 billion, or 27% greater than in 2007.

The outstandings managed (personal loans) or carried (revolving credit) by Natixis Financement grew strongly overall, going from €4.5 billion at the end of 2007 to €6.9 billion at the end of 2008.

To support this growth, on October 1, 2008, Natixis Financement opened a third Customer Relations Center at Reims. To meet the specific needs of partner networks in French overseas territories, the Company will set up establishments in Guadeloupe and Reunion Island in 2009.

Natixis Financement is seeking to achieve major-player status in the consumer finance business by supporting the expansion of the Caisse d'Epargne and Banque Populaire networks in France and abroad, and by developing a policy of external partnerships.

A successful year for Employee Benefit Planning, in spite of a difficult economic situation

Natixis Interépargne, Natixis Intertitres and Titres Cadeaux (joint venture between Natixis and the Banque Postale) design a full range of products to meet the employee-benefits policies of companies and professionals. The employee-benefits planning service combines employee savings solutions (profit-sharing, employee savings plans, collective-retirement plans, shareholding plans, etc.), complementary and collective retirement and provident-insurance products (Article 83 and 39, retirement benefits, etc.) and special payment vouchers (restaurant vouchers, pre-financed employment vouchers, gift vouchers, etc.).

Natixis Interépargne, No. 1 in running employee savings accounts in France *(source: AFG June 30, 2008)* with more than 3 million employee accounts under management and market share of 27.35%, is continuing its development. The number of client companies is up by about 13% compared to 2007.

Based on their positions, Natixis Interépargne and Natixis Asset Management are committed to developing socially-responsible saving and solidarity schemes. Natixis Asset Management is No. 1 in solidarity save-as-you-earn schemes in the French market with 54.6% market share *(source: 2008 edition of the Solidarity Finance barometer from Finansol)* and No. 1 in socially-responsible save-as-you-earn schemes, approved by CIES *(source: 2008 activity report from the Comité Intersyndical de l'Epargne Salariale [Inter-Union Employee Savings Committee])*.

Natixis Interépargne is emphasizing the development of save-as-you-earn schemes for professionals and small and medium-sized businesses, historically distributed by the Banques Populaires and, since November 2007, by the Caisses d'Epargne.

A pioneer over the last 40 years in save-as-you-earn schemes, in 2008 Natixis Interépargne introduced several new products, including one entirely dedicated to small and medium-sized businesses and professionals. Combining profit-sharing and a savings plan, Fructi Duo is the first product on the market meeting the new provisions for employee savings, enacted by the law promoting increased income from work.

In the institutional and corporate markets, Natixis Interépargne also continues to progress and has won several calls for tenders from large groups. The significant development with this clientele contributed to a substantial increase in income for Natixis Interépargne in 2008, in spite of the unfavorable financial-markets environment and exceptional release measures, allowing savers free access to their savings in the first half-year of 2008.

The potential development of the collective retirement plan (PERCO) became reality in 2008 with numerous relationships established. This phenomenon should accelerate still more in 2009, under the effect of the growing number of calls for tenders relating to Company retirement schemes.

Furthermore, Natixis Interépargne has widened its product range to adapt to recent regulatory changes covering employee savings and to anticipate new market expectations. In particular, it offers a communication plan to promote companies' benefits policies among employees and help them to choose between investment or the annual settlement of their contributions.

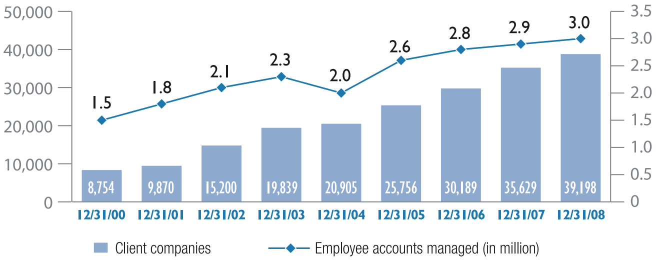
In collective life insurance, 2008 saw the overhaul of "Article 83" and "retirement benefits" products, whose competitiveness was recognized with a "Label of Excellence" awarded by the *Dossiers de l'Epargne 2008.*

Natixis Intertitres, the only bank player approved by the public authorities for distributing a full range of special payment vouchers, increased its market share in restaurant vouchers, where the volume increased by 13%.

For all special payment vouchers, the activity increased by 13.1% of the total volume issued, reaching more than 65 million vouchers on December 31, 2008. Their exchange value also increased by 16%. In 2008, Natixis Intertitres was chosen by the French railway operator SNCF to issue and repay the "taxi checks", which replace the traditional taxi vouchers given to train travelers in case of disruption.

Titres Cadeaux continued its development, with nearly 63 million CADO Checks issued in 2008, up by 50% compared to 2007.

INCREASE IN THE NUMBER OF EMPLOYEE SAVINGS ACCOUNTS (2000-2008)



International Services

Natixis Pramex International: a network of experts in 16 countries

Natixis Pramex International is the subsidiary specialized in advisory services and international development for companies. Its marketing teams work with French companies in collaboration with account executives from Natixis and Banques Populaires and are supported by a network of experts established in 16 countries.

At a time of economic and financial crisis, Natixis Pramex International maintained a good general level of activity in 2008 (support for companies establishing themselves internationally, administrative management of subsidiaries abroad, commercial development).

This international expertise covers all phases in developing companies' business abroad: initial analysis of project, practical assistance in introducing an activity in a new country, support in international establishment.

Present in 16 countries (Algeria, Germany, Brazil, Canada, China, United Arab Emirates, Spain, United States, France, India, Italy, Morocco, Poland, United Kingdom, Russia, Tunisia), Natixis Pramex International is rationalizing certain local structures (Shanghai will manage activities in Beijing, and Madrid will manage those of Barcelona).

In 2009, Natixis Pramex International will give priority to promoting the "administrative and financial assistance" activities, where revenue is growing steadily, together with assistance with international establishment, a significant source of development. This is assisted by its integration into the range of services offered by Banques Populaires and by a close collaboration with Natixis' regional departments.

Natixis Algérie: a full-service bank that is developing its business

Since 2007, Natixis Algérie has been a full-service bank and is now developing its local banking activities for personal banking clients and professionals.

To meet the expectations of this new target market, Natixis Algérie has designed an innovative product range, with dedicated agreements covering all common operations (checking account, savings account, e-banking, bank card, etc.), and facilitating access to financing (consumer loans, financial leasing and real estate loans).

At the end of 2008, Natixis Algérie had more than 900 private individual clients, as many professional clients and about 1,500 business accounts.

In 2008, the bank increased its net banking income by 37%, with nearly 40 billion DZD of commitments (equivalent value €425 million), up by 17%. Its Business activity remains the major contributor to the bank's income.

Natixis Algérie's strategy for development in 2009 is based on several policies:

- the extension of its branch network: from 12 branches operational at the end of 2008, the objective is to reach some 30 branches by the end of 2009. The workforce will go from 434 employees at the end of 2008 to nearly 660 in 2009;
- the development of local banking, in particular with the creation of a savings account introduced at the end of 2008, an overhaul of the private individual client agreement and a range of products aimed at employees (mixed retail/corporate approach);
- synergies with the other business lines of the Services division (insurance, housing finance, consumer credit, e-cash products) and the development of activities with the Regional Banks (study on a product for clients from the emigrant community);
- maintaining the sustained growth of the Business activity, with very strong orientation towards industrial financing, high-added-value activities and the promotion of equipment leasing.

Payments – Leveraging a powerful platform

The Payments business designs, develops and manages all auxiliary processes and services necessary for the financial conclusion of all types of payment.

The services cover the exchange of all transactions in national and international payment systems. They process both block transactions and unitary transactions of large amounts, and those of correspondent banking.

Natixis Paiements' role includes acting as technical operator for the Banque Populaire network. It has handled 3.6 billion transactions exchanged in CORE, the new system for interbank exchange of block transactions, developed to replace SIT.

The IT system was adapted to meet the main changes during 2008: implementation of SEPA with the creation of SCT (Sepa credit transfer) and migration of the French banking community to TARGET 2 in February 2008.

Natixis Paiements is the third-largest e-cash operator in France. It manages 6.1 million bank cards and processed 1.6 billion card transactions in 2008 on behalf of the Banque Populaire network and other network banks.

To support the development of the market for private individual cards, Natixis Paiements is preparing the facilities necessary for the market introduction of numerous future products (pre-paid card, multi-visual card, affinity card, etc.), in collaboration with the Banques Populaires network. It has implemented a platform dedicated to the manufacture and management of pre-paid cards, with numerous applications.

In the "professionals" market, Natixis Paiements is also anticipating developments to the market for transaction acquisition, internalization of the e-commerce platform, the provision of terminals for electronic payment over broadband (ADSL and GPRS) etc., and is taking part in tests carried out on new payment technologies (contactless payment, payment by mobile telephone).

The work of Partecis, a 50/50 joint venture with BNP Paribas, is progressing according to the planned schedule. The last pooled e-cash components will be delivered in 2009, for activation in 2010, while the work to Europeanise the e-cash platform has begun.

Natixis aims to consolidate its existing strength in France to become a major European player in the payment processing and e-cash segments.

Securities Services: a key player in custody services

Natixis is a key European player in retail custody services, provided by the EuroTitres department and the departments for institutional custody services, funds administration and services to issuers. These activities are carried out within CACEIS, a subsidiary that is jointly owned with Crédit Agricole SA.

Retail custody services and private management: a transitional year

The second-largest French player in custody-service accounts and the largest player in the market for outsourcing the activity, Natixis is one of the French leaders in retail custody services and private management.

Natixis offers a full range of services that are perfectly modular, from the secure provision of office service processing systems, to wider services including all back-office functions (order routing and execution, transaction accounting, client reporting, securities custody services, etc.).

Provided to the Banque Populaire banks, the Caisse d'Epargne banks and the other Natixis entities, these services are also offered to a wide range of clients outside the Group: network banks, specialized banks with or without networks and financial institutions.

July 1, 2008 saw the creation of EuroTitres, a department created by the merger of Gestitres within Natixis. By 2011, this merger with Natixis will create the first integrated platform for retail custody services and private banking in France and enhance its position on the European scale.

In a difficult market, with declining volumes and the departure of the client LCL in the first quarter of 2008, EuroTitres recorded a reduction in its activity. The number of securities accounts managed stood at 3.9 million in 2008, for a level of outstandings in safe custody of €300 billion, down by 18% compared to 2007.

In 2008, Natixis' retail custody-services business also continued its IT investment, to adapt its platforms to regulatory requirements and to projects at the European level, and began the convergence program for its securities information systems.

In 2009, Natixis will reorganize its securities services business, aiming for a unified back-office and IT platform, with priority given to monitoring client transactions, the quality of the service provided and the control of operational risk.

SLIB strengthens its international position

Natixis' SLIB subsidiary produces software solutions for brokers, banks and global clearing members, to manage market flows from trades on European markets (trading, post-trading and clearing, portfolio management and bookkeeping).

Currently, nearly 60 institutions in seven European countries, including Natixis Securities and CACEIS Bank, use SLIB solutions to optimize their market and post-market activities, portfolio management and bookkeeping.

In 2008, two thirds of new clients were at the international level, for services including clearing, settlement/delivery, portfolio management and risk management.

BNP Paribas' 33.40% stake will allow SLIB to accelerate its international development.

Institutional Custody Services

In Institutional Custody Services, through CACEIS, its subsidiary jointly-owned with Crédit Agricole SA, Natixis offers a very wide range of financial services to management companies, institutional clients and businesses:

- CACEIS provides bank depository and custody services in France, Luxembourg, Ireland and Germany. With €2,166 billion of assets under custody on December 31, 2008, the Company is among the world leaders in its business;
- CACEIS is also a major player in funds administration and services to asset managers, both in Europe and North America;
- CACEIS is also ranked among the three largest French providers of corporate trust services.

At the end of June 2008, the transfer to CACEIS of the financial services previously provided by Natixis, strengthened its position as the leader in France, both in terms of custody services and services to management companies and corporate trust services. In 2008, CACEIS also continued integrating the activities acquired at the end of 2007 in Germany (CACEIS Bank Deutschland) and in North America (Olympia).

Private Equity and Private Banking

Revenue: €191 M – Net income: -€10 M

The Private Equity and Private Banking division groups business lines that are similar because of the nature of their clients, their organization and their professional practices.

Private equity is one of Natixis' historic business lines, having operated in this market for 20 years through subsidiary Natixis Private Equity (NPE). NPE is currently recognized as one of France's market leaders in private equity for small and medium-sized businesses, with a portfolio of over 650 investments and assets under management of €4 billion in 2008.

The Private Banking business is aimed at high-net-worth individual clients, through three structures established in France and internationally. It is based on the expertise of high-level specialists and offers a complete range of services, adapted to the expectations of different client segments: the wealth-management service for direct clients, the creation of products and services for high-net-worth individual clients of the Group's networks, and the marketing of products and services to independent financial advisors.

Private Equity

Natixis Private Equity

Natixis Private Equity is one of France's market leaders in private equity for small and mid-caps, a key player in Europe, particularly in Spain, Italy and Poland, and a player with growing visibility in very high-potential markets such as China, Brazil and India. NPE is devoted exclusively to small and medium-sized businesses and operates in all areas of private equity – venture capital, expansion capital, buy-out/buy-in financing and funds of funds – with 18 teams, 194 private-equity professionals and 695 investments.

The Natixis Private Equity model is based on associating small entrepreneurial teams, structured according to the economic sectors, specific issues and life cycles of the companies that they support over their long-term development.

With nearly €4 billion under management, Natixis Private Equity is one of the most important sources of capital in France for companies valued up to €500 million. NPE has supported all the funds managed by its teams since they were created and remains the main underwriter.

The presence of several major institutional investors in NPE's funds also helps to enhance visibility and its networks for the benefit of entrepreneurs both in France and abroad. This innovative business model, targeting solely small and medium-sized businesses, gives Natixis Private Equity a competitive advantage and robust growth outlook.

Natixis Private Equity offers international teams the opportunity to work with a key player in the private equity sector and benefit from its experience, its network, its methods and its financial support. Furthermore, in order to ensure the real sharing of experience and expertise between all of its teams in France and abroad, NPE has developped specific knowledge management and business development solutions for the sharing of expertise and opportunities.

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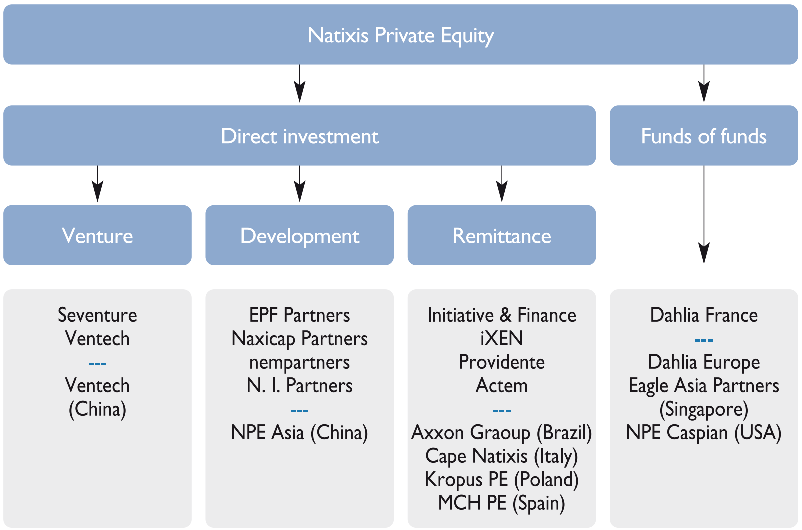

Private banking

With 13.5 billion of assets under management at the end of 2008 and more than 500 employees, Natixis' Private Banking business designs wealth-management solutions meeting the requirements of high-net-worth individuals.

It relies on the expertise and experience of specialized teams to develop a wide range of products and services in the areas of asset management, insurance, tax optimization, financing and real estate.

Natixis' Private Banking business addresses three client segments:

- French and international direct clients, for wealth management;
- the Caisse d'Epargne and Banque Populaire networks, for which it has created specific services;
- independent wealth-management consultants, to whom it offers a full range of products and services through one of the leading platforms on the French market.

Its organization groups two institutions in France (Banque Privée Saint Dominique and La Compagnie 1818 – Banquiers Privés) and an international structure based in Luxembourg (Natixis Private Banking International).

Banque Privée Saint Dominique

Specialized in wealth-management, Banque Privée Saint Dominique serves demanding clients with significant assets.

A genuine investment bank for the management of wealth, it has in-depth knowledge of the legal and tax issues related to business owners and senior executives. It has also developed expertise in financial engineering dedicated specifically to optimizing and financing private aspects of corporate finance transactions.

It works in close collaboration with the Natixis and Banque Populaire Group networks.

Compagnie 1818 – Banquiers Privés

Founded in 2005, La Compagnie 1818 – Banquiers Privés – has a considerable wealth-management department aimed at large private investors where the approach is widely based on an open architecture.

At the same time, it is developing a series of products and services specially designed for the private wealth-management sector of the Groupe Caisse d'Epargne.

It also has a significant share of the market for independent wealth-management professionals through the Centre Français du Patrimoine (CFP), which is one of the first overall platforms dedicated to this business.

Natixis Private Banking International

Established in Luxembourg since 1989 and in the United Kingdom (London) and Switzerland (Geneva), Natixis Private Banking international is dedicated to managing the wealth of an international high-net-worth clientele.

As well as providing traditional services, it has developed expertise in complex international legal and tax issues. To this end, it offers customized wealth-management structures and creates innovative investment funds and structures for personal investment and financing.

Merger of Banque Privée Saint Dominique and Compagnie 1818 – Banquiers Privés

As part of its strategy, in November 2008 Natixis initiated a proposal to merge Banque Privée Saint-Dominique and Compagnie 1818 – Banquiers Privés. The objective is to build a first-rate private bank in France to serve the two "Banques Populaire" and "Caisse d'Epargne" networks, which together represent more than 20% of the French retail banking market.

Receivables Management

Revenue: €800 M – Net income: €71 M

Receivables Management comprises the Coface Holding company, created by combining Coface and Natixis Factor. It supplies solutions to companies for managing, protecting and financing their client receivables, and provides its expertise in four business-lines: credit insurance, factoring, business information and rating and receivables management. In addition to these activities, Coface Holding manages public export guarantees granted by the French state to Coface and Natixis, especially prospection insurance, credit insurance for exports financed for over two years, foreign exchange insurance, and overseas investment guarantees.

The objectives for developing the division are ambitious, because its strategic plan, introduced in 2005, aims to make Natixis the worldwide No. 1 in receivables management by 2015. In 2008, Coface Holding continued implementing its 2008-2010 strategic plan and introducing its four business lines covering receivables management.

Receivable Management activities and positioning

Credit insurance protects companies against the risk of non-payment of their customers' receivables. Factoring allows companies to monetize their accounts receivable by transferring them to a third party, the factor, who takes responsibility for collection. With "business information and rating", companies can learn about commercial opportunities, assess the financial situation of their partners and check their partners' ability to fulfill their commitments. Receivables management provides them with a service for recovering monies due to them.

In France, the division is based on the networks belonging to Natixis, Banques Populaires and Caisses d'Epargne, Coface's network and on specialist brokers. Abroad, it uses the same channels, as well as local partners grouped within the CreditAlliance network. Coface Holding earned more than 63% of its consolidated revenue outside France in 2008. Directly present in 65 countries at the end of 2008 (after opening in Egypt in 2008), Coface Holding is gradually introducing its four business-lines: for each of them, the division is worldwide No. 1 for geographical coverage.

- No. 1 in France for receivables management;
- No. 6 worldwide for factoring;
- No. 3 worldwide for credit insurance;
- No. 4 worldwide for receivables management;
- No. 5 worldwide for business information.

Source: Coface, according to ICISA (for credit insurance), FCI (for factoring).

Activity

7.2% increase in consolidated revenue in 2008, driven by credit insurance and services outside Europe (+21.9%) and by factoring (+14.2%):

- €419 billion of receivables insured;
- €40 billion of receivables financed.

The credit insurance business (domestic and export) increased its revenue by 4.6% compared to 2007. Standardized credit insurance contracts are now available in 93 countries; in 40 countries, these contracts are offered by Coface entities (opened in 2008 in Taiwan, Bulgaria and Latvia), and in other countries by partners. In 2008, Coface consolidated its position as No. 1 in Latin America, with the acquisition of a majority share in SBCE, leader in exports in Brazil; and its position as No. 1 in Asia, with the fifth year of growth exceeding 30% in Greater China.

The factoring business grew by 14.2%; driven by the integration, in 2008, of acquisitions in Denmark, the Czech Republic and in Slovakia, and by very strong internal growth, the factoring business is now present in 28 countries, compared to 16 at the end of 2007. This is the largest network in the world by geographical coverage. The two main countries where the business is present remain Germany, with Coface Finanz, No. 1 in its market, and France, with Natixis Factor, third largest factor nationally *(source: ASF)*. Natixis Factor saw its net banking income grow by 5.3%, with a volume of factored receivables that grew by 10% (+14% for export).

The service businesses (business information and receivables management) grew by 7.7%. The division's information services are available in 65 countries, and the introduction of Coface financial rating is progressing. The worldwide network in receivables management was strengthened by two acquisitions in Argentina and The Netherlands.

Coface is developing its expertise in measuring the risk of Company default

It is a skill particularly more essential in a period of crisis, both for the division (which had the best claims-to-premiums ratio among the large players in credit insurance in 2008) and for its clients.

- Coface has implemented a worldwide rating system: the @rating score. The @rating score is available on 50 million companies and measures the probability of bankruptcy within the year. It is associated with a @rating credit opinion, which indicates a suggested credit limit (1@ = €20,000, 2@ = €50,000, 3@ = €100,000, etc.).
- In July 2008, Coface announced its intention to become a financial rating agency, alongside the three large American agencies, limiting itself to "Company" risk. This introduction is based on the internal rating process that Coface Holding, in consultation with the companies in question, already uses for its own requirements, to score 17,000 companies throughout the world corresponding to the most important risks. Coface emphasizes three exclusive strong points: significantly lower cost, the statistical reliability of its tools, and expertise in risk handling acquired over 60 years in the credit-insurance business. The product, in the test phase in Europe and Asia, will be marketed during 2009.

The Coface Transparency Charter

The crisis is weakening trust between clients and suppliers, and the division aims to help companies in this difficult period, by contributing to maintaining trust in inter-company relationships, access to debt financing for small and medium-sized businesses, and in playing its role as a "circuit-breaker" in serial company bankruptcies.

In this spirit, and in liaison with the representatives of companies and the public authorities, Coface gave commitments in November 2008 through a Transparency Charter, open to all French companies, whether they are clients or not. It undertakes i) to communicate to each company, free of charge and upon request, its Coface rating, its credit opinion, and the information that justifies them, and any modifications to them; ii) to contact companies prior to any decision to check any payment incidents that come to the attention of Coface concerning them, to determine whether they are real and their severity; and iii) to receive and analyze the most recent information that companies wish to provide to Coface, if necessary guaranteeing total confidentiality. This charter will be gradually extended and applied in the other countries where the division is present.

The contribution of retail banking

These business lines are complemented by the retail banking activities of the Banque Populaire and Caisse d'Epargne banks and by CCI certificates. These activities made a contribution to Natixis's net income of €285 million in 2008.

Natixis prepares an annual report which is filed with the Autorité des Marchés Financiers.

CONDENSED INCOME STATEMENT (100%)

in € millions	**2008**	**2007**	**2006**
Net banking income	2,934	6,043	7,322
Gross operating income	(1,754)	902	2,354
Operating income	(3,570)	658	2,304
Net income	(2,799)	1,101	2,100

LONG TERM RATING AS AT DECEMBER 12, 2008: A+/AA3/A+
THE NATIXIS SHARE:
Market: Eurolist Compartment A
Market: Euronext Paris
ISIN Code: FR0000120685
Ticker: KN

MARKET CAPITALISATION AS AT DECEMBER 31, 2008: €3.6 BILLION.

TRADING IN NATIXIS SHARES IN 2008

Month	**High** *(€)*	**Low** *(€)*	**Monthly trading volumes** *(number of shares)*
January	8.5395	6.9934	106,338,485
February	7.6645	6.4079	99,504,944
March	6.7105	5.2171	115,510,355
April	7.4408	6.3421	90,889,889
May	8.1842	6.3092	121,860,431
June	6.2566	4.6382	105,711,914
July	4.7895	3.1513	230,190,377
August	4.8224	3.3026	171,618,293
September	4.0066	2.2	729,472,146
October	2.68	1.43	361,393,325
November	2.26	1.34	170,471,214
December	1.59	1.205	93,832,517

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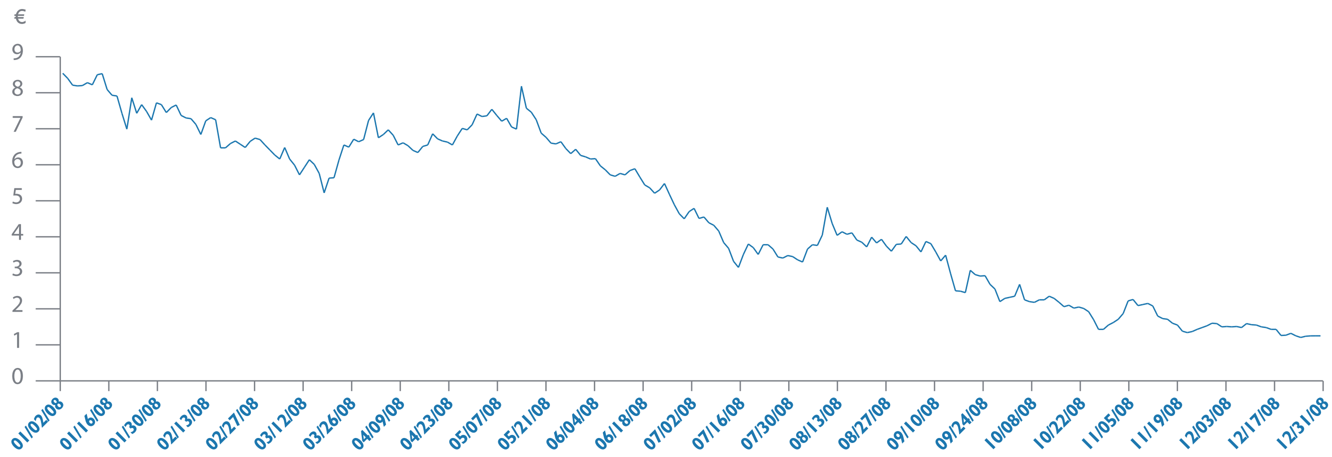
SHARE PRICE EVOLUTION IN 2008



CIFG

Given the extremely difficult environment in the market where CIFG operates (credit enhancement in the USA) due to the serious crisis affecting financial markets, 2008 was dedicated to finding solutions to maintain the company afloat while preserving the interests of all stakeholders, including, firstly, the company, its shareholders (BFBP and CNCE for 50% each) who decided not to commit more funds beyond the capital injection carried out at the end of 2007, and CIFG's clients. To achieve that aim, commutation appeared as the most adequate solution. It was therefore decided that the commutation would take place in the first half of 2008.

Meanwhile, given its situation and the deteriorating market environment, CIFG recorded no new business.

It should be noted that the two shareholders fully provisioned their investment in their financial statements for 2007. In addition, both shareholders have deconsolidated CIFG since the beginning of 2008.

2.3.3 Other subsidiaries

TWINS PARTICIPATIONS	2008 NBI: NA	2008 Net income: NA	Holding company	This holding company, in which both BFBP and Caisse Nationale des Caisses d'Epargne (CNCE) own a 50% stake, is due to hold the remaining stake in CIFG after the commutation in January 2009.
CLICK & TRUST	2008 NBI: €2.4 M	2008 Net income: €0.66 M	Secure online payment systems	Development of secure online payment solutions.
I-BP	2008 NBI: €247.5 M	2008 Net income: €1.120 M	Group IT platform	IT center housing the information processing activities of the Banque Populaire banks and providing them with a shared IT platform.
BANQUE POPULAIRE COVERED BONDS	2008 NBI: €1.9 M	2008 Net income: €0.303 M	Issue of covered bonds	Company devoted to the covered bonds program for the Banque Populaire banks.
SAS SIBP	2008 revenue: €3.8 M	2008 Net income: €2.9 M	Holding company	SAS SIBP holds the Group's investments in BICEC (Cameroonian bank), BCI-Banque Commerciale Internationale (Congolese bank) and VBI. It also holds a minority stake in BIAT (Tunisian bank) and, since March 2007, in SCI Congolaise Immobilière de Gestion.
SAS BP CRÉATION	2008 NBI: €2.5 M	2008 Net loss: €(1.5) M	Securities management	Acquisition, management and sale of securities in innovative companies less then 7 years old.
SNC BANKÉO	2008 revenue: €6.8 M	2008 Net loss: €(1.1) M	IT investments	Investment in IT and office systems for the banking sector, acquisition and disposal of all intellectual property rights relating to software or technologies for the banking sector, and provision of all services relating to the IT, office systems and banking sectors.
SAS PONANT 2	2008 NBI: €0.365 M	2008 Net income: €0.224 M	Investment company	Investment company. Limited activity.
SCI PONANT PLUS	2008 revenue: €4.3 M	2008 Net loss: €(0.135) M	Real estate	Created in September 2002 to purchase part of the Ponant 2 building (19 to 29 rue Leblanc).
BATEAU BANQUE POPULAIRE SARL	2008 revenue: €3.9 M	2008 Net loss: €(0.09) M	Trimaran operation	This company manages the expenditure related to the Group's new trimaran. Its purpose is to: • enter the yacht in national and international races, procure the services of a skipper and an experienced crew, manage race preparations, maintenance and logistics; • organize all external media operations, public relations, sports events, etc.; • design, develop and sell all advertising material, training and advice in navigation and ocean racing.

2.4 Internal financing mechanisms

A number of Group entities benefit from the Banque Populaire network's guarantee system, including the Banque Populaire banks, the exclusive mutual guarantee companies and Banque Fédérale des Banques Populaires, as well as other credit institutions affiliated to Banque Fédérale des Banques Populaires, under the terms of the Monetary and Financial Code.

The system guaranteeing the liquidity and capital adequacy of the Banque Populaire network has been organized under a framework decision by Banque Fédérale des Banques Populaires, in its capacity as central body in accordance with Articles L. 511-30, L. 511-31, L. 511-32 and L. 512-12 of the French Monetary and Financial Code to which the bylaws of the Banque Populaire banks make explicit reference (Article 1).

The Banque Populaire network comprises the Banque Populaire banks, the mutual guarantee companies whose sole purpose is to guarantee customer loans granted by the Banque Populaire banks, and Banque Fédérale des Banques Populaires.

The system works by pooling the capital of all banks in the network.

Banque Fédérale des Banques Populaires is able to put the system into effect by calling upon the Banque Populaire banks to contribute capital, within the limits of their own resources. As a last resort, Banque Fédérale des Banques Populaires will make its own capital available to meet the liquidity and capital adequacy requirements of the Banque Populaire banks.

As head of the network, Banque Fédérale des Banques Populaires benefits from the guarantee system and the Banque Populaire banks are required to provide their financial support, in particular to enable it, where necessary, to carry out its obligations as central body with regard to the credit institutions affiliated to Banque Fédérale des Banques Populaires but which do not form part of the Banque Populaire network.

The capital pool is organized in two tiers. The mechanism works in two stages. The first stage consists of the "Federal Solidarity Funds" held by Banque Fédérale des Banques Populaires and the second takes the form of the "Regional Solidarity Funds" set aside by the Banque Populaire banks.

Each year, the Banque Populaire banks transfer an amount to this regional fund equal to 10% of their net income before transfers to the fund for general banking risks and tax, after deduction of tax on the amount of the transfer. Withdrawals from these funds by the Banque Populaire banks must be authorized by Banque Fédérale des Banques Populaires.

Under a collective agreement, each Banque Populaire bank guarantees the liquidity and capital adequacy of the mutual guarantee companies whose corporate purpose is confined to guaranteeing the lending activities of the banks.

In the context of the affiliation of Crédit Maritime Mutuel, for which Banque Fédérale des Banques Populaires is the central body, in accordance with Article L. 512-69 of the French Monetary and Financial Code, the Banque Populaire network's guarantee system also guarantees the liquidity and capital adequacy of Crédit Maritime Mutuel.

The members of the network also contribute, along with all French credit institutions, to the Fonds de Garantie des Dépôts (deposit guarantee fund) set up in application of the Depositors' Protection Act.

Natixis' affiliation

On April 2, 2007, Philippe Dupont, Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires and Charles Milhaud, Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne, signed the agreement under which Natixis will be affiliated by CNCE and BFBP as the central body.

The agreement, which was approved by the CECEI (Comité des établissements de crédit et des entreprises d'investissement) during its meeting of March 30, 2007, constitutes an extension to the creation of Natixis on November 17, 2006, in accordance with the commitments made.

This dual affiliation is in accordance with Article L. 511-31 of the French Monetary and Financial Code. It enables Natixis to benefit from the respective guarantee and solidarity systems of the Banque Populaire Group and the Groupe Caisse d'Epargne.

3 Information relating to Banque Fédérale des Banques Populaires

3.1 Information about the Company

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3.1.1 Company name and registered office

Banque Fédérale des Banques Populaires, abbreviated "BFBP."
Le Ponant de Paris
5 Rue Leblanc
75511 Paris Cedex 511

The name Banque Fédérale des Banques Populaires was adopted by the general shareholders' meeting on December 23, 1999.

3.1.2 Legal form

Banque Fédérale des Banques Populaires (BFBP) has been a French corporation (*Société Anonyme*), governed by common law and with a Board of Directors, since May 31, 2001.

3.1.3 Date and duration of incorporation

The Company was incorporated under the name Caisse Centrale des Banques Populaires on June 20, 1921, for a duration of 99 years ending on June 19, 2020.

3.1.4 Corporate purpose

BFBP's role is to direct and promote the activities and development of the Banque Populaire network and the Group as a whole. It helps to improve competitiveness and oversees the security, quality of management, and profitability of each Banque Populaire bank, as well as the network and Group as a whole.

To this end,

As the central body of the Banque Populaire network

and in accordance with Articles L. 511-30, L. 511-31, L. 511-32, L. 512-11, and L. 512-12 of the French Monetary and Financial Code, BFBP's main duties are as follows:

- to represent Banque Populaire banks and promote their rights and common interests;
- to define the policy and strategic directions of the Banque Populaire network;
- to negotiate and sign national and international agreements in the name of Banque Populaire banks;
- to approve the executive officers of Banque Populaire banks and set the terms of their approval;
- to approve the bylaws of Banque Populaire banks and any amendments made thereto;
- to oversee the consistency of the Banque Populaire network, take any measures useful for the organization, smooth running, and development of the Banque Populaire network, and request the contributions required to perform its duties as central body;
- to oversee the application of legal and regulatory requirements relating to Banque Populaire banks, and to exercise administrative, technical, and financial control of their organization and management as well as the organization and management of direct or indirect subsidiaries and subsidiaries of Banque Populaire banks; and
- to take any measures necessary to guarantee the liquidity and solvency of each Banque Populaire bank and the network as a whole.

As a credit institution accredited as a bank,

BFBP is responsible for:

- centralizing the cash surpluses of Banque Populaire banks and their refinancing; and
- more generally, serving as the central bank of Banque Populaire banks by carrying out, in France and abroad, all transactions permitted of banks by current legislation, and by providing investment services as mentioned in Articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code, that may facilitate or relate directly or indirectly to the execution of this function.

BFBP may acquire any type of stake in any type of company

(most notably banks and financial services providers) in France or abroad, or type of combination or association that contributes to the development of the Banque Populaire Group. BFBP may carry out transactions of any kind relating directly or indirectly to the Company's purpose which may facilitate the Company's development or the realization of the Company's goals.

BFBP is also the central body of other credit institutions affiliated to it in accordance with the French Monetary and Financial Code.

3.1.5 RCS and APE code

RCS Paris B 552 028 839
APE Code 651 D

3.1.6 Places where legal documents may be consulted

BFBP's legal documents may be consulted at the Company's registered office at 5 Rue Leblanc, 75511 Paris, Cedex 15. Its bylaws may be consulted in their entirety on the Company's website, *www.banquepopulaire.fr*, in the "*communication financière*" section under "*Informations générales*."

3.1.7 Company financial year

From January 1 to December 31 of each year.

3.1.8 Appropriation of income

A deduction of at least 5% is made from net income for the year, less any prior losses, to create the reserve fund required by law and to ensure that this fund equals one-tenth of the Company's share capital.

The remainder, plus any tax loss carryforwards, constitutes distributable income, from which is deducted any amounts that the general shareholders' meeting – upon a proposal by the Board of Directors – considers useful to allocate to one or more optional reserve funds, which may be ordinary or extraordinary and with or without special appropriation, or to carry forward as retained earnings. The remaining amount will be distributed to shareholders in proportion to the number of shares owned.

The general shareholders' meeting ruling on the financial statements for the year has the authority to give shareholders the option of receiving the dividend in cash or in shares, for some or all of the dividend payable. This option may also be offered for interim dividends.

3.1.9 General shareholders' meetings

Method of convocation

General shareholders' meetings are called by the Board of Directors in accordance with the terms set forth by law. Meetings are held at the registered office or another location specified in the meeting notice.

Admission conditions

All shareholders are entitled to attend general meetings and vote on resolutions in person or by proxy, regardless of the number of shares they own and in accordance with applicable law and regulations.

Shareholders can vote by mail by filling out a mail voting form and returning it to the Company in accordance with applicable law and regulations.

Banque Populaire banks owning shares in the Company can be represented at the Company's general meetings by their Chairman or by a Board member appointed for this purpose by the Chairman or Chief Executive Officer, or by any person designated by the latter.

Conditions for exercising voting rights

The quorum for ordinary and extraordinary general meetings is calculated based on all shares comprising the Company's share capital, less any shares without voting rights in accordance with the law. No shareholder may, either by himself or through a representative, hold more than 5% of the total voting rights attached to the Company's shares.

The voting rights held by a shareholder consist of the voting rights attached to shares owned by the shareholder either directly or indirectly, and the powers conferred to the shareholder. However, this restriction does not apply to votes submitted by the meeting Chairman as requested in proxy voting forms received by the Company as set forth in Article L. 225-106 of the French Commercial Code.

The number of voting rights held by a shareholder either directly or indirectly includes voting rights attached to shares owned on a personal basis, to shares owned by a legal entity controlled by the shareholder within the meaning of Article L. 233-3 of the French Commercial Code, and to shares related to the shares owned as set forth in Articles L. 233-7 *et seq.* of the French Commercial Code.

Crossing of thresholds

None.

3.2 Information about the share capital

3.2.1 Form and means of registration in a securities account

All shares must be registered shares. They must be registered in an account in accordance with legal and regulatory requirements.

3.2.2 Amount of share capital

At December 31, 2008, the Company's share capital was €1,561,300,335, divided into 104,086,689 shares with a par value of €15, and all of the same category. BFBP's share capital is made up of registered shares.

3.2.3 Unissued authorized share capital

None.

3.2.4 Other securities giving access to share capital

None.

3.2.5 Changes in the share issue premium

Date	Type of transaction	Nominal amount of capital increase	Issue premium	Number of shares issued[(1)]	Resulting share capital	Cumulative number of shares
12/31/1996	Share capital at 12/31/1996	-			FFr1,608,151,000	
05/22/1997	Reinvestment of dividend in shares	FFr95,329,300	None	953,293	FFr1,758,151,000	17,581,510
06/26/1997	Reinvestment of dividend in shares	FFr150,000,000	None	1,500,000	FFr1,853,480,300	18,534,803
01/20/1998	Capital increase through contribution in cash	FFr1,853,480,300	None	18,534,803	FFr3,706,960,600	37,069,606
12/23/1999	Capital increase through contribution in cash	FFr229,775,300	None	2,297,753	FFr3,936,735,900	39,367,359
12/19/2001	Capital increase through contribution in kind	€304,005,180	None	20,267,012	€894,515,565	59,634,371
12/19/2002	Capital increase through contribution in kind	€8,549,265	€22,085,601	569,951	€903,064,830	60,204,322
12/19/2002	Capital increase through contribution in kind	€5,062,440	€35,163,571	337,496,908	€908,127,270	60,541,818
12/19/2002	Capital increase through contribution in cash	€4,358,955	€46,424,205	290,597	€912,486,225	60,832,415
06/30/2005	Capital increase through contribution in cash	€18,154,260	€81,331,084.80	1,210,284	€930,640,485	62,042,699
11/15/2005	Capital increase through contribution in cash	€18,248,175	€81,751,824	1,216,545	€948,888,660	63,259,244
11/17/2006	Capital increase through contribution in kind	€238,544,265	€1,756,802,132.11	15,902,951	€1,187,432,925	79,162,195
07/02/2007	Capital increase through contribution in cash	€116,382,630	€869,067,892.42	7,758,842	€1,303,815,555	86,921,037
06/28/2008	Optional payment of remaining dividend	€54,075,720	€163,885,482.08	3,605,048	€1,357,891,275	90,526,085
07/01/2008	Capital increase for Banque Populaire banks	€183,732,060	€1,096,267,958	12,248,804	€1,541,623,335	102,774,889
09/26/2008	Optional payment of remaining dividend	€9,735,615	€34,197,970.29	649,041	€1,551,358,950	103,423,930
12/16/2008	Optional payment of remaining dividend	€9,941,385	€34,271,267.89	662,759	€1,561,300,335	104,086,689

(1) Units until May 31, 2001.

3.2.6 Other information about the share capital

At present, there are no shareholders' agreements in place or concerted action among shareholders. BFBP has not pledged any of its shares.

3.3 Shareholding structure

At December 31, 2008, 20 Banque Populaire banks owned 99.42% of BFBP's share capital. The Company's shareholding structure on this date was as follows.:

Shareholder	No. of BFBP shares	Stake in BFBP *(%)*	% BFBP's voting rights
BANQUE POPULAIRE BANKS	**103,484,125**	**99.4211**	**77.0913**
Banque Populaire banks with a stake of over 5%			
CASDEN Banque Populaire	9,939,244	9.54901	5
BRED Banque Populaire	9,850,372	9.46362	5
Banque Populaire Rives de Paris	9,259,446	8.89590	5
Banque Populaire Val de France	8,934,558	8.58377	5
Banque Populaire Occitane	8,255,329	7.93121	5
Banque Populaire Lorraine Champagne	6,886,926	6.61653	5
Banque Populaire Bourgogne Franche-Comté	6,586,708	6.32810	5
Banque Populaire banks with a stake of under 5%			
Banque Populaire de l'Ouest	5,001,575	4.80520	4.8101
Banque Populaire d 'Alsace	4,689,060	4.50496	4.5050
Banque Populaire Atlantique	4,535,959	4.35787	4.3623
Banque Populaire du Sud	4,260,249	4.09298	4.0972
Banque Populaire des Alpes	4,209,498	4.04422	4.0484
Banque Populaire Loire et Lyonnais	3,681,669	3.53712	3.5407
Banque Populaire Centre Atlantique	3,101,402	2.97963	2.9827
Banque Populaire du Nord	2,895,858	2.78216	2.7850
Banque Populaire du Massif Central	2,873,911	2.76107	2.7639
Banque Populaire Côte d'Azur	2,583,468	2.48203	2.4846
Banque Populaire du Sud-Ouest	2,235,658	2.14788	2.1501
Crédit Coopératif	2,089,571	2.00753	2.0096
Banque Populaire Provençale et Corse	1,613,664	1.55031	1.5519
OTHERS	**602,564**	**0.57890**	**0.47735**
WGZ Bank	320,282	0.30771	0.3080
Ponant 2 SAS	106,213	0.10204	0
Cofibred	108,160	0.10391	0.10400
Segimlor	64,247	0.06172	0.06180
Others	3,662	0.00352	0.00350
TOTAL	**104,086,689**	**100**	**77.5687**

Voting rights are limited by the bylaws at 5%.

3.3.1 Improper control

Given the duties incumbent upon BFBP as central body under French banking legislation, the Company is controlled jointly by the 20 Banque Populaire banks. Furthermore, the control exercised by Banque Populaire banks cannot be deemed improper given the ceiling on voting rights specified in the Company's bylaws.

3.3.2 Change in control

To the best of BFBP's' knowledge, there are no agreements in place that, if implemented, could lead to a change in control of the Company. This statement is made in accordance with European legislation. Article L. 512-10 of the French Monetary and Financial Code requires Banque Populaire banks to retain an interest of at least 51% in BFBP.

3.3.3 Changes in shareholding structure over the last three years

COMPANY'S SHAREHOLDING STRUCTURE SINCE DECEMBER 31, 2006

	12/31/2006		12/31/2007		12/31/2008	
	Number of BFBP shares	Stake in BFBP (%)	Number of BFBP shares	Stake in BFBP (%)	Number of shares	Stake in BFBP (%)
Banque Populaire banks	76,965,009	97.22	84,582,353	97.30	101,394,554	97.41
Crédit Coopératif[(1)]	1,586,433	2.00	1,743,101	2.00	2,089,571	2.01
Foreign Banque Populaire banks	320,282	0.41	320,282	0.37	320,282	0.31
Other	290,471	0.37	275,301	0.32	282,282	0.27
TOTAL	**79,162,195**	**100**	**86,921,037**	**100**	**104,086,689**	**100**

(1) Crédit Coopératif became a Banque Populaire bank on January 30, 2003.

3.4 Trading market for securities

3.4.1 Financial instruments listed on a regulated market (Ticker = BFBPFP)

Subordinated notes and bonds issued by BFBP in the French market are listed on Euronext Paris (published under "Debt securities - Private sector"). Bonds issued in the international market are listed on the Luxembourg stock exchange or Eurolist Paris.

Financial instruments issued by BFBP and not yet mature at December 31, 2008, break down as follows.

NOTE	ISSUE DATE	ISIN CODE	ISSUE DATE	OUTSTANDING (€)
Banque Populaire Covered Bonds				
ORD 4.25% Jan. 2008	01/29/2008	FR0010574236	01/29/2013	1,000,000,000
ORD 4.625% May 2011	05/02/2008	FR0010613364	05/02/2011	1,000,000,000
6-month EURIBOR + 0.38% May 2015	05/10/2008	FR0010617217	05/10/2015	50,000,000
3-month EURIBOR + 0.27% Jan. 2014	07/02/2008	FR0010634493	01/13/2014	100,000,000
ORD 5.135% Sept. 2015	07/29/2008	FR0010650184	09/20/2015	100,000,000
6-month EURIBOR + 0.25% Sept. 2010	09/10/2008	FR0010661165	09/10/2010	30,000,000
10-year HICPxT Linker Oct. 2018	10/08/2008	FR0010669234	10/08/2018	100,000,000
3-month EURIBOR + 0.50% Oct. 2010	10/08/2008	FR0010672923	10/09/2010	2,000,000,000
3-month EURIBOR + 0.55% April 2011	10/08/2008	FR0010672931	10/08/2011	1,000,000,000
3-month EURIBOR + 0.60% Nov. 2015	11/05/2008	FR0010687079	11/05/2015	2,000,000,000
3-month EURIBOR + 0.65% Nov. 2017	11/05/2008	FR0010687095	11/05/2017	2,000,000,000
3-month EURIBOR + 0.65% Nov. 2018	11/05/2008	FR0010687061	11/05/2018	2,000,000,000
3-month EURIBOR + 0.65% Feb. 2017	12/01/2008	FR0010687061	02/01/2017	1,500,000,000
Senior				
ORD P3R June 2000	05/26/2000	FR0000499287	06/16/2010	250,000,000
ORD P3R Nov. 2000	10/19/2000	FR0000499287	06/16/2010	328,000,000
ORD 5.375% March 2001	03/02/2001	FR0000485757	03/02/2011	147,500,000
Redeemable subordinated loan notes (TSRs)				
TSR 6.00% July 1997	07/25/1997	FR0000586042	12/21/2009	69,364,302
TSR 6.00% Dec. 1997	12/15/1997	FR0000586059	06/09/2010	62,504,097
TSR 5.40% Feb. 1998	02/25/1998	FR0000586075	06/06/2010	76,224,508
TSR 4.50% Nov. 1998	12/14/1998	FR0000586158	02/05/2009	47,564,093
TSR 4.00% Feb. 1999	02/15/1999	FR0000186041	03/02/2009	72,600,000
TSR 4.30% April 1999	04/14/1999	FR0000186140	05/28/2009	51,200,000
TSR 5.00% June 1999	06/28/1999	FR0000186371	07/04/2009	80,000,000
TSR 5.80% Nov. 1999	11/17/1999	FR0000186488	11/27/2009	95,100,000

NOTE	ISSUE DATE	ISIN CODE	ISSUE DATE	OUTSTANDING (€)
TSR 6.00% Feb. 2000	02/28/2000	FR0000186645	05/04/2010	100,000,000
TSR 5.60% June 2000	06/28/2000	FR0000186843	08/18/2010	80,100,000
TSR 5.70% Oct. 2000	10/02/2000	FR0000187064	11/21/2010	98,100,000
TSR 5.20% Jan. 2001	01/13/2001	FR0000187296	02/16/2011	48,700,000
TSR 5.50% June 2001	06/29/2001	FR0000187619	07/15/2011	50,000,000
TSR 5.30% Oct. 2001	09/10/2001	FR0000487134	10/16/2011	45,000,000
TSR 4.90% Dec. 2001	11/19/2001	FR0000188096	01/09/2012	37,200,000
TSR 5.20% March 2002	03/04/2002	FR0000188252	03/27/2012	43,000,000
TSR 5.50% June 2002	06/17/2002	FR0000188443	07/23/2012	63,000,000
TSR 4.70% Oct. 2002	10/18/2002	FR0000181232	11/25/2002	46,000,000
TSR 4.90% Dec. 2002	12/24/2002	FR0000188856	02/04/2013	150,000,000
TSR 4% June 2003	06/25/2003	FR0000475469	06/25/2013	59,000,000
TSR 4.30% Oct. 2003	10/27/2003	FR0010018929	10/27/2013	81,000,000
TSR 4.60% Dec. 2003	12/22/2003	FR0010032821	02/13/2014	63,000,000
TSR 4.50% June 2004	06/23/2004	FR0010091041	08/04/2014	81,000,000
TSR 4.10% Oct. 2004	10/18/2004	FR0010115733	11/06/2014	77,000,000
TSR 3.90% Dec. 2004	12/20/2004	FR0010135012	01/28/2015	45,000,000
TSR 3.50% June 2005	06/20/2005	FR0010194597	08/23/2015	59,000,000
TSR 3.30% Oct. 2005	10/03/2005	FR0010230995	11/29/2015	51,000,000
TSR 3.60% Dec. 2005	12/12/2005	FR0010255422	01/05/2016	42,000,000
TSR 4.20% May 2006	05/23/2006	FR0010318808	07/22/2016	73,000,000
TSR 3.80% Oct. 2006	10/23/2006	FR0010376392	11/04/2016	61,000,000
TSR 4.20% Feb. 2007	02/19/2007	FR0010422766	03/13/2017	70,000,000
TSR 4.50% June 2007	06/25/2007	FR0010479774	07/10/2017	79,000,000
TSR 4.60% Oct. 2007	11/06/2007	FR0010522342	12/07/2017	90,000,000
TSR 4.60% Dec. 2007	12/28/2007	FR0010550806	01/28/2018	54,000,000
Perpetual subordinated loan notes (TSDIs)				
TSDI P3R May 1998-2008	05/18/1998	DOC004937002	09/27/2049	61,741,853
TSDI P3R July 1998-2008	07/15/1998	DOC004937005	09/27/2049	8,689,594
TSDI CNO TEC10 July 1998	07/16/1998	FR0000209793	07/16/2049	38,112,250
TOTAL				**16,014,700,697**

3.5 Trading market for shares

BFBP's shares are not listed or traded on any markets. The Company did not approve a share buyback program 2008.

3.5.1 Dividends

Dividend policy

The Board of Directors proposes a dividend to the Company's general shareholders' meeting. The Company cannot guarantee the amount of dividends that may be paid for any given financial year. The general shareholders' meeting ruling on the financial statements for the year can give shareholders the option of receiving the dividend in cash or in shares, for some or all of the dividend payable. This option may also be offered for interim dividends.

Dividend per share for the last five years

	2004	2005	2006	2007	**2008**
Net dividend per share	€1.40	€1.73	€2.10	€4.41	€3.14
Total dividend distribution	€85.16m	€109.44m	€166.24m	€383.32m	€306.61m

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3.6 Company financial statements

3.6.1 Highlights of the year

- BFBP received payment in shares of a Natixis dividend of €189 million at the end of May 2008.
- Interim dividends were paid in shares in September 2008 and December 2008, for a total payout of €89 million deducted from equity.
- BFBP purchased €1,291 million of Natixis shares during Natixis' share issue in September 2008. BFBP also purchased €42 million of Natixis shares on the market in the fourth quarter of the year.
- On July 2, 2008, BFBP acquired seven Regional Banks from HSBC and sold 51% of six of these banks to four regional Banque Populaire banks whose business covers the same geographical area. The only former HSBC regional bank that remains fully-owned by BFBP is Société Marseillaise de Crédit (SMC).
- In November 2008, BFBP gave shares in VBI to its SIBP subsidiary in exchange for a €203 million share issue.
- In December 2008, BFBP purchased €49 million of VBI shares (the *GrossmütterZuschuss* type of Austrian shares) during VBI's share issue. BFBP has only an indirect stake in SIBP.

3.6.2 Accounting policies and valuation methods

1. Accounting principles and presentation of the financial statements

BFBP's financial statements are prepared in accordance with French generally accepted accounting principles (French GAAP) and CRC regulations, most notably CRC regulation 2000-03 on the presentation of financial statements. The only exception is CRC regulation 2008-15 on the accounting treatment of employee stock options and bonus share grants, as the full charge from bonus share grants was recognized in 2007, before the regulation was issued.

The financial statements are presented in thousands of euros and compare two financial years, those ended December 31, 2008, and December 31, 2007.

In anticipation of CRC regulation 2008-07, BFBP has opted for the irreversible capitalization of fees related to the acquisition of investments in affiliates as of January 1, 2007.

BFBP has not applied CRC regulation 2008-15 relating to the accounting treatment of stock option plans and bonus share awards to employees, as the cost relating to the allocation of bonus shares (SAGA) was already fully recognized in 2007, before the regulation was published. However, not applying this regulation does not have a material impact on the financial statements.

2. Changes in accounting methods and new tax options in 2008

CRC regulation 2008-17 allows for the reclassification of available-for-sale securities as investment securities under certain circumstances. BFBP did not elect this option in 2008.

3. Translation of foreign currency transactions

Income and expenses relating to foreign currency transactions are determined in accordance with CRBF regulation 89-01 as amended.

Income and expenses paid or received in foreign currencies are recognized at the exchange rate on the date of the transaction.

Receivables, liabilities, and off-balance sheet commitments denominated in foreign currencies are valued at the exchange rate at the end of the financial year. Definitive or unrealized foreign exchange gains and losses are recognized in income.

Discounts or premiums on foreign exchange forward and futures contracts used for hedging purposes are recognized in income on a prorata basis. Other foreign exchange contracts and forward and futures instruments denominated in foreign currencies are valued at market price.

Outright foreign exchange forward and futures contracts, and those hedged by forward and futures instruments, are revalued over the remaining term.

Fixed assets and equity investments denominated in foreign currencies but acquired in euros are valued at cost.

BFBP is not exposed to any material currency risk.

3.6.3 Publishable balance sheet and income statement to December 31, 2008

1.a Publishable balance sheet at December 31, 2008

ASSETS

in € thousands		**12/31/2008**	**12/31/2007**
Line item			
1.	Cash and balances with central banks and post offices	17,948	416,039
2.	Treasury bills and similar items		0
3	Loans and advances to banks	35,059,245	20,819,014
4	Loans and advances to customers	137,047	85,740
5.	Fixed-income bonds and securities	18,768,557	3,334,686
6.	Variable-income equities and securities	282,358	266,133
7.	Equity investments and other long-term investments	742,519	410,955
8.	Investments in affiliates	7,767,610	4,845,705
9.	Lease financing and lease with option to buy	0	0
10.	Operating leases	0	0
11.	Intangible assets	69,667	69,495
12.	Property, plant, and equipment	126,876	124,454
13.	Unpaid subscribed capital	0	0
14.	Treasury shares	0	0
15.	Other assets	137,559	186,297
16.	Accrued income and prepaid expenses	218,187	140,696
TOTAL ASSETS		**63,327,573**	**30,699,216**

EQUITY & LIABILITIES

in € thousands		12/31/2008	12/31/2007
Line item			
1.	Due to central banks and post offices	133	10
2.	Deposits from banks	32,779,178	19,557,816
3	Customer deposits	648,776	100
4	Debt securities in issue	9,938,365	733,352
5.	Other liabilities	9,186,375	1,789,833
6.	Deferred income and accrued expenses	33,391	16,684
7.	Provisions	94,460	129,499
8.	Subordinated debt	3,500,781	2,833,159
9.	Fund for general banking risks	451,196	449,560
10.	**Equity excluding fund for general banking risks**	**6,694,917**	**5,189,200**
11.	Share capital	1,561,300	1,303,816
12.	Additional paid-in capital	4,222,639	3,507,201
13.	Reserves	606,855	511,128
14.	Revaluation reserve		
15.	Retained earnings	0	(27,280)
16.	Net income for the year	298,625	(106,856)
17.	Regulated provisions and investment subsidies	5,498	1,192
TOTAL EQUITY & LIABILITIES		**63,327,573**	**30,699,216**

1.b *Publishable off-balance sheet items at December 31, 2008*

in € thousands	2008	2007
Commitments given		
Financing commitments	605,000	474,289
• To banks	605,000	474,289
• To customers		
Guarantees	0	0
• To banks	0	
• To customers		
Commitments made on securities	297,806	0
• Securities purchased with buyback option		
• Other commitments given	297,806	
Commitments received		
Financing commitments	51,469	53,105
• From banks	51,469	53,105
Guarantees	0	0
• From banks		
Commitments made on securities	279,582	95,498
• Securities sold with buyback option		
• Other commitments received	279,582	95,498

1.c *Publishable income statement to December 31, 2008*

in € thousands	**12/31/2008**	**12/31/2007**
Interest and similar income	1,520,661	1,039,271
Interest and similar expenses	(1,462,557)	(1,014,418)
Income from lease financing and similar operations		
Expenses from lease financing and similar operations		
Income from operating leases and similar operations		
Expenses from operating leases and similar operations		
Income from variable-income securities	286,171	397,026
Commission income	4,348	4,018
Commission expenses	(696)	(543)
Gains (losses) on trading portfolio transactions	27,113	(2,623)
Gains (losses) on investment portfolio and similar transactions	(501,824)	9,466
Other banking income	150,895	159,706
Other banking expenses	(18)	(7,101)
Net banking income	**24,092**	**584,802**
General operating expenses	(148,014)	(148,595)
Depreciation and amortization	(8,364)	(8,791)
Gross operating income	**(132,287)**	**427,415**
Impairment charges and other credit provisions	(61,869)	15,473
Operating income	**(194,156)**	**442,888**
Net gain (loss) on fixed asset disposals	522,333	(527,677)
Pre-tax income	**328,178**	**(84,789)**
Non-recurring items	(23,782)	(3,316)
Income tax	171	(7,338)
Charges to/reversals of funds for general banking risks and regulated provisions	(5,941)	(11,412)
NET INCOME	**298,625**	**(106,856)**

2. *Results for the past five years*

(As required by Articles 133, 135, and 148 of the French Decree dated March 23, 1967 on commercial companies)

	2004	2005	2006	2007	2008
Share capital at period-end					
Share capital *(in €K)*	912,486	948,889	1,187,433	1,303,816	1,561,300
Number of shares issued	60,832,415	63,259,244	79,162,195	86,921,037	104,086,689
Shareholders' equity (excluding fund for general banking risks) *(in €K)*	2,227,581	2,447,699	4,506,898	5,024,919	6,606,252
Operations and income for the year					
Net banking income *(in €K)*	212,626	250,913	370,404	584,802	24,092
Income before tax, employee profit-sharing, depreciation, amortization, and impairment *(in €K)*	98,477	133,482	190,664	395,481	336,384
Income tax *(in €K)*	2,744	9,508	(10,311)	7,338	(171)
Employee profit-sharing *(in €K)*	-	-	-	-	-
Income after tax, employee profit-sharing, depreciation, amortization, and impairment *(in €K)*	125,016	108,317	171,771	(106,856)	298,625
Dividend paid to shareholders *(in €K)*	85,165	109,438	166,241	383,322	251,041
Earnings per share					
Income after tax and employee profit-sharing, but before depreciation, amortization, and impairment *(in €)*	1.57	1.96	2.54	4.47	3.23
Income after tax, employee profit-sharing, depreciation, amortization, and impairment *(in €)*	2.06	1.71	2.17	(1.23)	2.87
Dividend per share *(in €)*	1.40	1.73	2.10	4.41	2.41
Employee data					
Average number of employees	481	495	533	530	566
Total wage bill for the year *(in €K)*	28,805	30,087	33,526	35,782	38,845
Payroll charges *(in €K)*	15,679	15,266	16,683	18,676	21,535

3.6.4 Assets

1. *Loans and advances to banks and customers*

Loans and advances to banks and customers

Loans and advances to banks cover all loans, including subordinated loans, with the exception of loans and advances to banks represented by a security. They also include securities received under repurchase agreements, regardless of the type of transaction, and loans and advances relating to securities repurchase agreements.

Loans and advances to customers comprise commercial loans, customer overdrafts, and other loans and advances to customers. All loans are recorded in the balance sheet at nominal value, including low-interest rate loans and restructured loans, with the exception of buybacks of customer receivables, which are recorded at cost.

Non-performing loans

Non-performing loans are determined in accordance with CRC regulation 2002-03, particularly in the case of real estate loans more than six months past due and other loans more than three months past due.

The downgrading of a loan to non-performing results in the transfer of the total outstanding amount of receivables and commitments related to the same counterparty, even if a risk analysis had led to the recognition of provisions for only the interest that had been recorded but not received. For non-performing loans, accrued interest or interest due but not received is recognized by applying the contractual rate of interest to the gross value impaired accordingly and included in net banking income. Commission income due but not received from non-performing customers is recognized under "Impairment charges and other credit provisions."

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Within non-performing loans, a specific category has been created called "bad debt," for loans where the probability of recovery has deteriorated significantly and which are likely to be recognized as a loss. Loans are classified as bad debt upon the acceleration of payments or termination of the lease financing agreement. A non-performing loan can be classified as bad debt after a period of one year, but this is not an imperative time frame. The contagion rule does not apply for the downgrading of loans from non-performing to bad debt. For bad debts, accrued or interest due but not received is not recognized.

An impairment loss is recognized on loans for which recovery is uncertain, in order to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account guarantees and a risk analysis, and are determined on at least a quarterly basis. Impairment losses cover at a minimum the interest not received on non-performing loans.

Impairment losses are calculated on an actuarial basis according to expected future cash flows from each contract, discounted at the original effective interest rate (which corresponds to the contractual interest rate). Charges to and reversals of impairment losses for non-recovery are recognized under "Impairment charges and other credit provisions," with the exception of impairment losses relating to interest on non-performing loans, which like impaired interest, are recognized under "Interest and similar income." Reversals of impairment charges related to the passing of time only are recognized under "Interest and similar expenses."

Loans recognized as a loss and recoveries of impaired loans are recognized under "Impairment charges and other credit provisions" in the income statement for the capital portion, and under "Interest and similar income" for the interest portion. There are no systematic procedures for recognizing loans as losses. When initial payments on a non-performing loan are made regularly, the loan may be upgraded to performing.

2. *Securities transactions*

Portfolios of transferable securities, available-for-sale securities, and investment securities comply with the valuation rules set forth in CRBF regulation 90-01 as amended by CRC regulations 2005-01, 2008-07, and 2008-17.

In anticipation of CRC regulation 2008-07, in 2007 BFBP began recognizing fees related to the acquisition of investments in affiliates as part of the acquisition cost of the equity investment. This constitutes a change in tax option as outlined in Article 314-2 of the French National Accounting Code (*Plan Comptable General*); therefore, the effect of this change is recognized in income for the year.

These portfolios are included in "Treasury bills and similar items" when the securities are issued by the government, or in "Bonds and other fixed-income securities" or "Equities and other variable-income securities" in other cases.

Transferable securities

Securities are recognized at the trading price (excluding charges and, where applicable, including accrued interest). At each accounting date, they are stated at market value and any remaining unrealized and realized gains or losses on asset disposals are recognized in the income statement under "Gains (losses) on trading portfolio transactions." Transferable securities cannot be reclassified to another securities category.

Available-for-sale securities

Unrealized losses are subject to an impairment provision estimated from the most recent share price for listed securities, or the probable trading value for unlisted securities. These provisions are valued individually. The difference between the purchase price (excluding fees) and the reimbursement value of a fixed-income security is recognized in income over the remaining duration of the security in accordance with the actuarial method.

When securities are covered by hedging instruments, hedging gains are taken into account to determine the level of impairment. If a fixed-income security presents a counterparty risk, an impairment is recognized under "Impairment charges and other credit provisions."

Charges to and reversals of provisions for impairments (other than those related to counterparty risk) and gains and losses on the sale of available-for-sale securities are recognized in the income statement under "Gains (losses) on available-for-sale securities and similar transactions." This line item also includes reversals of impairment provisions related to counterparty risk when the corresponding fixed-income security is sold.

Investment securities

Investment securities are fixed-income securities acquired by the Company with the intention and means to hold them until maturity. They are subject to specific financing terms (e.g., refinancing agreements, subordinated loans, and term accounts), and some are covered by interest rate hedges (primarily interest rate swaps, for which the market is liquid). Any reclassification of these securities as available-for-sale securities is done at the carrying value on the reclassification date determined according to the rules for the original category. In the event of an early sale, the gain or loss on the sale is recognized in the income statement under "Gains (losses) on fixed asset disposals."

For investment securities, premiums and discounts relative to the reimbursement value are spread out over the securities' residual life using the yield-to-maturity method.

Investments in affiliates and other long-term investments

Investments in affiliates and other long-term investments are recognized at acquisition cost, including acquisition fees. These securities are estimated at their value in use, determined individually at the accounting date. Value in use is based on a number of criteria such as the average share price for listed securities or adjusted equity for unlisted securities.

Unrealized losses are subject to impairment. Unrealized gains are not recognized. Costs relating to the purchase and sale of securities are recognized as operating expenses.

Gains and losses on the sale of securities, and charges to and reversals of impairment charges, are recognized under "Gains (losses) on fixed asset disposals."

BFBP's largest equity investment is in Natixis, in which both BFBP and Caisse Nationale des Caisses d'Epargne (CNCE) own a 35.78% stake. BFBP's shares in Natixis are not subject to impairment, as the fall in the share price does not change the valuation of this long-term investment.

BFBP also owns 95% of FONCIA, a real estate management company (real estate transactions and property management), various entities in Africa through its SIBP subsidiary (e.g., BICEC, BCI, and BIAT), and

50% of CIFG (a credit insurer operating primarily in the US). CNCE owns the remaining 50% of CIFG, which it bought for €1 from Natixis in late December 2007.

In 2008, BFBP acquired Société Marseillaise de Crédit (SMC), a retail bank operating in southeastern France, and 49% stakes in the following banks: Banque Marze, Banque Dupuy, De Parseval, Banque Pelletier, Banque de Savoie, Banque Chaix, and Credit Commercial du Sud-Ouest. Regional Banque Populaire banks own the remaining 51% of these banks.

3. *Property, plant, equipment, and intangible assets*

CRC regulation 2002-10, effective January 1, 2005, covers the treatment of property, plant, equipment, and intangible assets in financial statements. CRC regulation 2004-06, also effective January 1, 2005, covers the definition and valuation of assets.

Operating property, plant, and equipment

The carrying amount of property, plant, and equipment is broken down by asset component, since various asset components often have different useful lives. Borrowing costs are not taken into account in determining the acquisition cost of an asset.

The useful lives used by BFBP for various asset components are as follows.

Component	Useful life
Land	N/A
Indestructible constructions	N/A
Walls and roofing	20 years
Waterproofing	5 years
Foundations and framework	60 years
External resurfacing	10-20 years
Technical equipment	15 years
Technical installations	10-20 years
Internal fixtures and fittings	12 years

The depreciable cost of each component is its acquisition cost less its residual value. The residual value is the present value of an asset at the end of its estimated useful life. The residual value of components other than land and indestructible constructions is taken to be zero. Costs related to safety or to bringing assets into compliance with standards are recognized as assets when they meet the accounting regulation criteria on a cumulative basis. Transfer fees, commission fees, and deed costs are included in an asset's acquisition cost.

The type of equipment that BFBP owns does not necessitate a breakdown into components. This equipment is depreciated over the following useful lives.

Equipment	Useful life
Computer hardware	1 to 3 years
Other property, plant, and equipment	5 to 7 years

An impairment charge is recognized whenever an operating asset shows objective evidence of a loss of value. This impairment charge is recognized under "Depreciation, amortization, and impairment of property, plant, equipment, and intangible assets".

Non-operating property, plant, and equipment

The component method is used for real estate held for investment purposes.

Intangible assets

Intangible assets are valued at cost. Goodwill is not amortized but is subject to impairment tests. The Company's goodwill includes €2.1 million from the complete transfer of SBE SAS's assets and liabilities in 2005, €66 million from the complete transfer of SNC Champion's assets and liabilities in 2007, and €0.2 million from the complete transfer of Cybert Plus Market SAS's assets and liabilities. Software purchased or developed in-house is amortized over one to three years.

3.6.5 Equity & Liabilities

1. *Debt securities in issue and subordinated debt*

Debt securities in issue and subordinated debt comprise primarily bonds and negotiable debt securities, as well as loans on subordinated notes issued by BFBP. Issue costs are recognized as expenses for the year in which the issue took place. Issue and redemption premiums are spread out on a straight-line basis over the life of the debt. Accrued interest payable is recognized under related payables, with an offsetting entry in the income statement.

2. *Provisions*

Provisions for employee benefits

Provisions for employee benefits are recognized in accordance with CNC recommendation 2003-R.01. The provision recognized in the balance sheet corresponds to:

- the actuarial liability for pension liabilities and similar benefits for current employees;
- less the market value of plan assets;
- plus or minus any actuarial gains or losses arising from:
  - experience adjustments related to demographic variables,
  - changes in actuarial assumptions such as the discount rate, employee turnover, and annual salary increases, and
  - differences between the actual and expected return on plan assets.

The main actuarial assumptions at December 31, 2008 are as follows.

- for the CAR supplementary banking pension, a discount rate of 3.82%, an expected return on plan assets of 4.30%, and inflation of 1.8%;
- for retirement benefits, a discount rate of 3.54% and an expected return on plan assets of 3.51%;
- for long-service awards, a discount rate of 3.39%

The corridor method is used for pension liabilities and similar employee benefits.

The process for valuing retirement benefits was amended by a French Decree dated July 18, 2005, and by the 2007 and 2008 French Social Security Budget Acts. Pursuant to the French Decree dated July 18, 2005, an industry-wide agreement was signed in 2005 allowing for retirement before the age of 65 at the initiative of the employer, with exemption from social security charges for retirements taking place before December 31, 2009.

Under the 2007 Social Security Budget Act, starting on January 1, 2014, charges will be applied for voluntary departures before the age of 65. Retirement before the age of 65 will not be allowed. This change resulted in an increase in the Company's liabilities at December 31, 2006 that was not included in the 2006 financial statements, since the Act was passed at the end of the year. This revaluation was considered as a change in retirement plan and the corresponding charge, calculated from the amount of the liability at December 31, 2006, will be spread out over several years starting with 2007.

The 2008 Act removes the transitional system set up by the 2007 Act for the period between January 1, 2010 and January 1, 2014. Retirement before the age of 65 at the employer's initiative and with the employee's agreement will no longer be possible after January 1, 2010, and charges will be applied to voluntary departures before the age of 65. In addition, a new employer contribution was introduced for severance payments for departures before or after the age of 65. This new contribution amounts to 25% of the amount for payments made between October 11, 2007 and December 31, 2008, and 50% thereafter. This revaluation was considered as a change in retirement plan and the corresponding charge, calculated from the amount of the liability at December 31, 2007, will be spread out over several years starting with 2008.

The charges for these changes in retirement plans may be spread out insofar as they relate to unvested benefits. The liability is spread out on a straight-line basis over the average years of employment remaining (i.e., the vesting period). The average employer contribution rate is 55%.

Provisions for bonus grants of Natixis shares to employees

The Natixis general shareholders' meetings on November 17, 2006 and May 24, 2007 set the framework for bonus grants of Natixis shares to employees of Natixis, the Banque Populaire Group, and the Caisse d'Epargne Group. The bonus share grants are based on two French laws enabling employees to become shareholders in the company they work for free of charge, and therefore be more closely involved in their company's expansion.

On November 12, 2007, the Natixis Executive Board adopted the bonus share grant terms related to vesting and lock-up periods, in accordance with the law. Under these terms, BFBP employees were granted 60 shares each with a vesting period of two years. After the vesting period, the shares are subject to a lock-up period of two years during which they cannot be sold or transferred.

Natixis will charge BFBP, in November 2009 when the bonus shares are granted to BFBP employees, the cost of purchasing the shares to be used in the bonus share grant. At December 31, 2007, a €0.5 million provision for this charge was recognized under personnel costs, based on the price that Natixis paid for the shares and the estimated employee turnover rate.

3. *Fund for general banking risks and regulated provisions*

The fund for general banking risks consists of amounts that BFBP has decided to allocate to the French Federal Solidarity Fund.

4. *Equity*

BFBP's share capital is divided among the Banque Populaire banks. In 2008, 17,165,652 new shares were issued with a par value of €15 and a price of €77.40, for a total share capital increase of €257.5 million and additional paid-in capital of €1,328.6 million.

3.6.6 Off-balance sheet items

1. *Forward and futures contracts: firm contracts and options*

The notional amount of firm forward and futures contracts and options is recognized in the balance sheet for internal tracking purposes, but is not stated in published off-balance sheet items. Information about these instruments is given in the notes to the financial statements. The risks arising from such transactions are subject to an ongoing system for measuring gains, losses, and positions, with monitoring and permanent control limits set by senior management.

Firm interest rate contracts

Firm interest rate contracts are recognized as off-balance sheet items at their nominal value. In accordance with CRBF regulations 90-15 and 92-04, interest rate swaps and similar contracts (forward rate agreements, collars, etc.) are classified according to their initial purpose as follows:

- micro-hedging (assigned hedges);
- macro-hedging (for the overall balance sheet);
- speculative positions; or
- for use with transferable securities portfolios.

The first two categories are similar to loans or borrowings, and the amounts received or paid are recognized in income on a prorata basis.

Income and expenses related to instruments used for hedging an asset or a group of similar assets are recognized in income symmetrically with the income and expenses from the hedged item. Gains and losses on hedging instruments are recognized in the same line item as the income and expenses from the hedged item, under "Interest and similar income." The line item "Gains (losses) on trading portfolio transactions" is used when the hedged items are in the trading portfolio.

Income and expenses related to forward and futures contracts used for hedging purposes or for managing overall interest rate risk are recognized in the income statement on a prorata basis under "Interest and similar income." A provision for isolated open positions is recognized in the event of unrealized losses. Unrealized gains are not recognized.

Balances on the termination or transfer of interest rate swaps are recognized immediately in income. If the amounts are significant, they are spread out on a prorata basis over the remaining term of the new contract if the original contract is replaced, or over the remaining term of the original contract.

Options

The notional amount of the underlying asset of an option or forward or futures contract is recognized by distinguishing between hedging contracts and contracts traded as part of capital market transactions. For transactions involving interest rate, foreign exchange, or equity options, the premiums paid or received are recognized in a temporary account. At year-end, any options traded in an organized or similar market are valued and recognized in income. For over-the-counter (OTC) options, provisions are recognized for discounts but unrealized gains are not recognized. When an option is sold, repurchased, or exercised, or when an option expires, the corresponding premium is recognized immediately in income.

Income and expenses for hedging instruments are recognized symmetrically with those from the hedged item. Seller options are not eligible for classification as macro-hedging instruments.

Foreign exchange contracts

Unsettled spot foreign exchange transactions are valued at the exchange rate at year-end. Discounts or premiums on foreign exchange forward and futures contracts used for hedging purposes are recognized in income on a prorata basis. Other foreign exchange contracts and forward and futures instruments denominated in foreign currencies are valued at market price. Foreign exchange swaps are recognized as coupled buy/sell forward transactions. Foreign exchange swaps are subject to CRBF regulation 90-15 as amended.

2. *Guarantees given*

Arnhold & Bleichroeder Holdings

In 2002, BFBP issued a guarantee relating to shares issued by Natexis Banques Populaires upon the acquisition of Natexis Bleichroeder Inc. in December 2002.

The acquisition of Natexis Bleichroeder Inc. (formerly Arnhold & Bleichroeder Inc) was paid for through the issuance of 1,401,082 new shares. The share issue, carried out on December 6, 2002, represented a capital increase of 3%.

Arnhold & Bleichroeder Holdings, the former owner of Natexis Bleichroeder Inc., has committed to keeping at least 45% of these shares for at least five years. The remaining 55% of the shares may be sold over a period of seven years as follows: no more than 10% between six months and one year after the transaction date; a cumulative maximum of 35% in the period to the end of the second year; a cumulative maximum of 45% in the period to the end of the third year; and a cumulative maximum of 55% in the period to the end of the seventh year.

Arnhold & Bleichroeder Holdings and BFBP have also signed a value protection agreement stating that if any of the 55% of the shares referred to above are sold at a price below their value at the date of issue (i.e., €7.556), BFBP will transfer additional Natixis (formerly Natexis Banques Populaires) shares to Arnold & Bleichroeder Holdings without consideration. The share price floor was estimated at €5.454 on December 31, 2008, after dividend payouts and sales under preemptive rights. The value protection agreement will apply only if the shareholders of Arnold & Bleichroeder Holdings have refused an offer to purchase Natixis (formerly Natexis Banques Populaires) shares at a price previously proposed by BFBP. In this case, the Natixis shares may not be sold to a third party at a price lower than that offered by BFBP.

In 2008, Arnhold & Bleichroeder Holdings exercised its rights under the value protection agreement; a provision had already been recognized for the corresponding estimated amount.

3.6.7 Income statement

1. Interest and similar commission income

Interest and similar commission income is recognized on a prorata basis. Commission income not similar to interest is recognized according to the type of service provided as follows:

- commissions received for an *ad hoc* service is recognized on completion of the service; and
- commissions received for an ongoing or discontinued service paid for through several installments is recognized over the period that the service is provided.

2. Income from securities

Dividends are recognized upon payment, and are approved by a general shareholders' meeting resolution. They are recognized under "Income from variable-income securities." The portion of income received during the year from bonds or negotiable debt securities is also recognized.

3. General operating expenses and personnel costs

Personnel costs cover wages and employee benefits such as pensions (e.g., expenses under defined contribution plans).

The annual expense for defined contribution plans consists of the following:

- an incremental benefit entitlement for all employees;
- interest costs (from the effect of discounting);
- the gross return on plan assets; and
- the amortization of actuarial gains or losses (using the corridor method) and past service costs.

4. Non-recurring items

Non-recurring income and expenses are assessed according to the significance of the amount, the degree of abnormality relative to ordinary business activities, and the probability of the event recurring. These items relate primarily to moratory interest received on tax relief and miscellaneous accruals from prior years.

5. Income tax

BFBP, the Group's parent company, has tax consolidation agreements in place with Ponant 2 SAS, SIBP SAS, and Bateau Banque Populaire SARL. These subsidiaries pay BFBP the tax that would have been payable on their earnings had they been taxed separately. Subsidiaries reporting a loss for the year do not hold any receivables against BFBP.

3.6.8 Notes to the financial statements

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Note 1 Assets: Interbank and similar transactions

in € thousands	**2008**	**2007**
Cash and balances with central banks and post offices	17,948	413,204
• Accrued interest	0	2,835
Treasury bills and similar items		
Loans and advances to banks		
• Sight (1)	15,945,098	4,706,402
• Day-to-day term loans	500,000	530,000
• Term loans (2)	16,156,278	12,902,654
• Subordinated loans with fixed maturities (3)	2,207,831	2,431,190
• Perpetual subordinated loans	88,725	108,544
• Non-performing subordinated loans (net value)	18,682	
• Not accounted for		
• Accrued interest	142,632	140,224
TOTAL	**35,077,194**	**21,235,053**

(1) Concerns only related parties.
(2) Including related parties representing €14,568 million.
(3) Concerns only related parties.

Note 2 Assets: Loans and advances to customers

in € thousands	**2008**	**2007**
Customer overdrafts	0	26,487
Commercial loans		
Other loans and advances to customers	121,544	37,100
Loans to financial customers (1)	1,699	1,766
Subordinated loans	10,100	10,100
Accrued interest and items not accounted for	307	267
Net non-performing loans		10,020
Non-performing loans	3,397	
Provisions for country risk		
TOTAL	**137,047**	**85,740**

(1) Including related parties representing €107 million.

Note 2 b Impairment charges and other credit provisions

NON-PERFORMING LOANS

in € thousands	2007	Downgraded	New advances	Reclassified	Returned to performing	2008
Gross amount						
Commercial loans						0
Other loans and advances to customers	11,010					11,010
Loans to financial customers						0
Subordinated loans		74,598				74,598
Accrued interest	37	20				57
Total amount	**11,047**	**74,618**				**85,665**

in € thousands	2007	Charges	Reversals used	Available reversals	2008
Impairment					
Commercial loans					0
Other loans and advances to customers	(1,027)	(6,643)		0	(7,670)
Loans to financial customers					0
Subordinated loans		(55,916)			(55,916)
Total impairment	**(1,027)**	**(62,559)**	**0**	**0**	**(63,586)**
NET AMOUNT	**10,020**				**22,079**

Note 3 Securities by type

	2008				2007			
in € thousands	Transferable	Available-for-sale	Investment	Total	Transferable	Available-for-sale	Investment	Total
Bonds and other fixed-income securities								
Gross amount								
- Unlisted securities issued by public organizations				0				0
- Unlisted securities issued by other issuers[1]	9,119,441	9,309,794	288,906	18,718,141	1,738,792	1,300,000	279,305	3,318,097
- Unlisted medium-term notes (MTNs)			0	0			0	0
Accrued interest		48,386	3,124	51,510		13,397	3,192	16,589
Total amount	**9,119,441**	**9,358,180**	**292,030**	**18,769,651**	**1,738,792**	**1,313,397**	**282,497**	**3,334,686**
Impairment								
- Unlisted medium-term notes (MTNs)		(1,094)	0	(1,094)			0	0
Total impairment	**0**	**(1,094)**	**0**	**(1,094)**	**0**	**0**	**0**	**0**
NET AMOUNT	**9,119,441**	**9,357,086**	**292,030**	**18,768,557**	**1,738,792**	**1,313,397**	**282,497**	**3,334,686**
Equities and other variable-income securities								
Gross amount								
- Shares in listed mutual funds		311,525		311,525		267,193		267,193
- Other unlisted securities[2]		440,772		440,772				0
- Other listed securities		16,448		16,448		0		0
Accrued interest				0				0
Total amount	**0**	**768,745**	**0**	**768,745**	**0**	**267,193**	**0**	**267,193**
Impairment								
- Shares in other listed mutual funds		(45,350)		(45,350)		(1,060)		(1,060)
- Other unlisted securities[2]		(440,772)		(440,772)				0
- Other listed securities		(265)		(265)		0		0
Total impairment	**0**	**(486,387)**	**0**	**(486,387)**	**0**	**(1,060)**	**0**	**(1,060)**
NET AMOUNT	**0**	**282,358**	**0**	**282,358**	**0**	**266,133**	**0**	**266,133**
Unrealized gains and losses								
Unrealized losses								
Of which:								
- Estimated at the share price		0		0		0		0
- Estimated using other methods		(486,387)		(486,387)		(1,060)		(1,060)
Unrealized gains								
Of which:								
- Estimated at the share price		0		0		0		0
- Estimated using other methods		0	0	0		56,445	41	56,486

(1) *All transferable securities were purchased from related parties.*
Available-for-sale securities concern related parties representing €8,379 million.

(2) *Reclassification of CIFG shares from investments in affiliates to available-for-sale securities representing €440,722 thousand, fully provisioned following the signature of the commutation agreement.*

Note 4 Change in investment securities

in € thousands	2007	Purchases	Disposals	Redemptions	Discount/ surplus	Transfers	Other (ForEx diff.)	2008
Treasury bills								
Gross amount								
Gains (losses) on asset disposals								
Bonds and other fixed-income securities								
Gross amount [1]	279,305	4,485,523		(4,491,620)			15,698	288,906
Gains (losses) on asset disposals								

(1) *This concerns primarily CDs redeemed on maturity.*

Note 5 Breakdown and change in long-term investments

LONG-TERM INVESTMENTS

in € thousands	2007	Purchases	Disposals	Other changes	2008
Gross amount					
Investments in affiliates	4,864,027	2,927,330	(1,654)	0	7,789,703
Equity investments and other long-term investments	873,645	1,027,532	(689,103)	(444,659)	767,415
Short-term shareholder advances	960	280	(637)		603
Shares in non-trading real estate companies (SCIs)	0				0
Total amount	**5,738,632**	**3,955,142**	**(691,394)**	**(444,659)**	**8,557,721**

in € thousands	2007	Purchases	Disposals	Other changes	2008
Impairment					
Investments in affiliates	(18,322)	(5,413)	1,642		(22,093)
Equity investments and other long-term investments	(462,690)	(7,700)	445,495		(24,895)
Short-term shareholder advances	(960)		357		(603)
Shares in non-trading real estate companies (SCIs)	0				0
Total impairment	**(481,972)**	**(13,113)**	**447,494**	**0**	**(47,591)**
Net amount	**5,256,660**	**3,942,029**	**(243,900)**	**(444,659)**	**8,510,130**

(1) *Acquisitions for the year concern Société Marseillaise de Crédit (SMC) for €1,118 million and Natixis for €1,522 million (including subscription of €1,291 million to the capital increase in September 2008).*

(2) *Acquisitions concern primarily Regional Banks excluding SMC.*
Other changes concern the reclassification of CIFG shares as available-for-sale securities following the signature of the commutation agreement.

Note 6 Valuation of investments in affiliates

	Breakdown by type					Estimated value of shares	
	Listed companies		Unlisted companies				
in € thousands	Gross	Impairment	Gross	Impairment	2008	Based on share price	Other method
Equity and other long-term investments							
Investments in banks			693,731	(3,496)	690,235		803,231
Investments in other companies	6,734	(6,266)	66,950	(15,133)	52,285	468	59,118
Short-term advances			603	(603)	0		0
	6,734	**(6,266)**	**761,284**	**(19,232)**	**742,520**	**468**	**862,349**
Investments in affiliates							
Investments in banks	4,962,754		1,229,992	(4,742)	6,188,004	4,962,754	1,225,252
Investments in other companies			1,596,957	(17,351)	1,579,606		1,610,267
	4,962,754		**2,826,949**	**(22,093)**	**7,767,610**	**4,962,754**	**2,835,519**
TOTAL	**4,969,488**	**(6,266)**	**3,588,233**	**(41,325)**	**8,510,130**	**4,963,222**	**3,697,868**

Note 7 Breakdown of property, plant, equipment, and intangible assets

in € thousands	2007	Additions	Disposals	Other	2008
Gross amount					
Assets under construction	1,388	6,113	(1,388)		6,113
Total gross amount	**1,388**	**6,113**	**(1,388)**	**0**	**6,113**
NET AMOUNT OF ASSETS UNDER CONSTRUCTION	**1,388**	**6,113**	**(1,388)**	**0**	**6,113**
Intangible operating assets					
Lease rights and business assets	68,258				68,258
Software	20,368	1,125	0	0	21,493
Other	129				129
Total gross amount	**88,755**	**1,125**	**0**	**0**	**89,880**
Depreciation, amortization, and impairment					
Intangible operating assets					
Lease rights and business assets	0				0
Software	(19,191)	(954)			(20,145)
Other	(68)				(68)
Total depreciation and amortization	**(19,259)**	**(954)**	**0**	**0**	**(20,213)**
NET AMOUNT OF INTANGIBLE ASSETS	**69,496**	**171**	**0**	**0**	**69,667**

Breakdown of property, plant, equipment, and intangible assets *(continued)*

in € thousands	2007	Additions	Disposals	Other	2008
Operating property, plant, and equipment					
Land	32,557				32,557
Indestructible constructions	10,550	31			10,581
Walls and waterproofing	1,172	83			1,255
Foundations and framework	42,451	9			42,460
Technical equipment	16,324	876			17,200
Other	48,837	2,583			51,420
TOTAL GROSS AMOUNT	**151,891**	**3,582**	**0**	**0**	**155,473**
Operating property, plant, and equipment					
Land	0				0
Buildings	0				0
Indestructible constructions	(2,110)	(527)			(2,637)
Walls and waterproofing	(938)	(252)			(1,190)
Foundations and framework	(2,830)	(708)			(3,538)
Technical equipment	(3,901)	(1,130)			(5,031)
Other	(23,699)	(4,309)			(28,008)
Total depreciation and amortization	**(33,478)**	**(6,926)**	**0**	**0**	**(40,404)**
Net amount of operating property, plant, and equipment	**118,413**	**(3,344)**	**0**	**0**	**115,069**
Non-operating property, plant, and equipment					
Land	338				338
Indestructible constructions (buildings)	4,744	1,520			6,264
Other	2,341	5			2,346
TOTAL GROSS AMOUNT	**7,423**	**1,525**	**0**	**0**	**8,948**
Non-operating property, plant, and equipment					
Land	0				0
Indestructible constructions (buildings)	(1,865)	(325)			(2,190)
Other	(906)	(158)			(1,064)
Total depreciation and amortization	**(2,771)**	**(483)**	**0**	**0**	**(3,254)**
Net amount of non-operating property, plant, and equipment	**4,652**	**1,042**	**0**	**0**	**5,694**
NET AMOUNT OF PROPERTY, PLANT, AND EQUIPMENT	**123,065**	**(2,302)**	**0**	**0**	**120,763**

Note 8 Accrued income, prepaid expenses, and other assets

in € thousands	**2008**	**2007**
Other assets		
Conditional instruments bought	29,586	1,872
Settlement of securities transactions		
Deferred tax assets		
Real estate development		
Miscellaneous inventory		
Miscellaneous debtors*	107,973	184,425
Net non-performing loans		
Accrued interest		
TOTAL OTHER ASSETS	**137,559**	**186,297**
Accrued income and prepaid expenses		
Collection accounts		
Adjustment accounts	40,950	57,311
Network transactions	16,084	706
Variance accounts		
Potential losses on unsettled hedging contracts		
Potential losses on settled hedging contracts		
Prepaid expenses	351	1,389
Accounts receivable	121,620	79,664
Deferred issue premiums	1,945	1,588
Other deferred expenses	6,730	
Losses on hedging contracts to be spread over several years	24,667	
Other accrued income and prepaid expenses	5,840	38
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**218,187**	**140,696**

* *Includes an €88,665k interim dividend paid in shares during the year.*

Note 9 Liabilities: Interbank and similar transactions

in € thousands	**2008**	**2007**
Due to central banks and post offices	133	10
Treasury bills and similar items		
Deposits from banks		
• Sight (1)	16,281,834	6,452,194
• Day-to-day term loans	0	530,000
• Term loans (2)	16,372,082	12,462,448
• Not accounted for		
• Accrued interest	125,262	113,174
Securities sold under repurchase agreements		
• Sight	0	0
• Accrued interest	0	0
TOTAL	**32,779,311**	**19,557,826**

(1) Concerns only related parties.
(2) Including related parties representing 10,997 million.

Note 10 Liabilities: Customer deposits

in € thousands	**2008**	**2007**
Current accounts in credit		
Special savings accounts		
Securities sold under repurchase agreements		
Loans from financial customers (1)	647,700	
Term accounts in credit	0	96
Accrued interest	1,076	4
TOTAL	**648,776**	**100**

(1) This concerns primarily loans from SFEF.

Note 11 Debt securities in issue

in € thousands	2008	2007
Treasury bills and savings bonds		
Interbank market instruments		
Money market instruments (1)	9,172,987	
Of which:		
• Subscribed by banks	8,750,483	
• Subscribed by financial customers	244,041	
• Subscribed by other customers	178,463	
Bonds issued	725,500	725,500
Other debt securities		
Accrued interest	39,878	7,852
TOTAL	**9,938,365**	**733,352**

(1) *Including related parties representing €2,339 million.*

Note 12 Deferred income, accrued expenses, and other liabilities

in € thousands	2008	2007
Other liabilities		
Conditional instruments sold	7,430	
Settlement of securities transactions (1)	9,119,441	1,738,792
Deferred tax liabilities		
Securitized debt		
Outstanding payment on non-paid-up shares		
Miscellaneous creditors	59,504	51,041
Investment subsidies		
Public funds		
Accrued interest		
TOTAL	**9,186,375**	**1,789,833**
Deferred income and accrued expenses		
Collection accounts		
Adjustment accounts		
Network transactions	1,922	2,671
Variance accounts		
Potential losses on unsettled hedging contracts		
Potential losses on settled hedging contracts		
Deferred income	8,112	663
Accrued expenses	23,334	12,392
Other deferred income and accrued expenses	23	958
TOTAL	**33,391**	**16,684**

(1) *Concerns only related parties.*

Note 13 Provisions

			Reversals			
in € thousands	2007	Additions	Used	Unused	Other	2008
Provisions for counterparty risk						
Provisions for off-balance sheet commitments	69,289		(69,289)			0
Provisions for country risk	0					0
Sector provisions	0					0
Provisions for customer disputes	0					0
Other customer provisions	0					0
	69,289	**0**	**(69,289)**	**0**	**0**	**0**
Provisions for impairment risk						
Securities and financial futures portfolio	828	21,701				22,529
Long-term investments	0					0
Real estate development	0					0
Other assets	0					0
	828	**21,701**	**0**	**0**	**0**	**22,529**
Provisions for future operating expenses						
Pension liabilities, supplementary retirement plans, and similar	56,104	87	(8,670)			47,521
Taxes and duties	0					0
Bonus grants of Natixis shares (SAGA)	537					537
URSSAF audit	990		(94)			896
Other provisions	1,080					1,080
	58,711	**87**	**(8,764)**	**0**	**0**	**50,034**
Non-recurring provisions						
Provisions for litigation	0	21,228				21,228
Provisions for IT system restructuring	0					0
Provisions for exceptional restructuring	0					0
VAT provision for mutual funds	0					0
Other non-recurring provisions	672	24	(26)			670
	672	21,252	(26)	0	0	21,898
TOTAL	**129,500**	**43,040**	**(78,079)**	**0**	**0**	**94,461**

Note 14 Change in subordinated debt

in € thousands	2007	Increases	Decreases	Other	2008
Dated subordinated debt					
Subordinated securities	2,565,441		(264,784)		2,300,657
Subordinated loans	100,000				100,000
Accrued interest	58,759	56,390	(58,759)		56,390
	2,724,200	**56,390**	**(323,543)**	**0**	**2,457,047**
Perpetual subordinated debt					
Subordinated securities (1) (2)	0	950,000			950,000
Subordinated loans	108,544		(19,819)		88,725
Accrued interest	415	5,009	(415)		5,009
	108,959	955,009	(20,234)	0	1,043,734
TOTAL*	**2,833,159**	**1,011,399**	**(343,777)**	**0**	**3,500,781**

(1) Pursuant to CRC regulation 2000-03, only one subordinated debt security (of €950 million) accounts for more than 10% of the total subordinated debt.
(2) This is a perpetual subordinated note denominated in euros, issued as part of a French government plan and bought by the French government's equity investment company (SPPE).

Note 15 Change in shareholders' equity

in € thousands	2007	Net income	Increases	Decreases	Allocations	Dividends	Other	2008 Before allocation	Proposed allocation	2008 After allocation
Share capital[1]	1,303,816		257,485					1,561,300		1,561,300
Additional paid-in capital and similar	2,989,743		1,328,623				(95,727)	4,222,639		4,222,639
Legal reserve	58,435						95,727	154,162	1,967	156,129
Statutory reserves	251,425							251,425		251,425
Revaluation reserves	0							0		0
Other regulated reserves	0							0		0
Other reserves	201,267							201,267		201,267
Currency translation reserves	0							0		0
Retained earnings	0							0	45,617	45,617
Net income[2]	(106,856)	298,625			490,178	(383,322)		298,625	(298,625)	0
Equity excluding fund for general banking risks	**4,804,687**	**298,625**	**1,586,107**	**0**	**490,178**	**(383,322)**	**0**	**6,689,419**	**(251,041)** [3]	**6,438,378**
Fund for general banking risks	449,560		1,636					451,196		451,196
SHAREHOLDERS' EQUITY*	**5,254,247**	**298,625**	**1,587,743**	**0**	**490,178**	**(383,322)**	**0**	**7,140,615**	**(251,041)**	**6,889,574**

* *Excluding regulated provisions and investment subsidies.*

(1) *The Company's share capital consists of 104,086,689 shares with a par value of €15. A total of 17,165,652 new shares were issued in 2008 with a par value of €15.*

(2) *Earnings per share totaled €2.87.*

(3) *A dividend of €2.41 per share was paid in 2008, comprised of a €0.85 per share interim dividend paid in shares (for a total payout of €88,665 million), and a €1.56 per share dividend paid in shares (for a total payout of €162,375 million).*

Note 16 Financing commitments given and received

in € thousands	2008	2007
Financing commitments given		
To banks	605,000	474,289
To customers		
• Documentary credits		
• Other confirmed lines of credit		
• Other commitments		
Non-performing loans		
TOTAL FINANCING COMMITMENTS GIVEN	**605,000**	**474,289**
Financing commitments received		
From banks	51,469	53,105
Non-performing loans		
TOTAL FINANCING COMMITMENTS RECEIVED	**51,469**	**53,105**

Note 17 Guarantees given and received

in € thousands	2008	2007
Guarantees given		
To banks		
• Confirmed documentary credits		
• Other guarantees	0	0
To customers		
• Real estate guarantees		
• Tax and other bonds		
• Other bonds and endorsements		
• Other guarantees	0	0
Non-performing loans		
TOTAL GUARANTEES GIVEN	**0**	**0**
Guarantees received	**0**	**0**

Note 17 b Commitments made on securities

in € thousands	2008	2007
Commitments on securities to be received		
Other commitments	279,582	95,498
TOTAL COMMITMENTS MADE ON SECURITIES TO BE RECEIVED	**279,582**	**95,498**
Commitments on securities to be delivered		
Other commitments	297,806	
TOTAL COMMITMENTS MADE ON SECURITIES TO BE DELIVERED	**297,806**	**0**

Note 17 c Other commitments

in € thousands	2008	2007
Commitments given		
Other commitments	996,861	0
TOTAL OTHER COMMITMENTS GIVEN	**996,861**	**0**
Commitments received		
Other commitments	996,861	
TOTAL OTHER COMMITMENTS RECEIVED	**996,861**	**0**

Note 18 Forward and futures contracts: firm contracts and options

	2008				2007			
	Hedging transactions				Hedging transactions			
in € thousands	Micro-hedging	Macro-hedging	Other transactions	Total	Micro-hedging	Macro-hedging	Other transactions	Total
Firm forward and futures contracts								
Contracts on organized markets								
Interest rate contracts				0				0
Foreign exchange contracts				0				0
Financial assets				0				0
Sub-total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
OTC contracts								
Forward rate agreements				0				0
Interest rate swaps	1,886,649	81,284	219,152	2,187,085	1,894,272	580,034	43,000	2,517,306
Other forward and futures contracts				0				0
Sub-total	**1,886,649**	**81,284**	**219,152**	**2,187,085**	**1,894,272**	**580,034**	**43,000**	**2,517,306**
Foreign exchange forward and futures contracts								
Foreign exchange swaps								
• To be received			2,156	2,156	454,538			454,538
• To be delivered			2,249	2,249	442,735			442,735
Financial swaps								
• To be received	165,010			165,010	147,522			147,522
• To be delivered	123,967			123,967	101,895			101,895
Other foreign exchange contracts								
• To be received				0				0
• To be delivered				0				0
Sub-total	**288,977**	**0**	**4,405**	**293,382**	**1,146,690**	**0**	**0**	**1,146,690**
TOTAL FIRM CONTRACTS	**2,175,626**	**81,284**	**223,557**	**2,480,467**	**3,040,962**	**580,034**	**43,000**	**3,663,996**

	2008				2007			
	Hedging transactions		Other		Hedging transactions		Other	
in € thousands	Micro-hedging	Macro-hedging	transactions	Total	Micro-hedging	Macro-hedging	transactions	Total
Options								
Options on organized markets								
Interest rate options								
• Bought				0				0
• Sold				0				0
Foreign exchange options								
• Bought				0				0
• Sold				0				0
Other options								
• Bought	16,185		123,235	139,420			61,891	61,891
• Sold	16,185			16,185				0
Sub-total	**32,370**	**0**	**123,235**	**155,605**	**0**	**0**	**61,891**	**61,891**
OTC options								
Interest rate options								
• Bought				0				0
• Sold				0				0
Foreign exchange options								
• Bought				0				0
• Sold				0				0
Other options								
• Bought				0				0
• Sold				0				0
Sub-total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL OPTIONS	**32,370**	**0**	**123,235**	**155,605**	**0**	**0**	**61,891**	**61,891**
TOTAL FORWARD AND FUTURES CONTRACTS (FOREIGN EXCHANGE AND OPTIONS)	**2,207,996**	**81,284**	**346,792**	**2,636,072**	**3,040,962**	**580,034**	**104,891**	**3,725,887**
Information concerning the fair value of derivatives								
Firm forward and futures contracts								
OTC contracts								
Interest rate swaps	76,049	5,949	(699)	81,299	3,415	(5,879)	(828)	(3,292)
Other forward and futures contracts				0				0
Foreign exchange forward and futures contracts								
Foreign exchange swaps			39	39				
Financial swaps	30,062			30,062	55,762			55,762
Options								
OTC options								
Interest rate options bought		0		0		0		0
Options on organized markets								
Other options bought	290		22,156	22,446			3,263	3,263
Other options sold	1							

Note 18 b Residual lives of forward and futures contracts: firm contracts and options

	2008				
in € thousands	Less than 3 months	3 months-1 year	1 year-5 years	Over 5 years	Total forward and futures contracts
Firm forward and futures contracts					
Contracts on organized markets					
Interest rate contracts					
Foreign exchange contracts					
Financial assets					
OTC contracts	***131,376***	***364,676***	***1,079,351***	***611,682***	***2,187,085***
Forward rate agreements					
Interest rate swaps	131,376	364,676	1,079,351	611,682	2,187,085
Micro-hedging		219,322	1,060,862	606,465	1,886,649
Macro-hedging	8,162	57,532	10,373	5,217	81,284
Other contracts	123,214	87,822	8,116		219,152
Other forward and futures contracts					0
Foreign exchange forward and futures contracts	***0***	***0***	***293,382***	***0***	***293,382***
Foreign exchange swaps					
• To be received			2,156		2,156
• To be delivered			2,249		2,249
Financial swaps					
• To be received			165,010		165,010
• To be delivered			123,967		123,967
Other foreign exchange contracts					
• To be received					
• To be delivered					
TOTAL FIRM CONTRACTS	**131,376**	**364,676**	**1,372,733**	**611,682**	**2,480,467**
Options					
Options on organized markets		***123,235***	***32,370***		***155,605***
Interest rate options					
• Bought					
• Sold					
Foreign exchange options					
• Bought					
• Sold					
Other options					
• Bought		123,235	16,185		139,420
• Sold			16,185		16,185

	2008				
in € thousands	Less than 3 months	3 months-1 year	1 year-5 years	Over 5 years	Total forward and futures contracts
OTC options		*0*			*0*
Interest rate options					
• Bought					
• Sold					
Foreign exchange options					
• Bought					
• Sold					
Other options					
• Bought					
• Sold					
TOTAL OPTIONS		**123,235**	**32,370**		**155,605**
TOTAL FORWARD AND FUTURES CONTRACTS (FIRM CONTRACTS AND OPTIONS)	**131,376**	**487,911**	**1,405,103**	**611,682**	**2,636,072**

Note 19 Interest and similar income

	2008		2007	
in € thousands	Expense	Income	Expense	Income
Interbank transactions	(1,127,277)	1,055,606	(761,488)	768,415
Customer transactions	(1,289)	3,241	(9)	2,213
Lease finance				
Bonds and other fixed-income securities	(328,131)	457,421	(247,402)	259,891
Macro-hedging transactions	(5,860)	4,393	(5,519)	8,752
Net new provisions for non-performing interest				
TOTAL	**(1,462,557)**	**1,520,661**	**(1,014,418)**	**1,039,271**

Note 20 Income from variable-income securities

in € thousands	2008	2007
Dividends received on available-for-sale securities	0	0
Dividends received on portfolio securities		
Dividends received on equity investments and similar	286,171	397,026
TOTAL	**286,171**	**397,026**

Note 21 Commission income

	2008		2007	
in € thousands	Expense	Income	Expense	Income
Cash management and interbank transactions	(493)	3,493		3,008
Payment services				
Customer transactions				
Securities transactions	(203)		(543)	
Foreign exchange transactions				
Off-balance sheet commitments		855		1,010
Financial services				
Consulting				
TOTAL	**(696)**	**4,348**	**(543)**	**4,018**

Note 22 Gains (losses) on portfolio transactions

in € thousands	2008	2007
Trading portfolio		
Gain (loss) on transferable securities		
Gain (loss) on foreign exchange transactions	5,337	(196)
Gain (loss) on forward and futures contracts	21,776	(2,427)
Changes in provisions		
TOTAL TRADING PORTFOLIO	**27,113**	**(2,623)**
Available-for-sale securities portfolio and similar		
Impairment charges	(486,422)	(422)
Impairment reversals	0	552
Losses on disposals	0	(499)
Gains on disposals	18,598	9,835
Other	(34,000)	0
TOTAL AVAILABLE-FOR-SALE SECURITIES PORTFOLIO	**(501,824)**	**9,466**

Note 23 Other banking income and expenses

	2008		2007	
in € thousands	Expense	Income	Expense	Income
Other operating income and expenses				
Share of joint transactions		0		0
Re-billed expenses		0		0
BFBP subscription		148,717		142,011
Other related income and expenses	(18)	2,178	(7,101)	17,695
TOTAL	**(18)**	**150,895**	**(7,101)**	**159,706**

Note 24 General operating expenses

in € thousands	2008	2007
Personnel costs		
Wages and salaries	(36,895)[1]	(34,858)
Pensions	(4,773)[2]	(5,264)
Other employee benefits	(14,014)[3]	(13,249)
Employee incentive schemes	555	(4,134)
Employee profit-sharing	0	0
Payroll taxes	(2,535)	(2,506)
Sub-total	**(57,661)**	**(60,011)**
Other operating expenses		
Professional taxes	(2,543)	(1,549)
Other taxes and duties	(1,565)[4]	(2,342)
Other general operating expenses	(86,245)[5]	(84,694)
Sub-total	**(90,353)**	**(88,584)**
TOTAL	**(148,014)**	**(148,595)**
Number of full-time equivalent employees		**546**
Number of employees at year-end		**575**

(1) Related provision reversals: €2,061k; related provision allocations: €111k.
(2) Related provision reversals: €2,653k; related provision allocations: None.
(3) Related provision reversals: €95k; related provision allocations: None.
(4) Related provision reversals: None; related provision allocations: None.
(5) Related provision reversals: €3,982k; related provision allocations: None.
Compensation and benefits paid to corporate officers: the total compensation and benefits that BFBP paid to corporate officers in 2008 was €1,272,693.

Note 25 Income from non-current assets

	2008				2007			
in € thousands	Equity and other long-term investments	Securities	Property, plant, equipment, and intangible assets	Total	Equity and other long-term investments	Securities	Property, plant, equipment, and intangible assets	Total
Impairment charges	(13,113)			(13,113)	(530,893)			(530,893)
Impairment reversals	447,494			447,494	27,168			27,168
Losses on disposals	(1,588)	(12)		(1,600)	(24,087)			(24,087)
Gains on disposals	20,263	1		20,264	87		48	135
TOTAL	**453,056**	**(11)**	**0**	**453,045**	**(527,725)**	**0**	**48**	**(527,677)**

Note 26 Non-recurring items

in € thousands	**2008**	2007
Non-recurring income		
Reversal of provision for promotional and advertising funds	0	0
Reversal of provision for development	0	0
Contribution to Shoah foundation	0	0
Reversal of tax provisions	0	6,361
Reversal of charges for supplier disputes	0	0
Repayment of financial subsidies	465	
Other	29	183
	494	**6,544**
Non-recurring expenses		
Tax adjustments	0	(676)
Contribution to Shoah foundation	0	0
Provision for promotional and advertising funds	0	0
Sale of foreign currencies	(578)	
Adjustment to cash deposits guarantee fund	0	0
Financial subsidies	(23,688)	(9,120)
Other	(10)	(64)
	(24,276)	**(9,860)**
TOTAL	**(23,782)**	**(3,316)**

Note 27 Breakdown of income tax expense

in € thousands	**2008**
Pre-tax net income	298,625
Income from tax-consolidated companies	2,987
Deductions	(849,926)
Related to the parent company tax regime	*269,123*
Related to share of partnerships	*818*
Re-consolidations into the tax group	484,426
Taxable income	**(63,888)**
Tax expense breakdown	
Income tax at standard rate	0
Income tax at reduced rate	0
Effect of tax group consolidation	(109)
Employer contributions and social security tax	0
Tax credits	(61)
Carrybacks	0
Tax adjustment charges	0
Total tax expense for the year	**(170)**

Note:
See the initial tax expense breakdown under the tax consolidation system. Income tax is calculated by each company within the tax consolidation group as if there were no consolidation, and the tax savings are returned to the parent company through a third-party account.

Note 28 Subsidiaries and affiliates

in € thousands

Name and registered office	Share capital in local currency *(in thousand units)*	Currency	Equity other than share capital in local currency *(in thousand units)*	Parent company's direct stake	Gross book value of parent company's stake
MAIN SUBSIDIARIES AND AFFILIATES					
Natixis 30 avenue Pierre Mendès-France - 75013	4,653,020	€	15,646,000	35.62	4,962,754
FONCIA Groupe 3 rue de Londres - 75009 Paris	53,169	€	138,235	95.00	1,268,252
S.M.C. 75 rue Paradis - 13006 Marseille	16 000	€	229,317	100.00	1,118,159
S.A.S. SIBP 5 rue Leblanc - 75015 Paris	35,331	€	182,688	100.00	266,832
Banque Chaix 43 cours Jean Jaurès - 84000 Avignon	11,571	€	44,464	49.00	148,257
Banque de Savoie 6 boulevard du Théâtre - 73000 Chambery	6,853	€	52,424	48.96	109,560
C.C.S.O. 17 allée James Watt - Parc Chemin-Long - 33700 Merignac	12,078	€	43,938	49.00	94,949
Banque Dupuy de Parseval 10 rue du Général de Gaulle - 34200 Sete	10,000	€	30,109	49.00	81,167
VBI Beteiligungs Gmbh Peregringasse 3 - 1090 Wein - Autriche	35	€	314,882	24.50	77,157
M.A. BANQUE 19 rue Leblanc - 75015 Paris	50,886	€	48,893	65.92	71,833
SCI Ponant Plus 5 rue Leblanc - 75015 Paris	49,920	€	(10,274)	100.00	49,920
Banques Populaires Covered Bonds 19 rue Leblanc - 75015 Paris	40,000	€		100.00	40,000
Informatique Banques Populaires 23 place de Wicklow Immeuble Le Futura 78180 Montigny Le Bretonneux	89,733	€	(12,716)	29.52	31,220
Banque Pelletier Angle rue des Fusilliers et du cours Julia Augusta - 40100 Dax	12,376	€	(4,655)	49.00	30,108
Banque Marze Avenue de Roqua - 07205 Aubenas	6,100	€	(3,651)	48.99	24,291
Other subsidiaries and affiliates					
(Gross book value of the stake is less than 1% of BFBP's capital					28,190
General information					
French subsidiaries (total)					2,826,926
Foreign subsidiaries (total)					0
French affiliates (total)					5,498,565
Foreign affiliates (total)					77,157

Net book value of parent company's stake	Loans and advances given by BFBP	Guarantees and deposits given by BFBP	Net banking income or revenue for the year	Net income for the year	Net dividend received by BFBP in 2007	Comment
4,962,754	10,509,543		50,787,614	(5,054,000)	189,466	Regulated provisions: €24,000
1,268,252	78,307		37,023	95,245	50,785	
1,118,159	80,034		293,839	59,517		
266,832	17,040		N.S.	2,904		
148,257			117,804	18,076		
109,560				2,625		
94,949	70,046		77,215	4,991		
81,167			64,159	7,805	2,352	
77,157			N.S.	12,289	3,010	
67,091	154,434		73,709	4,061	13,645	
40,920	10,024		1,029	(135)		Accelerated depreciations: €2,156,000
40,000	1,002		N.S.	303		First financial year ended Dec. 31, 2008
31,220			232,659	1,120		Regulated provisions: €4,118,000
30,108	95,236		14,761	2,024		
24,291				5,416	1,176	
6,726	24,277	0			290	
2,804,833	363,107	0			64,431	
					0	
5,485,452	10,676,836	0			193,284	
77,157	1,585,368	0			3,010	

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Note 29 Securities purchases resulting in the crossing of an ownership threshold

	2008 Ownership interest	2007 Ownership interest
Subscriptions and contributions		
Albireo		5.00%
BP Covered Bonds		100.00%
SCI Congolaise Immobiliere de Gestion		10.00%
S.F.E.F.	9.43%	
Share issues		
Informatique Banque Populaire		29.52%
Share purchases		
Banque Chaix	49.00%	
Banque Dupuy de Parseval	49.00%	
Banque Marze	48.99%	
Banque de Savoie	48.96%	
Banque Pelletier	49.00%	
C.C.S.O	49.00%	
Europay France	5.00%	3.00%
CIFG Holding Ltd.		49.98%
FONCIA Groupe	95.00%	92.79%
Natixis	35.62%	34.47%
S.M.C.	100.00%	
Twins Participations	50.00%	
Sales		
SAS Guideo		51%
Complete transfers of assets and liabilities to BFBP		
Contributions		
V.B.I.ag		24.50%

Note 30 Breakdown of risk-weighted asset equivalents

	2008				2007			
in € thousands	Governments	OECD banks	Other counterparties	Total	Governments	OECD banks	Other counterparties	Total
Unweighted credit risk before netting		**9,469**		**9,469**		**56,893**		**56,893**
Effects of netting and collateralization	0	0		0	0	0		0
Unweighted credit risk after netting	**0**	**9,469**		**9,469**	**0**	**56,893**		**56,893**
Weighting factor	0%	20%	50%		0%	20%	50%	
Weighted credit risk equivalent	**0**	**1,894**	**0**	**1,894**	**0**	**11,379**	**0**	**11,379**

Risk-weighted asset equivalents are used to convert derivative financial instruments into their equivalent in outstanding loans according to the risk calculation regulations for the international capital adequacy ratio (Cooke ratio). Netting and collaterization are risk mitigation techniques that offset positions with the same counterparty.

Note 31 Residual lives of forward and futures instruments

	2008					
in € thousands	Less than 3 months	3 months-1 year	1 year-5 years	Over 5 years	Indefinite life	Total forward and futures instruments
Assets						
Loans and advances to banks[1]	6,847,571	2,030,710	6,309,993	3,694,085	89,157	18,971,516
Loans and advances to customers	78,370	101	14,367	1,258	42,643	136,739
Lease financing						0
Bonds and other fixed-income securities	10,689,794	2,509,400	109,270	179,636	5,230,041	18,718,141
TOTAL ASSETS	**17,615,735**	**4,540,211**	**6,433,630**	**3,874,979**	**5,361,841**	**37,826,396**
Liabilities						
Due to banks	7,783,185	1,578,982	4,690,085	2,319,830		16,372,082
Customer accounts			647,700			647,700
Debt securities in issue	8,460,462	712,525	725,500			9,898,487
Subordinated loans and securities	120,164	295,664	1,039,829	945,000	1,038,725	3,439,382
TOTAL LIABILITIES	**16,363,811**	**2,587,171**	**7,103,114**	**3,264,830**	**1,038,725**	**30,357,651**

	2007					
in € thousands	Less than 3 months	3 months-1 year	1 year-5 years	Over 5 years	Indefinite life	Total forward and futures instruments
Assets						
Loans and advances to banks[1]	4,714,744	2,231,703	4,643,358	4,273,607	108,976	15,972,388
Loans and advances to customers	133	126	11,427	47,300		58,986
Lease financing						0
Bonds and other fixed-income securities	3,038,791	6,098	103,383	169,825		3,318,097
TOTAL ASSETS	**7,753,668**	**2,237,927**	**4,758,168**	**4,490,732**	**108,976**	**19,349,471**
Liabilities						
Due to banks	4,816,690	1,955,769	2,785,774	3,434,215		12,992,448
Customer accounts			96			96
Debt securities in issue			725,500			725,500
Subordinated loans and securities	0	264,801	1,180,892	1,219,748	108,544	2,773,985
TOTAL LIABILITIES	**4,816,690**	**2,220,570**	**4,692,262**	**4,653,963**	**108,544**	**16,492,029**

(1) *Including treasury bills.*

3.6.9 Statutory auditors' report on the parent company financial statements

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Banque Fédérale des Banques Populaires SA
« Le Ponant de Paris » 5, rue Leblanc - 75511 PARIS CEDEX 15

Year ended December 31, 2008

To the Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we hereby submit our report on the following items for the year ended December 31, 2008:

- Our audit of the accompanying financial statements of Banque Fédérale des Banques Populaires;
- The justification of our assessment; and
- Specific verifications and information required by law.

These financial statements have been approved by your Company's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We performed our audit in accordance with professional standards applicable in France. These standards require that we carry out procedures to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis or through another method, the evidence supporting the amounts and disclosures presented in the financial statements. An audit also involves assessing the accounting principles and significant estimates used by management, as well as the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities, financial position, and results as of December 31, 2008, in accordance with French generally accepted accounting principles.

II - Justification of our assessment

The financial and economic crises during the year triggered a sharp rise in volatility and a reduction in liquidity in certain markets, and made it difficult to establish financial and economic forecasts. As a result, generating the Company's financial statements for 2008 proved particularly challenging, especially in terms of establishing accounting estimates. Therefore we bring the following items to your attention, in accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessment:

- Equity securities, other long-term securities, and investments in associated companies are measured at value in use according to a multicriteria approach as described in Note 1 to the financial statements. We have reviewed the elements used to determine the values in use of the main holdings in these portfolios.

Our assessment was performed as part of our audit of the financial statements taken as a whole, and assisted us in reaching the unqualified opinion expressed in the first part of this report.

III - Specific verifications and information

We also carried out the specific verifications required by law. We have no comments to make regarding:

- The fair presentation of the financial statements and their consistency with the information in the Board of Directors' Management Report and in documents addressed to shareholders regarding the Company's financial position and financial statements; or
- The fairness of the information provided in the Management Report on the compensation and benefits paid to corporate officers and Board members, as well as on the commitments made to these persons following their appointment or a termination or change in their duties.

We have confirmed that the Management Report contains the information required by law on the purchases of equity interests and controlling stakes in the Company.

Neuilly-sur-Seine and Paris-La Défense, France, April 24, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit	**KPMG Audit**
Agnès Hussherr	Fabrice Odent

Notes

4 Corporate Governance

4.1 Board of Directors of Banque Fédérale des Banques Populaires (BFBP)

4.1.1 Members of BFBP's Board of Directors at December 31, 2008

Following the resignation of Mr Tourret and on the basis of the results of the pre-selections made by the Banque Populaire Chairmen, the Board of Directors decided to co-opt Mr Cahn, Chairman of Banque Populaire d'Alsace, as director on May 15, 2008, for the remaining duration of Mr Tourret's term of office, *i.e.* until the next shareholders' meeting in 2009 to approve the financial statements for the year ended December 31, 2008.

Mr de Villèle, Chief Executive Officer of Banque Populaire Centre Atlantique, was co-opted by the Board of Directors on October 8, 2008, to replace Mr Gevin, appointed Chairman of the management board of FONCIA.

Mr Ladam, representing Natixis as non-voting director, exercised his right to retire. He is replaced by Mr Forel.

Function	First appointed	Term of office ends in(1)
Chairman and Chief Executive Officer		
Philippe Dupont, Chairman of the Banque Populaire Group	07/08/1999	05/2011
Vice-Chairmen		
Jean Clochet, Chairman of Banque Populaire des Alpes	05/27/2004	05/2010
Stève Gentili, Chief Executive Officer of BRED Banque Populaire	10/20/1999	05/2011
Yvan de La Porte du Theil, Chief Executive Officer of Banque Populaire Val de France	05/22/2002	05/2011
Board Secretary		
Bernard Jeannin, Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté	01/19/2005	05/2011
Directors		
Thierry Cahn, Chairman of Banque Populaire d'Alsace	05/15/2008	05/2009
Pierre Deloumel, Chairman of Banque Populaire de l'Ouest	05/19/2005	05/2009
Pierre Desvergnes, Chairman and Chief Executive Officer of CASDEN Banque Populaire	05/27/2004	05/2010
Jean-Claude Detilleux, Chairman of Crédit Coopératif	05/31/2007	05/2010
Michel Doligé, Chairman of Banque Populaire Occitane	05/31/2007	05/2010
Bernard Fleury, Chairman of Banque Populaire Côte D'Azur	05/31/2007	05/2010
Jacques Hausler, Chief Executive Officer of Banque Populaire Lorraine Champagne	05/18/2006	05/2009
Marc Jardin, Chairman of Banque Populaire Rives de Paris	05/22/2002	05/2010
François Moutte, Chief Executive Officer of Banque Populaire du Sud	11/22/2001	05/2010
Christian du Payrat, Chief Executive Officer of Banque Populaire du Massif Central	05/18/2006	05/2009
Gonzague de Villèle, Chief Executive Officer of Banque Populaire Centre Atlantique	10/08/2008	05/2010

(1) *Date of general meeting to approve the financial statements for the year.*

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Non-voting director

Natixis, represented by Jean-Yves Forel

Members in a consultative capacity

Bruno Mettling, Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires

Philippe Queuille, Assistant Chief Operating Officer of Banque Fédérale des Banques Populaires

Also attending meetings

Olivier Haertig, General Secretary of Banque Fédérale des Banques Populaires

Pierre Ribuot, representative of Banque Fédérale des Banques Populaires Works Council

Martine Vega, representative of Banque Fédérale des Banques Populaires Works Council

4.1.2 Integrity of Directors

In accordance with Commission Regulation (EC) No. 809/2004 (14.1, 14.2):

- No members of the Board of Directors Executive or Management
  - have had any convictions in relation to fraudulent offences for at least the previous five years;
  - have been associated with any bankruptcies, receiverships or liquidations for at least the previous five years;
  - have been subject to any official public incrimination and/or sanctions of such person by statutory or regulatory authorities;
  - have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.
- There are no family relationships between these persons.
- There are no potential conflicts of interest between the duties of the Directors vis-à-vis Banque Fédérale des Banques Populaires and their private interests in accordance with the aforementioned European regulations. In addition, the Directors have not agreed to any restriction concerning the sale within a given time frame of their shareholding in the capital of Banque Fédérale des Banques Populaires. The Directors do not hold any shareholding other than that required for the performance of their duties.
- There are no service agreements between the Directors and Banque Fédérale des Banques Populaires potentially leading to the granting of benefits at the end of such contract and liable to compromise their independence or to interfere with their decisions. None of the Directors of Banque Fédérale des Banques Populaires is bound to the Company or one of its subsidiaries by an employment contract.
- No loans or guarantees have been granted to directors or executive officers.

4.1.3 Directorships and offices held by Directors

Philippe DUPONT

Date of birth 04/18/1951

Offices held at December 31, 2008

Chairman of the Banque Populaire Group

Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires

Chairman of the Executive Board: *Natixis*

Legal manager: *SCI 48 rue de Paris*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman: *Banque Populaire Group* **Chairman and Chief Executive Officer** *of Banque Fédérale des Banques Populaires* **Chairman of the Executive Board:** *Natixis* **Vice-Chairman:** *Confédération Internationale des Banques Populaires* **Chairman of the Board of Directors** *of the Banque Populaire Group business foundation (Fondation d'Entreprise)*	**Chairman:** *Banque Populaire Group* **Chairman and Chief Executive Officer:** *Banque Fédérale des Banques Populaires* **Chairman of the Executive Board:** *Natixis* **Chairman of the Supervisory Board:** *Ixis Corporate & Investment Bank* **Vice-Chairman:** *Confédération Internationale des Banques Populaires* **Chairman of the Board of Directors** *of the Banque Populaire Group business foundation (Fondation d'Entreprise)*	**Chairman:** *Banque Populaire Group, Natexis Banques Populaires* **Chairman and Chief Executive Officer:** *Banque Fédérale des Banques Populaires* **Vice-Chairman:** *Confédération Internationale des Banques Populaires* **Chairman of the Board of Directors** *of Association des Banques Populaires pour la Création d'Entreprises and the Banque Populaire Group business foundation (Fondation d'Entreprise)*	**Chairman:** *Banque Populaire Group, Natexis Banques Populaires, Association Française des Établissements de Crédit et des Entreprises d'Investissement, Fédération Bancaire Française* **Chairman and Chief Executive Officer:** *Banque Fédérale des Banques Populaires* **Chairman of the Supervisory Board:** *Natexis Assurances* **Vice-Chairman:** *Confédération Internationale des Banques Populaires* **Chairman of the Board of Directors** *of Association des Banques Populaires pour la Création d'Entreprises and the Banque Populaire Group business foundation (Fondation d'Entreprise)*

Jean CLOCHET

Date of birth 02/05/1946

Offices held at December 31, 2008

Chairman of the Board of Directors of Banque Populaire des Alpes

Chairman of the Board of Directors: *NGAM (formerly Ixis Asset Management Group)*

Chairman and Chief Executive Officer: *Routin SA, Brasserie des Cimes SA*

Chairman: *Routin Nord Europe (Copenhagen*)

Chairman of the Board: *Routin America inc. (New York*)

Director: *Banque Fédérale des Banques Populaires (Vice-Chairman), Banque de Savoie (Vice-Chairman), Natixis Asset Management (Vice-Chairman), Natixis Private Banking*

Member of the Supervisory Board: *Natixis*

Joint legal manager: *Montania, SCI C3, Cimoise, Société Civile Immobilière de la Houille Blanche*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman of the Board of Directors *of Banque Populaire des Alpes* **Chairman of the Board of Directors:** *Natixis Global Asset Management* **Member of the Supervisory Board:** *Natixis* **Director:** *Natixis Private Banking, Savoie Entreprendre, Syndicat National des Fabricants de Sirops*	**Chairman of the Board of Directors** *of Banque Populaire des Alpes* **Director:** *Banque Fédérale des Banques Populaires, Banque Privée Saint-Dominique, Savoie Entreprendre, Syndicat National des Fabricants de Sirops*	**Chairman of the Board of Directors** *of Banque Populaire des Alpes* **Chairman:** *Savoie Entreprendre* **Director:** *Banque Fédérale des Banques Populaires, Banque Privée Saint-Dominique, Savoie Entreprendre, Syndicat National des Fabricants de Sirops*	**Deputy Vice-Chairman:** *Banque Populaire des Alpes* **Director:** *Banque Privée Director: Saint-Dominique, Syndicat National des Fabricants de Sirops* **Chairman:** *Board of Directors of AAA Sicav Agroalimentaire, Pays de Savoie Entreprendre*

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Stève GENTILI

Date of birth 06/05/1949

Offices held at December 31, 2008

Chairman of the Board of Directors of BRED Banque Populaire

Chairman of the Board of Directors: *BRED Gestion, Natixis Pramex International, Compagnie Financière de la BRED (Cofibred), Spig*

Chairman of the Supervisory Board: *Banque Internationale de Commerce – BRED*

Director: *Banque Fédérale des Banques Populaires (Vice-Chairman), Bercy Gestion Finances+, BRED Cofilease, Coface, Natixis Algérie, Natixis Pramex Italia Srl, Prepar Iard (public limited company), Promepar Gestion (public limited company), Société Marseillaise de Crédit*

Member of the Supervisory Board: *Natixis, Prépar-Vie*

Permanent representative of BRED Banque Populaire on the Board of Directors of: *BICEC, BCI - Banque Commerciale Internationale, Njr Invest*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman of the Board of Directors *of BRED Banque Populaire* **Chairman:** *Agence Banque Populaire pour la Coopération et le Développement, BRED Gestion, International bureau – Forum Francophone des Affaires* **Member of the Supervisory Board:** *Natixis* **Chairman of the Board of Directors** *of Natixis Pramex International* **Director:** *Coface, Natexis Algérie, Pramex International Milan, Compagnie Financière de la BRED (Cofibred), LFI, BGF+, BRED Cofilease* **Director representing BRED Banque Populaire:** *BICEC, BCI* **Vice-Chairman of the Supervisory Board:** *Banque Internationale de Commerce-BRED (BIC-BRED)* **Member of the Supervisory Board:** *Prépar-Vie*	**Chairman of the Board of Directors** *of BRED Banque Populaire* **Chairman:** *Association Banque Populaire pour la Coopération et le Développement, BRED Gestion, International bureau – Forum Francophone des Affaires* **Member of the Supervisory Board:** *Natixis* **Chairman of the Supervisory Board:** *Banque Populaire Asset Management* **Chairman of the Board of Directors** *of Natexis Pramex International* **Director:** *Banque Fédérale des Banques Populaires, Coface, Natexis Algérie, Natexis Pramex Italia SRL, Compagnie Financière de la BRED (Cofibred), LFI, BGF+, BRED Cofilease* **Director representing BRED Banque Populaire:** *BICEC* **Vice-Chairman of the Supervisory Board:** *Banque Internationale de Commerce-BRED (BIC-BRED)*	**Chairman of the Board of Directors** *of BRED Banque Populaire* **Chairman:** *Association Banque Populaire pour la Coopération et le Développement, BRED Gestion, Medef 94 in Créteil* **Chairman of the Supervisory Board:** *Banque Populaire Asset Management* **Chairman of the Board of Directors** *of Natexis Pramex International* **Director:** *Banque Fédérale des Banques Populaires, COFACE, Compagnie financière de la BRED, LFI, BRED Cofilease, Natexis Banques Populaires* **Director representing BRED Banque Populaire:** *BICEC* **Vice-Chairman of the Supervisory Board:** *Banque Internationale de Commerce-BRED (BIC-BRED)*	**Chairman of the Board of Directors** *of BRED Banque Populaire* **Chairman:** *Association Banque Populaire pour la Coopération et le Développement, BRED Gestion, Société de Participation, d'Investissement et de Gestion (SPIG) Medef 94 in Créteil, International bureau – Forum Francophone des Affaires* **Chairman of the Supervisory Board:** *Banque Populaire Asset Management* **Director:** *Banque Fédérale des Banques Populaires, Compagnie Financière de la BRED (Cofibred), Crédit Martiniquais Groupe BRED Banque Populaire, LFI, Natexis Banques Populaires* **Director representing Natexis Banques Populaires on the Board of Directors** *of Coface* **Chairman of the Board of Directors** *of Natexis Pramex International* **Vice-Chairman of the Supervisory Board:** *Banque Internationale de Commerce-BRED (BIC-BRED)*

Yvan de LA PORTE DU THEIL

Date of birth 05/21/1949

Offices held at December 31, 2008

Chief Executive Officer of Banque Populaire Val de France

Director: *Banque Fédérale des Banques Populaires (Vice-Chairman), Coface, Natixis Private Banking, Crédit Commercial du Sud-Ouest (CCSO)*

Chairman of the Supervisory Board: *MA BANQUE*

Member of the Supervisory Board: *FONCIA Groupe, Natixis*

Permanent representative of Banque Populaire Val de France on the Board of Directors *of i-BP*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chief Executive Officer *of Banque Populaire Val de France* **Member of the Supervisory Board:** *Natixis* **Director:** *Coface, Natixis Pramex North America Corp., Natixis Private Banking* **Director representing Banque Populaire Val de France** *at i-BP* **Chairman of the Supervisory Board:** *MA BANQUE* **Member of the Executive Committee:** *Confédération Internationale des Banques Populaires* **Member of the Supervisory Board:** *FONCIA Groupe*	**Chief Executive Officer** *of Banque Populaire Val de France* **Board secretary:** *Banque Fédérale des Banques Populaires* **Member of the Supervisory Board:** *Natixis* **Vice-Chairman representing Banque Populaire Val de France:** *i-BP* **Chairman of the Supervisory Board:** *MA BANQUE (formerly SBE)* **Member of the Executive Committee:** *Confédération Internationale des Banques Populaires* **Director:** *Coface* **Member:** *Banque Populaire Group Audit and Risk Committee, Natexis Banques Populaires Remuneration Committee*	**Chief Executive Officer** *of Banque Populaire Val de France* **Director:** *Banque Fédérale des Banques Populaires, Coface, Natexis Banques Populaires* **Vice-Chairman representing Banque Populaire Val de France:** *i-BP* **Chairman of the Supervisory Board:** *SBE* **Member of the Executive Committee:** *Confédération Internationale des Banques Populaires* **Member:** *Banque Populaire Group Audit and Risk Committee, Natexis Banques Populaires Remuneration Committee*	**Chief Executive Officer** *of Banque Populaire Val de France* **Director:** *Banque Fédérale des Banques Populaires, Coface, Natexis Assurances, Natexis Banques Populaires, Natexis Asset Management Immobilier* **Vice-Chairman representing Banque Populaire Val de France** *at i-BP* **Chairman of the Supervisory Board:** *SBE* **Member of the Supervisory Board:** *Pramex International* **Member of the Executive Committee:** *Confédération Internationale des Banques Populaires* **Non-voting director:** *Banque Internationale du Cameroun pour l'Épargne et le Crédit (BICEC)* **Member:** *Banque Populaire Group Audit and Risk Committe*

Bernard JEANNIN

Date of birth 04/19/1949

Offices held at December 31, 2008

Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté

Director: *Banque Fédérale des Banques Populaires (Board Secretary), Natixis Assurances, Natixis Lease, Natixis Paiements, Banque de Savoie*

Member of the Supervisory Board: *Natixis*

Permanent representative of Banque Populaire Bourgogne Franche-Comté on the Board of Directors *of i-BP*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chief Executive Officer *of Banque Populaire Bourgogne Franche-Comté* **Member of the Supervisory Board:** *Natixis* **Director:** *Natixis Assurances, Natixis Paiements, Natixis Lease, C.A.R, IPMPE, Institution de Prévoyance du Groupe Banque Populaire* **Director representing Banque Populaire Bourgogne Franche-Comté** *on the Board of Directors of i-BP*	**Chief Executive Officer** *of Banque Populaire Bourgogne Franche-Comté* **Member of the Supervisory Board:** *Natixis* **Director:** *Banque Fédérale des Banques Populaires, Natexis Assurances, Natexis Paiements, Natexis Lease, C.A.R, IPMPE, Institution de Prévoyance du Groupe Banque Populaire* **Director representing Banque Populaire Bourgogne Franche-Comté** *on the Board of Directors of i-BP*	**Chief Executive Officer** *of Banque Populaire Bourgogne Franche-Comté* **Director:** *Banque Fédérale des Banques Populaires, Natexis Assurances, Natexis Paiements, Natexis Private Equity, Natexis Lease, C.A.R, IPMPE, Institution de Prévoyance du Groupe Banque Populaire* **Director representing Banque Populaire Bourgogne Franche-Comté** *on the Board of Directors of i-BP*	**Chief Executive Officer** *of Banque Populaire Bourgogne Franche-Comté* **Director:** *Natexis Assurances, Natexis Paiements, Natexis Private Equity, Natexis Lease, C.A.R, IPMPE* **Director representing Banque Populaire Bourgogne Franche-Comté** *on the Board of Directors of i-BP* **Advisor to the Supervisory Board:** *SPEF* **Chairman of the Board of Directors** *of Sud-Est Croissance*

Thierry CAHN

Date of birth 09/25/1956

Offices held at December 31, 2008

Chairman of the Board of Directors of Banque Populaire d'Alsace

Director: *Banque Fédérale des Banques Populaires*

Member of the Supervisory Board: *FONCIA Groupe*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman of the Board of Directors *of Banque Populaire d'Alsace*	**Chairman of the Board of Directors** *of Banque Populaire d'Alsace*	**Chairman of the Board of Directors** *of Banque Populaire d'Alsace*	**Chairman of the Board of Directors** *of Banque Populaire d'Alsace*

Pierre DELOURMEL

Date of birth 06/26/1945

Offices held at December 31, 2008

Chairman of the Board of Directors of Banque Populaire de l'Ouest

Chairman and Chief Executive Officer: *Delourmel Automobiles SA, Delourmel Agriculture SA*

Chairman: *SAS Ouest Motoculture, SAS Delourmel Jardinage*

Chief Executive Officer: *Bretagri SA*

Director: *Banque Fédérale des Banques Populaires, Caisse Régionale du Crédit Maritime Mutuel Bretagne Normandie, Crédit Commercial du Sud-Ouest (CCSO)*

Member of the Supervisory Board: *FONCIA Groupe*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman of the Board of Directors *of Banque Populaire de l'Ouest*	**Chairman of the Board of Directors** *of Banque Populaire de l'Ouest*	**Chairman of the Board of Directors** *of Banque Populaire de l'Ouest*	**Chairman of the Board of Directors** *of Banque Populaire de l'Ouest*
Director representing Banque Populaire de l'Ouest *at Caisse Régionale de Crédit Maritime Mutuel du Finistère*	**Director:** *Banque Fédérale des Banques Populaires*	**Director:** *Banque Fédérale des Banques Populaires*	
Director representing Banque Populaire de l'Ouest *at Caisse Régionale de Crédit Maritime Mutuel du Littoral de la Manche*	**Director representing Banque Populaire de l'Ouest** *at Caisse Régionale Populaire de Crédit Maritime Mutuel du Finistère, Caisse Régionale Maritime Mutuel du Littoral de la Manche*	**Director representing Banque Populaire de l'Ouest** *at Caisse Régionale Populaire de Crédit Maritime Mutuel du Finistère, Caisse Régionale Maritime Mutuel du Littoral de la Manche*	
Member of the Supervisory Board: *FONCIA Groupe*			

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Pierre DESVERGNES

Date of birth 11/23/1950

Offices held at December 31, 2008

Chairman and Chief Executive Officer of CASDEN Banque Populaire

Chairman of the Board of Directors: *Maine Gestion, Parnasse Finance*

Director: *Banque Fédérale des Banques Populaires, Banque Monétaire Financière, Parnasse MAIF SA*

Permanent representative of CASDEN Banque Populaire on the Board of Directors *of Parnasse Services SA*

Permanent representative of BFBP on the Supervisory Board *of FONCIA Groupe*

Permanent representative of CASDEN Banque Populaire on the Supervisory Board *of Parnasse Immo (Scpi)*

Permanent representative of Parnasse Finance on the Board of Directors *of Parnassienne de Crédit SA*

Legal manager: *Sarl Inter-Promo, Sarl Cours des Roches*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman *of CASDEN Banque Populaire* **Director:** *Natixis Asset Management, Parnasse Finance, Parnasse Maif* **Director representing CASDEN Banque Populaire** *on the Board of Directors of Natexis Altaïr* **Director representing Parnasse Finance** *on the Board of Directors of Parnassienne de Crédit* **Member of the Supervisory Board:** *FONCIA representing BFBP* **Chairman:** *Maine Gestion* **Member representing CASDEN Banque Populaire** *on the Supervisory Board of Parnasse Immo*	**Chairman** *of CASDEN Banque Populaire* **Chairman:** *Line Bourse, Maine Gestion* **Director:** *Banque Fédérale des Banques Populaires, Natexis Asset Management, Parnasse Finance, Parnasse Maif* **Director representing Parnasse Finance** *on the Board of Directors of Parnassienne de Crédit* **Director representing CASDEN Banque Populaire** *on the Board of Directors of Natexis Altaïr* **Member representing CASDEN Banque Populaire** *on the Supervisory Board of Parnasse Immo*	**Chairman** *of CASDEN Banque Populaire* **Chairman:** *Line Bourse, Maine Gestion, Fructi Actions Rendement* **Director:** *Banque Fédérale des Banques Populaires* **Director:** *Natexis Asset Management, Parnasse Finance, Parnasse Maif* **Director representing CASDEN Banque Populaire** *on the Board of Directors of Natexis Altaïr* **Director representing BFBP** *on the Board of Directors of Natexis Banques Populaires* **Director representing Parnasse Finance** *on the Board of Directors of Parnassienne de Crédit* **Member representing CASDEN Banque Populaire** *on the Supervisory Board of Parnasse Immo* **Vice-Chairman representing CASDEN Banque Populaire** *on the Board of Directors of Valorg*	**Chairman** *of CASDEN Banque Populaire* **Chairman**: *Line Bourse, Maine Gestion, Fructi Actions Rendement* **Member of the Supervisory Board:** *Natexis Asset Management* **Permanent representative of CASDEN Banque Populaire** *on the Board of Directors of Natexis Altaïr* **Director:** *C2C, Parnasse Finance, Parnasse Maif*

Jean-Claude DETILLEUX

Date of birth 04/16/1941

Offices held at December 31, 2008

Chairman of the Board of Directors of Crédit Coopératif

Chairman of the Board of Directors: *Natixis Private Equity*

Director: *Banque Fédérale des Banques Populaires, Banque Chaix*

Offices held at December 31 of previous years

2007

Chairman of the Board of Directors *of Crédit Coopératif*

Chairman of the Supervisory Board: *BTP Banque, Esfin Gestion*

Chairman: *Groupement National de la Coopération, Conseil des Entreprises, Employeurs et Groupements de l'Economie Sociale, CEP-MAF*

Vice-Chairman: *Supervisory Board of Institut Régional de Développement Nord/Pas de Calais, Conseil Supérieur de la Coopération, ESFIN*

Director: *Alliance Coopérative Internationale, Natixis Asset Management, Natixis Private Equity, Inter-Coop SAS, Coopératives Europe, ADIE, Dot.Coop*

2006

Chairman and Chief Executive Officer *of Crédit Coopératif*

Chairman of the Supervisory Board: *BTP Banque, Esfin Gestion*

Chairman: *Groupement National de la Coopération, Conseil des Entreprises, Employeurs et Groupements de l'Economie Sociale, CEP-MAF*

Vice-Chairman: *Supervisory Board of Institut Régional de Développement Nord/Pas de Calais, Conseil Supérieur de la Coopération, ESFIN*

Director: *Alliance Coopérative Internationale, Natixis Asset Management, Natixis Private Equity, Inter-Coop SAS, Coopamat SAS, Coopératives Europe, ADIE, Dot. Coop*

Permanent representative of Crédit Coopératif on the Board of Directors *of: SICAV Epargne Ethique Action, ECOFI Investissements*

Non-voting director: *Banque Fédérale des Banques Populaires*

Member: *Professional Chamber of the Enterprise Policy Group of the European Commission*

Recognized expert on the Board of Directors: *Agence Nationale des Services à la Personne*

2005

Chairman and Chief Executive Officer *of Crédit Coopératif*

Chairman of the Supervisory Board: *Esfin Gestion*

Chairman: *Conseil National des Entreprises et Groupement de l'Economie Sociale, Groupement National de la Coopération, CEPMAF*

Vice-Chairman: *Supervisory Board of Institut Régional de Développement Nord/Pas de Calais, Conseil Supérieur de la Coopération, ESFIN*

Director: *Alliance Coopérative Internationale, Natexis Asset Management, Natexis Private Equity, Inter-Coop SAS, Coopamat SAS, ADIE, Dot.Coop*

Permanent representative of Crédit Coopératif on the Board of Directors *of BTP Banque*

Non-voting director: *Banque Fédérale des Banques Populaires*

Member: *CCACE Recognized expert on the Board of Directors of Agence Nationale des Services à la Personne*

2004

Chairman and Chief Executive Officer *of Crédit Coopératif*

Chairman of the Supervisory Board: *Esfin Gestion*

Vice-Chairman: *Supervisory Board of Institut Régional de Développement Nord/Pas de Calais, Supervisory Board of SOPROMEC Participations, ESFIN, Conseil Supérieur de la Coopération*

Director: *Alliance Coopérative Internationale, Natexis Asset Management, Natexis Private Equity, Inter-Coop SAS, Coopamat SAS, ADIE, Dot.Coop*

Permanent representative of Crédit Coopératif on the Board of Directors *of BTP Banque*

Member: *Board of Directors of Banque Fédérale des Banques Populaires, CCACE, social economy consultative committee, Professional Chamber of the Enterprise Policy Group of the European Commission*

Chairman: *Groupement National de la Coopération CEP-CMAF, CEGES*

Michel DOLIGE

Date of birth 06/30/1942

Offices held at December 31, 2008

Chairman of the Board of Directors of Banque Populaire Occitane

Chairman of the Board of Directors: *Natixis Coficiné*

Chairman and Chief Executive Officer: *CDP Distribution*

Director: *Banque Fédérale des Banques Populaires, Natixis Pramex International, Natixis Private Equity, Socama Haute Garonne, Crédit Commercial du Sud-Ouest (CCSO)*

Permanent representative of Banque Populaire Occitane Chairman *of SAS Financière BP Occitane, SAS Sociétariat BP OCCITANE*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman of the Board of Directors *of Banque Populaire Occitane* **Chairman:** *Natixis Coficiné, Gersinvest, Gers Centre Européen d'Entreprises et d'Innovation* **Director:** *Natixis Pramex International, Natixis Private Equity, Socama Haute-Garonne* **Director representing Natixis Coficiné** *at Media Consulting et Investment* **Representative of Banque Populaire Occitane** *at SAS Financière BP Occitane* **Representative of SAS Financière BP Occitane** *at SAS Sociétariat BP Occitane*	**Chairman of the Board of Directors** *of Banque Populaire Occitane* **Chairman:** *Natixis Coficiné, Gersinvest, Gers Centre Européen d'Entreprises et d'Innovation* **Director:** *Natixis Pramex International, Natixis Private Equity, Socama Haute-Garonne*	**Chairman of the Board of Directors** *of Banque Populaire Toulouse-Pyrénées* **Chairman**: *Natixis Coficiné, Gersinvest, Gers Centre Européen d'Entreprises et d'Innovation* **Director:** *Natexis Pramex International, Natexis Private Equity, Socama Haute-Garonne*	**Chairman of the Board of Directors** *of Banque Populaire Toulouse-Pyrénées* **Chairman:** *Natixis Coficiné, Gersinvest, Gers Centre Européen d'Entreprises et d'Innovation* **Director:** *Natexis Pramex International, Natexis Private Equity, Socama Haute-Garonne*

Bernard FLEURY

Date of birth 07/15/1946

Offices held at December 31, 2008

Chairman of the Board of Directors of Banque Populaire Côte d'Azur

Chairman of the Board of Directors: *Natixis Interépargne*

Director: *Banque Chaix, Banque Fédérale des Banques Populaires, Copelia (Groupe Allios), Natixis Private Banking*

Member of the Supervisory Board: *SA des Aéroports de Nice Côte d'Azur*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman of the Board of Directors *of Banque Populaire Côte d'Azur* **Chairman:** *Natexis Interépargne* **Director**: *Natixis Private Banking* **Vice-Chairman:** *Club Mistral* **Member:** *Assembly of French Chambers of Commerce and Industry; Chairman of the Airports commission*	**Chairman of the Board of Directors** *of Banque Populaire Côte d'Azur* **Chairman:** *Natexis Interépargne* **Director:** *Natixis Private Banking* **Vice-Chairman:** *Club Mistral* **Member:** *Assembly of French Chambers of Commerce and Industry; Chairman of the Airports commission*	**Chairman of the Board of Directors** *of Banque Populaire Côte d'Azur* **Director**: *Natexis Interépargne, Banque Privée Saint Dominique* **Vice-Chairman:** *Club Mistral* **Member:** *Assembly of French Chambers of Commerce and Industry; Chairman of the Airports commission*	**Chairman of the Board of Directors** *of Banque Populaire Côte d'Azur* **Director:** *Natexis Interépargne, Natexis Epargne Entreprises, Banque Privée Saint-Dominique* **Vice-Chairman:** *Club Mistral*

Jacques HAUSLER

Date of birth 10/11/1945

Offices held at December 31, 2008

Chief Executive Officer of Banque Populaire Lorraine Champagne

Director: *Banque Fédérale des Banques Populaires, Luxequip Bail SA, Natixis Private Banking, Sogammelor, Société Marseillaise de Crédit*

Chairman of the Supervisory Board: *Foch (formerly Lorequip) (in the process of dissolution), Gefolor SA*

Member of the Supervisory Board: *FONCIA Groupe*

Legal manager: *SCI François de Curel*

Joint legal manager: *Cofilor, Segimlor*

Permanent representative of Banque Populaire Lorraine Champagne legal manager *of SCI Espace Charlemagne, SNC Locagare*

Permanent representative of Banque Populaire Lorraine Champagne Chairman *of SAS Euro Capital, SAS Sociétariat BPLC*

Permanent representative of Banque Populaire Lorraine Champagne on the Supervisory Board *of Foncière des Régions*

Permanent representative of Banque Populaire Lorraine Champagne on the Board of Directors *of Socama Champagne, Socamuprolor*

Permanent representative of Banque Populaire Lorraine Champagne Non-voting director *of i-BP*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chief Executive Officer *of Banque Populaire Lorraine Champagne* **Director:** *Natixis Private Banking, Socama Lorraine, AMETRA* **Member of the Supervisory Board:** *FONCIA, Foncière des Régions*	**Chief Executive Officer** *of Banque Populaire Lorraine Champagne* **Director:** *Banque Fédérale des Banques Populaires, Natexis Private Banking International, Sogammelor*	**Chief Executive Officer** *of Banque Populaire Lorraine Champagne* **Director:** *Natexis Private Banking Luxembourg SA, Sogammelor, AMETRA* **Chairman:** *Fédération des Banques Françaises regional committee*	**Chief Executive Officer** *of Banque Populaire Lorraine Champagne* **Director:** *+X Développement, Natexis Private Banking, Assurances Banque Populaire IARD, Sogammelor, AMETRA* **Member:** *Association Banque Populaire pour la Création d'Entreprise* **Chairman:** *Fédération des Banques Françaises regional committee*

Marc JARDIN

Date of birth 07/02/1945

Offices held at December 31, 2008

Chairman of the Board of Directors of Banque Populaire Rives de Paris

Chairman of the Board of Directors: *Natexis Asset Management Immobilier, Toupret SA*

Chairman: *SAS Enduipaint*

Director: *Banque Fédérale des Banques Populaires, Natixis Lease, Natixis Securities (formerly Ixis-Securities), Aew Europe, Banque Chaix*

Legal manager: *Société Civile Marc Jardin*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman of the Board of Directors *of Banque Populaire Rives de Paris* **Chairman of the Board of Directors** *of Natixis Asset Management Immobilier* **Director:** *Natixis Lease, Natixis Securities, Medef Essonne*	**Chairman of the Board of Directors** *of Banque Populaire Rives de Paris* **Chairman of the Board of Directors**: *Natexis Asset Management Immobilier* **Director:** *Natexis Lease, Medef Essonne*	**Chairman of the Board of Directors** *of Banque Populaire Rives de Paris* **Chairman of the Board of Directors:** *Natexis Asset Management Immobilier* **Director:** *Natexis Lease, Medef Essonne* *Banque de France* **advisor**	**Chairman of the Board of Directors** *of Banque Populaire Rives de Paris* **Director:** *Banque Fédérale des Banques Populaires, Natexis Lease, Medef Essonne* **Chairman of the Board of Directors:** *Natexis Asset Management Immobilier* *Banque de France* **advisor** **Vice-Chairman** *of Medef Essonne Est*

1 2 3 4 5 6 7 8 9 10 11

François MOUTTE

Date of birth 06/04/1948

Offices held at December 31, 2008

Chief Executive Officer of Banque Populaire du Sud

Director: *Banque Fédérale des Banques Populaires, Société Marseillaise de Crédit*

Permanent representative of Banque Populaire du Sud on the Board of Directors of: *i-BP, Banque Dupuy, de Parseval, Banque Marze*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chief Executive Officer *of Banque Populaire du Sud* **Director representing Banque Populaire du Sud** *at i-BP*	**Chief Executive Officer** *of Banque Populaire du Sud* **Director representing Banque Populaire du Sud** *at i-BP*	**Chief Executive Officer** *of Banque Populaire des Pyrénées-Orientales, de l'Aude et de l'Ariège* **Director:** *Natexis Pramex International*	**Chief Executive Officer** *of Banque Populaire des Pyrénées-Orientales, de l'Aude et de l'Ariège* **Director:** *Banque Fédérale des Banques Populaires, Natexis Pramex International, Natexis Assurances*

Christian DU PAYRAT

Date of birth 04/05/1956

Offices held at December 31, 2008

Chief Executive Officer of Banque Populaire du Massif Central

Chairman of the Board of Directors: *Natixis Paiements*

Director: *Banque Fédérale des Banques Populaires, Ngam (formerly Ixis Asset Management Group), Natixis LLD, Crédit Commercial du Sud-Ouest (CCSO)*

Permanent representative of Banque Populaire du Massif Central Chairman *of SAS Sociétariat Bpmc*

Permanent representative of Banque Populaire du Massif Central on the Board of Directors of: *BICEC, i-BP, Natixis Lease*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chief Executive Officer *of Banque Populaire du Massif Central* **Director:** *Natexis LLD, Natixis Global Asset Management, Association Banque Populaire pour la Création d'Entreprise, Association des Banques Populaires de France pour la Coopération et le Développement, Auvergne Entrepreneur* **Director representing Banque Populaire Massif Central** *on the Board of Directors of Natexis Lease, BICEC, i-BP* **Chairman:** *FBF regional committee for Auvergne*	**Chief Executive Officer** *of Banque Populaire du Massif Central* **Director:** *Banque Fédérale des Banques Populaires, Natexis LLD, Association Banque Populaire pour la Création d'Entreprise, Association des Banques Populaires de France pour la Coopération et le Développement, Auvergne Entrepreneur* **Director representing Banque Populaire Massif Central** *on the Board of Directors of Natexis Lease, BICEC, i-BP* **Secretary:** *Auvergne banking committee*	**Chief Executive Officer** *of Banque Populaire du Massif Central* **Director**: *Natexis LLD, Association Banque Populaire pour la Création d'Entreprise, Association des Banques Populaires de France pour la Coopération et le Développement* **Director representing Banque Populaire Massif Central** *on the Board of Directors of Natexis Lease, i-BP*	**Chief Executive Officer** *of Banque Populaire du Massif Central* **Director**: *Natexis LLD* **Director representing Banque Populaire Massif Central** *on the Board of Directors of i-BP* **Member:** *Association Banque Populaire pour la Création d'Entreprise*

Gonzague DE VILLÈLE

Date of birth 01/23/1953

Offices held at December 31, 2008

Chief Executive Officer of Banque Populaire Centre Atlantique

Chairman: *SA Plusexpansion*

Director: *Banque Fédérale des Banques Populaires, Crédit Commercial du Sud-Ouest (CCSO), Natixis Interépargne*

Permanent representative of Banque Populaire Centre Atlantique Chairman *of SAS Sociétariat BPCA*

Permanent representative of Banque Populaire Centre Atlantique Chairman of the Supervisory Board *of SAS Ouest Croissance Gestion*

Permanent representative of Banque Populaire Centre Atlantique Vice-Chairman *of Socami Centre Atlantique*

Permanent representative of Banque Populaire Centre Atlantique on the Board of Directors *of i-BP*

Permanent representative of Banque Populaire Centre Atlantique on the Board of Directors *of Socama Centre Atlantique*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chief Executive Officer *of Banque Populaire Centre Atlantique* **Director:** *Natixis Interépargne, CAR, IPBP* **Chairman** *of SA Plusexpansion* **Chairman representing Banque Populaire Centre Atlantique** *at Ouest Croissance Gestion* **Vice-Chairman representing Banque Populaire Centre Atlantique** *at Socami Centre Atlantique* **Director representing Banque Populaire Centre Atlantique** *at i-BP* **Director representing Banque Populaire Centre Atlantique** *at Socama Centre Atlantique*	**Chief Executive Officer** *of Banque Populaire Centre Atlantique* **Director** *of Natixis Interépargne, CAR, IPBP, SA Plusexpansion* **Vice-Chairman representing Banque Populaire Centre Atlantique** *at Socami Centre Atlantique* **Director representing Banque Populaire Centre Atlantique** *at i-BP* **Director representing Banque Populaire Centre Atlantique** *at Ouest Croissance Gestion* **Director representing Banque Populaire Centre Atlantique** *at Socama 17 – (merged on 12/12/2006)* **Director representing Banque Populaire Centre Atlantique** *at Socama 79 – (merged on 12/12/2006)* **Director representing Banque Populaire Centre Atlantique** *at Socamar Limousin-Charente-Dordogne – (merged on 12/12/2006)*	**Chief Executive Officer** *of Banque Populaire Centre Atlantique* **Director:** *CAR, IPBP, SA Plusexpansion* **Vice-Chairman representing Banque Populaire Centre Atlantique** *at Socami Centre Atlantique* **Director representing Banque Populaire Centre Atlantique** *at i-BP* **Director representing Banque Populaire Centre Atlantique** *at Ouest Croissance Gestion* **Director representing Banque Populaire Centre Atlantique** *at Socama 17* **Director representing Banque Populaire Centre Atlantique** *at Socama 79* **Director representing Banque Populaire Centre Atlantique** *at Socamar Limousin-Charente-Dordogne*	**Director:** *CAR, IPBP*

Jean-Yves FOREL

Date of birth 05/17/1961

Offices held at December 31, 2008

Chairman of the Board of Directors of Novacrédit

Vice-Chairman of the Board of Directors: *Natixis Interépargne*

Vice-Chairman of the Supervisory Board: *CACEIS SAS*

Member of the Supervisory Board: *Natixis Garanties*

Director: *Natixis Algérie, Natixis Altaïr IT Shared Services, Natixis Asset Management, Natixis Assurances, Natixis Consumer Finance, Natixis Epargne Financière, Natixis Epargne Financière Gestion, Natixis Lease, Natixis Financement, Natixis Paiements, Natixis Pramex International, SICOVAM Holding, SLIB*

Non-voting director: *Banque Fédérale des Banques Populaires, Ofivalmo Partenaires*

Offices held at December 31 of previous years

2007	2006	2005	2004
Member of the Supervisory Board *of CACEIS, Natixis Garanties* **Chairman of the Board of Directors:** *Novacrédit* **Chairman:** *Natixis Investor Servicing* **Vice-Chairman of the Board of Directors:** *Natixis Interépargne* **Director:** *Ecrinvest, Gestitres, Natixis Altaïr, Natixis Altaïr IT Shared Services, Natixis Asset Management, Natixis Assurances, Natixis Financement, Natixis Paiements, SICOVAM Holding, SLIB*	**Chief Executive Officer** *of Natexis Asset Management Immobilier* **Member of the Supervisory Board:** *Natixis Garanties* **Chairman:** *GCE FS, Natixis Investor Servicing* **Vice-Chairman of the Board of Directors:** *Natixis Interépargne* **Vice-Chairman of the Supervisory Board:** *OFIVM* **Director:** *CEFI - Caisse d'Epargne Financement, Natexis Asset Management - NAM, Natexis Altaïr, Natixis Assurances, Natixis Paiements, SICOVAM Holding, SLIB*	**Chairman** *of Natexis Investor Servicing* **Vice-Chairman of the Supervisory Board:** *OFIVM* **Director:** *Invest Kappa, Natexis Altaïr, Natexis Asset Management, Natexis Interépargne, Natexis Paiements, SICOVAM Holding, SLIB*	**Member of the Supervisory Board** *of EMARKET* **Vice-Chairman of the Supervisory Board:** *OFIVM* **Director:** *Linebourse, Natexis Altaïr, Natexis Paiements, SAMIC, SAMIC France, SAS Cyberplus Market, SICOVAM Holding, SLIB*

Bruno METTLING

Date of birth 03/30/1958

Offices held at December 31, 2008

Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires

Chairman of the Supervisory Board: *FONCIA Groupe*

Member of the Supervisory Board: *Natixis, MA BANQUE*

Director: *Coface, Natixis Private Banking, Société Marseillaise de Crédit*

Representative of Banque Fédérale des Banques Populaire appointed Chairman of: *SAS SIBP, SAS Ponant 2, SAS BP Création*

Permanent representative of Banque Fédérale des Banques Populaires on the Board of Directors of: *BICEC, Natixis Assurances, Natixis Financement (formerly Cefi), Natixis Consumer Finance (formerly Ecrinvest)*

Offices held at December 31 of previous years

2007	2006	2005	2004
Deputy Chief Executive Officer *of Banque Fédérale des Banques Populaires* **Member of the Supervisory Board:** *Natixis* **Director:** *Natixis Private Banking, Natixis Financement representing BFBP* **Chairman of the Board of Directors:** *Banque Commerciale Internationale (BCI)* **Chairman of the Supervisory Board:** *FONCIA Groupe* **Legal manager representing BFBP:** *Bankéo*	**Deputy Chief Executive Officer** *of Banque Fédérale des Banques Populaires* **Member of the Supervisory Board:** *Natixis* **Director:** *Natixis Private Banking* **Chairman of the Board of Directors:** *Banque Commerciale Internationale (BCI)*	**Deputy Chief Executive Officer** *of Banque Fédérale des Banques Populaires* **Temporary Chief Executive Officer:** *Banque Populaire Centre Atlantique*	**Deputy Chief Executive Officer** *of Banque Fédérale des Banques Populaires*

Philippe QUEUILLE

Date of birth 02/11/1956

Offices held at December 31, 2008

Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires

Chairman and Chief Executive Officer: *i-BP, Albiréo*

Permanent representative *of i-BP on the Board of Directors of Natixis Altaïr It Shared Services (SA)*

Permanent representative *of BFBP on the Supervisory Board of Natixis*

Permanent representative *of BFBP on the Board of Directors of Partecis, Crédit Commercial du Sud-Ouest (CCSO)*

Offices held at December 31 of previous years

2007	2006	2005	2004
Chairman and Chief Executive Officer *of i-BP* **Director:** *Natexis Paiements* **Permanent representative** *of i-BP on the Board of Directors of Natexis Altaïr* **Representative of BFBP on the Board of Directors** *of Partecis*	**Chairman and Chief Executive Officer** *of i-BP* **Director:** *Natexis Paiements* **Permanent representative** *of i-BP on the Board of Directors of Natexis Altaïr*	**Chief Executive Officer** *of Banque Populaire de l'Ouest* **Chairman of the Board of Directors:** *Ouest Croissance* **Chairman** *of SAS Cyberplus Market* **Permanent representative of Banque Populaire de l'Ouest** *on the Board of Directors of i-BP* **Permanent representative of Banque Populaire de l'Ouest** *on the Board of Directors of Natexis Asset Management* **Director:** *Natexis Paiements, Socami Ouest*	**Chief Executive Officer** *of Banque Populaire de l'Ouest* **Chairman of the Board of Directors:** *Ouest Croissance* **Permanent representative of Banque Populaire de l'Ouest** *on the Board of Directors of BICEC* **Permanent representative of Banque Populaire de l'Ouest** *on the Board of Directors of i-BP* **Director:** *Natexis Paiements, Avisium, Socami Ouest*

4.1.4 Summary biographies

Philippe Dupont, age 57, has been Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires since 1999 and is Chairman of the Management Board of Natixis. Holding a degree in Management and Economics, Mr Dupont was director of a commodities wholesaler for 12 years and then Chairman of the Board of Directors of BP ROP Banque Populaire (now Banque Populaire Val de France). Mr Dupont is a member of the Executive Committee of the French Banking Federation.

Bruno Mettling, age 51, is Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires. Having been an auditor with the French Treasury until 1995, he held a variety of positions of responsibility within ministerial cabinets before joining the Caisse d'Epargne Group in 1999, where he was a member of the Management Board, and then the Banque Populaire Group in 2004.

Jean Clochet, age 63, Chairman of the Board of Directors of Banque Populaire des Alpes, is also Chairman and Chief Executive Officer of Routin S.A., a company that manufacturers and sells concentrated drinks.

Stève Gentili, age 59, Chairman of BRED Banque Populaire since 1998, was the manager of a leading food manufacturer until 2004. He is also Chairman of Agence des Banques Populaires de France pour la Coopération et le Développement (ABPCD) and Natixis Pramex International.

Yvan de La Porte du Theil, age 59, Chief Executive Officer of Banque Populaire Val de France since 2002, has held a series of various executive positions within the Banque Populaire Group.

Bernard Jeannin, age 59, Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté since 2002, has held a series of various executive positions within the Banque Populaire Group.

Thierry Cahn, age 52, Chairman of the Board of Directors of Banque Populaire d'Alsace since 2003, is a lawyer on the Colmar Court of Appeal. He has also been a member of the Supervisory Board of FONCIA since 2007. In 2008, he became a Director of Banque Fédérale des Banques Populaires and joined the Group's cooperative committee.

Pierre Deloürmel, age 63, Chairman of the Board of Directors of Banque Populaire de l'Ouest since 2004, is also Chairman and Chief Executive Officer of a group of companies in the automotive and agricultural machinery distribution sector.

Pierre Desvergnes, age 58, was appointed administrative officer to Michel Gelly(1) in 1990, and then Vice-Chairman to Christian Hébrard(2). He has been Chairman and Chief Executive Officer of CASDEN Banque Populaire since 2002. Following a degree in literature, he took the competitive examination to become a university administration attaché and was appointed to Lycée de Dammarie-Les-Lys (Seine-et-Marne) in 1974. After becoming a school and university administration advisor in 1982, he was appointed accounting officer at Lycée Henry Moissan de Meaux. He has been Vice-Chairman of CCOMCEN(3), and director of Banque Fédérale des Banques Populaires since May 2004.

Jean-Claude Detilleux, age 67, has been Chairman of Crédit Coopératif since November 1992 and is a director of Banque Fédérale des Banques Populaires. A graduate of the Institut des Etudes Politiques de Paris et de l'E.N.A., he held various positions within the Treasury department for 12 years before joining Caisse Centrale de Crédit Coopératif in 1981 as Chief Executive Officer.

Michel Doligé, age 66, is Chairman of Banque Populaire Occitane and of Natixis Coficiné. He is Chairman and Chief Executive Officer of CDP Distribution, which sells conserve products (Le Parfait) to supermarkets and hypermarkets. He is also Chairman of the local Chamber of Commerce and Industry in Auch (Gers).

Bernard Fleury, age 62, has been Chairman of Banque Populaire Côte d'Azur since 2001. He has also been a director of Banque Fédérale des Banques Populaires since 2007. He has been Chairman of Natixis Interépargne since 2006 and a director of Natixis Private Banking since 2006. He is a member of the Supervisory Board of Société des Aéroports Nice Côte d'Azur. He owns and manages the Château Saint Julien d'Aille vineyard, (SC ELIA). Lastly, he is a director of COPELLIA (Allios Group) and a member of the Assembly of French Chambers of Commerce and Industry (wine-growing).

Jacques Hausler, age 63, is Chief Executive Officer of Banque Populaire Lorraine Champagne. He has held a series of various executive positions within the Banque Populaire Group since 1970. He is also a director of Natixis Private Banking, Société Marseillaise de Crédit and Société Foncière des Régions and a member of the Supervisory Board of FONCIA.

Marc Jardin, age 63, Chairman of Banque Populaire Rives de Paris since 1998, is also Chairman of the Board of Directors of TOUPRET SA, which manufactures and sells decorators' fillers.

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(1) Michel Gelly - Chairman of CASDEN Banque Populaire from 1989 to 1992.

(2) Christian Hébrard - Chairman of CASDEN Banque Populaire from 1993 to 2002.

(3) CCOMCEN consists of associations, cooperatives, and mutual benefit societies for the social economy serving a shared ideal. They help employees, stakeholders and users of the French public education system.

François Moutte, age 60, Chief Executive Officer of Banque Populaire du Sud since 2005, joined the Group in 1971. He spent 11 years in the Internal Audit department of CSBP (now BFBP). He joined Banque Populaire de l'Ouest as central director in 1982 before being appointed Deputy Chief Executive Officer in 1987. In 1990, he became Chief Executive Officer of Banque Populaire de Bourgogne. In 1995, he was appointed Chief Executive Officer of Banque Populaire des Pyrénées-Orientales, de l'Aude et de l'Ariège. In 2004, he also became Chief Executive Officer of Banque Populaire du Midi. In November 2005, the two banks merged to form Banque Populaire du Sud.

Christian du Payrat, age 52, has been Chief Executive Officer of Banque Populaire du Massif Central since 2002. A graduate of the Ecole des Mînes de Paris and HEC, he was a teacher from 1978 to 1980, an engineer at Total from 1980 to 1987, and research and development sub-director at Deltabanque until 1991, before holding a series of various executive positions within the Banque Populaire Group.

Gonzague de Villèle, age 56, Chief Executive Officer of Banque Populaire Centre Atlantique since 2005, has held a series of various executive positions within the Banque Populaire Group.

Jean-Yves Forel, age 47, who joined the Group in 1983, held a variety of operating roles at Banque Savoisienne (now Banque Populaire des Alpes) before being appointed director of operations in 1992 and then central director in 1995. In 1997, he became central director of Banque Populaire Atlantique in Nantes. In 2000, he joined Banque Fédérale des Banques Populaires as director of development and member of the executive management committee. Since 2003, he has been director of the services division at Natixis and a member of the executive committee.

Philippe Queuille, age 52, Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires, has also been Chairman and Chief Executive Officer of Informatique-Banque Populaire (i-BP) since 2000. He previously held a series of various executive positions within the Banque Populaire Group.

4.2 Chairman's report on the conditions in which the work of the Board of Directors is prepared and organized

The Banque Populaire Group, through Banque Fédérale des Banques Populaires, the central body of the Banque Populaire banks and Crédit Maritime Mutuel, has elected to apply the corporate governance code for listed companies of December 2008 based on the consolidation of the AFEP and MEDEF report of October 2008 and their recommendations of January 2007 and October 2008[4] concerning the compensation of executive officers of listed companies. The concept of independent director is not relevant to Banque Fédérale des Banques Populaires (see page 131).

The Banque Populaire Group, as covered by this report, is referred to on a consolidated basis. This comprises the consolidating entity and companies included in the consolidated financial statements in the context of exclusive or joint control. The internal control system and its scope are defined in accordance with the provisions of CRBF regulations 97-02 and 2000-03.

Since November 17, 2006, Natixis has been jointly controlled by its two shareholding groups and central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

This report forms an integral part of the Chairman's full report on the conditions in which the work of the Board of Directors is prepared and organized and on internal control procedures in accordance with Article L. 225-37 of the French Commercial Code as amended by law 2088-649 of July 3, 2008. It was presented to the Group Audit and Risk Committee on March 18 and to the Board of Directors of Banque Fédérale des Banques Populaires on April 17, 2009.

4.2.1 Role and organization of the Board of Directors

The Board of Directors of Banque Fédérale des Banques Populaires (BFBP), which has been a joint stock company *("société anonyme")* under French law since May 31, 2001, exercises a certain number of legal functions. These include the responsibilities of Banque Fédérale des Banques Populaires as the central body of the Banque Populaire network and Crédit Maritime Mutuel. More generally, the Board is responsible for supervising and defining various aspects of the strategy of the Banque Populaire Group, such as expansion, profitability, security, organization, information systems and other matters.

Each Director is considered as representing all shareholders and is expected under all circumstances to act accordingly.

Members of the Board of Directors

The Board of Directors of Banque Fédérale des Banques Populaires has sixteen members, all elected by the shareholders at the general meeting. Directors are individuals and the majority of Directors must be either Chairman, Director or Chief Executive Officer of a Banque Populaire bank.

Directors exercising one of these roles are selected from candidates put forward by the Chairmen and Chief Executive Officers of the Banque Populaire banks according to a selection process defined by the Board of Directors. Directors are elected for a three-year term and may stand for re-election.

Their term of office expires at the close of the annual general meeting of the shareholders held to approve the financial statements for the previous year. Each Director is required to hold one share.

The term of office of Directors must to an end at the latest at the close of the annual general meeting in the year of their sixty-eighth birthday.

Notice of Board of Directors' meetings

The Board of Directors may be convened by the Chairman as often as required in the interests of Banque Fédérale des Banques Populaires. It addresses all matters set forth in the agenda for the meeting by the Chairman. When it has not met for more than two months, at least one-third of the members of the Board may ask the Chairman to call a meeting to consider a specific agenda.

It meets at the Company's head office or at any place indicated in the notice convening the meeting.

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(4) *Document available on www.medef.fr.*

Notice of the meeting must be provided by mail or by any other means at least three days in advance. If all the Directors agree, a Board meeting may also be called verbally and without any advance notice. An attendance register is kept, which is signed by Board members present at the meeting. It is obligatory for designated representatives of the works council to be convened to all meetings of the Board of Directors, which they attend in an advisory capacity in accordance with the law and regulations. Any other person(s) invited to the meetings by the Chairman of the Board of Directors may also attend in an advisory capacity.

Record of deliberations - Minutes - Copies - Excerpts

The Board’s deliberations are recorded in minutes kept in a special minute book and are signed by the Chairman of the meeting and at least one Director or, when the Chairman is unable to sign, by at least two Directors. Copies or excerpts from the minutes of the meetings may be duly certified by the Chairman of the Board of Directors, the Deputy Chief Executive Officer or a specially authorized representative.

Powers of the Board of Directors

The Board of Directors determines the strategic priorities for Banque Fédérale des Banques Populaires’ activities and ensures that they are implemented. Subject to the powers expressly attributed to annual general meetings and within the scope of the corporate purpose, it considers all matters that affect the Company’s operations and settles though its decisions matters which concern it.

In its dealings with third parties, Banque Fédérale des Banques Populaires is bound even by the acts of the Board of Directors that fall outside the scope of the corporate purpose, unless it can prove that the third party knew that the act was ultra vires or that it could not have been unaware thereof given the circumstances. The sole publication of the bylaws shall not suffice to establish such evidence.

The Board of Directors conducts the audits and verifications that it deems necessary. Each Director receives all the information required to carry out its duties and is sent any documents which he considers to be useful.

The Board of Directors notably has the following powers:

- it defines the policy and strategy goals for the network and the Banque Populaire Group;
- it negotiates and enters into national and international agreements on behalf of the Banque Populaire network;
- more generally, it makes use of the prerogatives the Company enjoys pursuant to law in its capacity as the Group’s central body;
- it approves the executive offices of the Banque Populaire banks and defines the terms of their approval. It may also rescind this approval;
- it approves the bylaws of the Banque Populaire banks and any amendments made thereto;
- it takes the requisite measures to protect the liquidity and capital adequacy of the Banque Populaire network by defining and implementing the requisite internal mutual guarantee systems;
- on the recommendation of the Chairman, it appoints and dismisses the Senior Executive Vice President, Internal Audit and Risk management, who monitors the consistency and efficacy of the Group’s internal control. The Senior Executive Vice President, Internal Audit and Risk management communicates the results of audit assignments to the Board.
- it establishes a Group Risk Management Committee and defines its jurisdiction, members and operating procedures. As of November 17, 2006, Natixis is a member by right of the Group Risk Management Committee. The Committee is responsible for reviewing operating and financial relations between Natixis and the Banque Populaire banks due to Natixis’s equity interest in the Banque Populaire banks;
- more generally, it lays down the general internal guidelines that are obligatory for all Banque Populaire banks to uphold, with a view to ensuring the goals defined in Article L. 511-31 of the French Monetary and Financial Code;
- it draws up the Company’s annual budget and sets the rules for calculating the subscriptions payable by the affiliated Banque Populaire banks;
- it prepares the Company’s balance sheet and annual financial statements;
- it reviews the consolidated financial statements of the Banque Populaire Group on a quarterly basis;
- it adopts the Board’s internal rules.

Even so, a two-thirds majority of Directors attending the meeting is required for the following decisions:

- the entry of a third party into the Company’s share capital through a capital increase;
- the merger of two or more Banque Populaire banks, the complete or partial disposal of their business assets or their winding-up;
- the creation of a new Banque Populaire bank;
- the removal of an affiliated bank;
- the adoption and amendment of the Board’s internal rules;
- changes to the way in which Executive Management is exercised.

The Board of Directors may decide to set up committees responsible for studying matters that it or its Chairman submits to them for consideration. It sets the composition and responsibilities of the committees exercising their activities under its supervision. A plain majority of votes by members attending the meeting is required to determine the creation, operating rules and any fees paid to committee members.

Board decisions made in the context of the Company’s duties as central body of the Banque Populaire network require prior consultation with Natixis. For the organization of this consultation process, the Chairman of the Board of Directors sends Natixis a draft of decisions as well as all information provided to the Directors in advance of the planned Board meeting. If necessary, the Chairman of the Board of Directors shall inform the Directors of any observations made by Natixis prior to the planned Board meeting.

If the opinion given by Natixis is not followed by the Board of Directors, Natixis may - within three days of the date of the Board meeting - ask for a second deliberation on the decision concerned. This second deliberation shall be made at the earliest a fortnight after the initial decision is adopted.

Non-voting Directors

The Ordinary General Meeting may appoint up to five non-voting directors. The non-voting directors may be chosen from among the shareholders or elsewhere.

Since the creation of Natixis on November 17, 2006, Natixis is a non-voting Director by right.

Non-voting directors other than Natixis are appointed for a period of three years, which ends at the close of the Ordinary General Meeting of the shareholders to approve the financial statements for the previous year and held in the year in which their appointment ends.

The Board of Directors may make provisional appointments between two Annual General Meetings. These appointments are subject to ratification at the subsequent Ordinary General Meeting of the shareholders.

Non-voting directors may stand for re-election; They may be dismissed at any time following a vote by shareholders at the Annual General Meeting.

The role of non-voting Directors is to ensure that the Company discharges its responsibilities, especially those provided for in law, without becoming involved or interfering in management of the Company. More specifically, Natixis exercises the rights attributed to it by the bylaws of Banque Fédérale des Banques Populaires.

They are convened to meetings of the Board of Directors and participate in the deliberations in an advisory capacity, without their absence impairing the validity of the Board's decisions.

The Board of Directors may make payments to the non-voting directors by deducting amounts from the directors' fees allotted by the Annual General Meeting to its members.

Chairman and Chief Executive Officer

The Chairman of the Board of Directors represents the Board of Directors. The Chairman organizes and directs the Board and reports on these tasks to the General Meeting. The Chairman ensures that the Company's corporate bodies operate smoothly, and in particular that the directors are capable of performing their duties.

The age limit for a Chairman has been set at sixty-five.

The Chairman of the Board of Directors oversees the Company's Executive Management. He carries the widest powers to act under all circumstances in the Company's name. He exercises these powers within the scope of the corporate purpose, subject to those which the law expressly confers upon the shareholders' meetings and on the Board of Directors or those under which the Company's internal rules are deemed to fall within the latter's jurisdiction in its capacity as the Company's central body, as listed above.

In addition, in his capacity as Chief Executive Officer, the Chairman represents the Company in its dealings with third parties. The Company is bound even by the acts of the Chairman that fall outside the scope of the corporate purpose, unless it can prove that the third party knew that the act was ultra vires or that it could not have been unaware thereof given the circumstances. The sole publication of the bylaws shall not suffice to establish such evidence.

Lastly, if recommended by the Chairman, the Board of Directors may appoint up to five Deputy Chief Executive Officers to assist the Chairman in his role as Chief Executive Officer. The scope and duration of the powers vested in the Deputy Chief Executive Officer(s) are determined by the Board of Directors in conjunction with its Chairman. The Deputy Chief Executive Officers enjoy the same powers as the Chairman in the exercising of his duties as Chief Executive Officer. The Deputy Chief Executive Officer(s) may not remain in office after their sixty-fifth birthday.

Election of the Chairman of the Board of Directors

Article 2 of the internal rules states that according to Article 12 of the bylaws of Banque Fédérale des Banques Populaires, the Chairman of the Board is elected by a simple majority for the duration of his term as Director and may be re-elected. The bylaws also determine that a quorum of at least half the members of the Board is required to be present for the election to take place, with the Chairman then elected by a majority of the votes cast by the Directors present (Article 13).

The Chairman of the Board of Directors of Banque Fédérale des Banques Populaires has the title of Chairman of the Banque Populaire Group.

Executive Management

The Chairman of the Board of Directors of Banque Fédérale des Banques Populaires is also its Chief Executive Officer. He exercises these powers within the scope of the corporate purpose, subject to those which the law expressly confers upon the shareholders' meetings and on the Board of Directors or those under which the Company's internal rules are deemed to fall within the latter's jurisdiction in its capacity as the central body of Banque Fédérale des Banques Populaires.

The Chief Executive Officer represents Banque Fédérale des Banques Populaires in its dealings with third parties. If recommended by the Chairman, the Board of Directors may appoint up to five Deputy Chief Executive Officers to assist him.

Organization of the Board of Directors' work

The Board of Directors meets at least five times each year, according to a schedule set at the beginning of the year. The Chairman may call additional meetings if circumstances so require.

The Board of Directors met eleven times in 2008, twice exceptionally. The absence of a member of the Board is an unusual event, since the attendance rate stood at 94%.

The internal rules of Banque Fédérale des Banques Populaires require Directors to make every reasonable effort to attend and participate in all the meetings of the Board and of the specialized committees on which they sit.

Meetings last for an average of four hours (aside from the meeting held after the Annual General Meeting of the shareholders to elect the office of the Board).

They systematically include a review of business trends at the Banque Populaire Group and Banque Fédérale des Banques Populaires since the previous meeting, as well as the latest news and developments in the banking industry.

The Board prepares the interim and annual financial statements of Banque Fédérale des Banques Populaires, as well as the consolidated financial statements of the Banque Populaire Group. The business trends and results of Natixis are also presented.

It participates directly in defining the policy and strategic goals of the network and the Banque Populaire Group.

Four times a year, the Board hears a detailed report on the work of the Banque Fédérale and Group Risk Management Committee, which is followed by a debate. Acting on the recommendations of the Committee, the Board then makes any decisions it deems appropriate.

Directors receive an information dossier around one week ahead of each meeting.

Each agenda item considered by the Board may give rise to a debate. The members of the Board attach great importance to asking questions of the persons making presentations, as well as of members of the Group's executive management (Chairman, Deputy Chief Executive Officer and Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires), who always attend Board meetings.

A record of decisions made is sent within three business days of the Board meeting to all of the Group's executive officers, with the approved minutes of the meeting.

Accurate minutes are also taken of meetings of the Board of Directors. They keep a record of the discussions initiated, the positions presented and the questions asked. This is provided exclusively to members of the Board.

Since November 17, 2006, the date that Natixis was created, the Board of Directors of Banque Fédérale des Banques Populaires and the Supervisory Board of Natixis have contained five shared members.

Main issues addressed by the Board of Directors in 2008

Strategic issues were addressed such as the acquisition and integration of the seven regional banks from HSBC France, a review of the feasibility study between Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Épargne with a view to merging the two central bodies, as well as plans for international expansion.

All matters concerning Natixis and its subsidiaries were submitted for review on a regular basis at Board meetings.

Other issues submitted for the Board's review include the commercial plan of action and group communications plan and the group's sustainable development policy.

Reports on the work of the Group Audit and Risk Committee were heard on four occasions and all proposed decisions were followed up.

Notably, the 97-02 internal audit report for the 2007 financial year was presented on May 12, 2008.

The Chairman presented the Board with his internal control report at the meeting of March 5, 2008.

The Board also followed up on the recommendations of the Remuneration Committee during its meeting of December 16, 2008.

It reviewed the Banque Populaire Group's financial statements on a quarterly basis and approved the annual and interim financial statements of Banque Fédérale des Banques Populaires and the Banque Populaire Group, after hearing the report of the Audit Committee and the opinion of the Statutory Auditors.

At the meeting of June 25, it decided to create a new specialist committee: the Cooperative Committee, in charge of the monitoring and development of the Banque Populaire Group's Cooperative Project. The first report on the work of the Cooperative Committee was presented to the Board at its meeting of December 16, 2008.

Decisions of the Board of Directors

The internal rules of Banque Fédérale des Banques Populaires also state the manner in which the Board shall reach decisions. They are to be made by means of formal votes for the approval of the financial statements, budget, resolutions to be submitted for shareholders' approval at the Annual General Meeting and, more generally, any issues of strategic importance referred to the Board by the Chairman.

Regulated agreements presented to the Board of Directors in 2008 and authorized

Authorizations given by the Board on March 5

- Signature of a non-interest bearing current account agreement with SAS Ponant 2, a subsidiary of BFBP.
- Banque Populaire Covered Bonds program: Banque Populaire des Alpes, Banque Populaire Bourgogne Franche-Comté, BRED Banque Populaire, Banque Populaire Lorraine Champagne, Banque Populaire du Massif Central, Banque Populaire Occitane, Banque Populaire Provençale et Corse, Banque Populaire du Sud, CASDEN Banque Populaire and Crédit Coopératif sign up to the Framework Agreement as additional borrowers and additional underwriters and finalization and signature of the corresponding Letters of Agreement.

Authorizations given by the Board on March 28

- Signature of the shareholders current account advance agreement, subject to the terms of article 5 relating to the rating of the receivable, according to which BFBP has agreed to grant Natixis an advance of €750 million to strengthen Natixis's prudential capital subject to the same terms and in the same amount as CNCE.

Authorization given by the Board on May 14

- Signature of the framework agreement governing the guiding principles for the three affiliates to be created between MA BANQUE and its partners, as well as the bylaws of SEP "MA BANQUE Le Ponant" to be created between MA BANQUE and BFBP.

Authorization given by the Board on May 15

- Finalization and signature of the reclassification agreement and all necessary documents relating to the reclassification of the regional banks from HSBC to the Banque Populaire regional banks.

Authorizations given by the board on June 25

- Signature of the shareholders current account advance agreement, subject to the terms of article 5 relating to the rating of the receivable, according to which BFBP has agreed to grant Natixis an advance of €500 million to strengthen Natixis's prudential capital subject to the same terms and in the same amount as CNCE.

Authorizations given by the Board on August 27

- Negotiation, finalization and signature with CNCE, Natixis and the banks belonging to the placement syndicate of:
  - the underwriting and placement agreement;
  - the agreement to subscribe to the Natixis capital increase;

– the letter of agreement relating to the repayment of current account advances granted to Natixis.

Authorization given by the Board on October 8

- Signature of the agreement to transfer 114,349 VBI shares to SAS SIBP.

Authorizations given by the Board on December 16

- Signature of SFEF agreements (intra-group credit framework agreement and intra-group guarantee framework agreement) between:

– BFBP and MA BANQUE;

– BFBP and Natixis.

- Signature of the CIFG commutation agreement.
- Signature of the agreement concerning the transfer of CIFG Holding shares by BFBP to Twins Participations, jointly owned by BFBP and CNCE.
- Agreement relating to termination benefits for:

– the Chairman and Chief Executive Officer of BFBP;

– the Deputy Chief Executive Officer of BFBP.

Office of the Board

The Office of the Board comprises the Chairman, three Vice-Chairmen including two Chairman of Banque Populaire banks and one Chief Executive Officer of a Banque Populaire bank and a Secretary, who must also be a Chief Executive Officer of a Banque Populaire bank. The Office of the Board does not have decision-making powers under the internal rules but the Chairman may call meetings of its members to inform or consult them on matters falling within his authority.

Independent Directors

The concept of independent Director, as defined by the corporate governance code for listed companies, is not relevant to Banque Fédérale des Banques Populaires. As the central body of a cooperative group, the Board of Directors of Banque Fédérale des Banques Populaires should naturally comprise representatives of the Banque Populaire banks. These banks hold over 99% of the Company's capital (as at December 31, 2008) in their capacity as credit institutions affiliated with Banque Fédérale des Banques Populaires by law.

However, under the bylaws, the seats on the Board are not held by the Banque Populaire banks but by individuals. Despite being the Chairmen or Chief Executive Officers of Banque Populaire banks, the Directors do not sit on the Board as representatives of their respective banks but as part of the corporate governance structure of the Banque Populaire Group, exercising the powers devolved to Banque Fédérale des Banques Populaires by law.

Code of ethics

Article 12 of the Company's internal rules draws the Directors' attention to insider trading legislation prohibiting the use of confidential information about the Group's listed subsidiaries to which the Directors may have access in their capacity as Directors of Banque Fédérale des Banques Populaires.

Independent Internal Audit Function

The Board of Directors monitors the independence of the Internal Audit Function. The internal auditors have full authority to require the audited entities to provide them with all necessary documents and information to enable them to carry out their audit. They also have unrestricted access to all the computer applications used by the Banque Populaire Group.

Assessment of the Board's performance

In November 2007, a questionnaire was sent to all members of the Board of Directors (Directors and non-voting Director) in order to collect their opinions and suggestions on how the Board's work is organized, covering topics such as agendas, the length and organization of meetings, contents and deadlines for information dossiers, the accuracy and exhaustiveness of minutes, particularly on Board debates, the format of presentations, the role assigned to the Board, Directors' ability to form a clear opinion on a range of issues addressed by the Board, involvement in business conduct, articulation of works with specialized committees and following up decisions.

This document was presented in the same format as that used for the similar survey conducted in 2005, in order to provide a better understanding of changes in the opinions of Board members. It was returned anonymously to the General Secretary of Banque Fédérale des Banques Populaires.

The results of the survey will be presented to the Board of Directors of Banque Fédérale des Banques Populaires at its meeting of March 5, 2008. Despite a number of new Board members in 2007, they confirmed the favorable view expressed in 2005 of the presentation of dossiers, the clarity of presentations, the time dedicated to debates, responses to questions raised, the exhaustiveness of minutes of Board meetings and the recreation of debates.

Directors want the rule for dossiers to be sent out at least five working days before the Board meeting to be observed.

Director's fees

The fees paid to the Board of Directors(5) set by shareholders at General Meetings are shared equally among the Directors. Members of the Committees of the Board receive an additional share for each additional post held. Members of more than one Committee of the Board receive a separate share for each Committee of which they are a member.

Shareholders' participation in the Annual General Meeting

Conditions for shareholders' participation in the Annual General Meeting are set out in Articles 23 and 26 of the bylaws.

Collective decisions by shareholders are made at ordinary or extraordinary Annual General Meetings depending on the nature of the decisions they are called upon to make. All shareholders are bound by the decisions made at Annual General Meetings.

All shareholders are entitled to attend general meetings and vote on resolutions personally or by proxy, in accordance with applicable law and regulations, irrespective of the number of shares they own.

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(5) Details of the amounts received by individual Directors are given in the Directors' compensation section (p.218).

Shareholder Banque Populaire banks are represented at meetings by their Chairman or a Director designated for this purpose by the Chairman or Chief Executive Officer or any person designated by the latter.

All shareholders may vote by correspondence using a postal voting form addressed to the company in accordance with applicable law and regulations.

4.2.2 Consultative committees

As part of the updating of its operations and in accordance with the aforementioned corporate governance code for listed companies, on June 25, 2008, the Board of Directors of Banque Fédérale des Banques Populaires reviewed its corporate governance policy and decided to create a third specialist committee, the Cooperative Committee, alongside the Group Risk Management Committee and the two pre-existing specialist committees created in 2001, the Audit Committee and the Remuneration Committee.

Each of these Committees has at least four members (two Chairmen and two Chief Executive Officers of a Banque Populaire bank), nominated by the Chairman and elected by the Board of Directors of Banque Fédérale des Banques Populaires for a fixed term. Minutes are drawn up of committee meetings. After each meeting, the Chairman of the committee presents the Board of Directors with a report on the work of the committee.

As with the Group Risk Management Committee, these committees serve to advise and assist the Board of Directors of Banque Fédérale des Banques Populaires. Decisions require a two-thirds majority vote of members present. For decisions to be valid, at least three members must be present.

The Audit Committee

The Audit Committee reviews the company and consolidated financial statements of Banque Fédérale des Banques Populaires prior to their submission to the Board of Directors and the consolidated financial statements of the Banque Populaire Group. Executive Officers may not attend relevant meetings of this committee. The committee is responsible for ensuring that accounting policies are appropriate and are applied consistently from one year to the next, and for assessing the reasonableness of the main assumptions used to prepare the financial statements. The scope of its responsibilities also extends to accounting and financial documents published by Banque Fédérale des Banques Populaires.

It makes recommendations to the Board concerning the choice of Statutory Auditors, their audit program and the fee budget. It also gives an opinion on the way in which the selection of the Statutory Auditors of newly consolidated entities is organized, in order to facilitate coordination of the certification of the Banque Populaire Group's consolidated financial statements. It meets at least twice a year. Meetings are attended by the Statutory Auditors.

Lastly, the committee may also request the presence of other individuals who in one way or another are involved in the production or supervision of financial statements. The heads of the Finance and Internal Audit departments also attend meetings.

The Remuneration Committee

The Remuneration Committee makes recommendations to the Board concerning the compensation, pension and other benefits awarded to Executive Officers.

The Chairman of the Board of Directors, prior to involving the rest of the Board, can ask the Committee to assist him in answering any questions pertaining to the Banque Populaire Group's Executive Officers or to general remuneration and pension policy.

During 2008, the Remuneration Committee of the Banque Populaire Group, chaired by Philippe Dupont, met to review the compensation of Group Executives, in accordance with its remit.

After examining the actual compensation paid to Executive Officers of the Banque Populaire regional banks and Banque Fédérale des Banques Populaires in respect of 2007, the committee put forward recommendations for the current year. These were passed on to the Executives of the regional banks for approval by the regional Remuneration Committees and the Boards of Directors.

The Committee also proposed recommendations to the Board of Directors of Banque Fédérale des Banques Populaires concerning deferred compensation of executive officers. These recommendations were adopted by the Board. The system of benefits paid in the event of early termination of their term of office was redefined and end-of-career allowances were abolished.

The Cooperative Committee

At its meeting of June 25, 2008, the Board of Directors of Banque Fédérale des Banques Populaires created a new specialist committee: the Cooperative Committee, in charge of the monitoring and development of the Banque Populaire Group's Cooperative Project.

Its role is to monitor and enhance the Cooperative Project in all aspects, such as management of member-stakeholders, sustainable development, cooperative initiatives, local commitments of the Banque Populaire banks and the Banque Populaire Group's corporate citizenship activities.

The committee held its first meeting in 2008.

The Group Risk Management Committee

Aside from these three specialist committees, Banque Fédérale des Banques Populaires also boasts a Risk Management Committee, whose remit is defined in Article 10 of the internal rules of Banque Fédérale des Banques Populaires, pursuant to the central body powers vested with Banque Fédérale des Banques Populaires under Article L. 511-31 of the Monetary and Financial Code.

In November 2002, the Board of Directors of Banque Fédérale des Banques Populaires also created a Risk Management Committee dedicated solely to Banque Fédérale des Banques Populaires.

The Group Risk Management Committee meets four times each year in plenary session to hear reports, in accordance with the banking regulations, regarding risk assessment and monitoring and an appraisal of internal control systems of the Banque Populaire Group. It independently monitors overall risk on an ex-ante and ex-post basis. Monitoring is based on regular standardized counterparty risk reports providing analyses of industry and country risks and a breakdown between interbank, sovereign and client risks, as well as on interest-rate, liquidity and operating risk reports. The committee is also charged with examining overall risk strategies, exposure limits and internal control systems. Following this review, the committee makes recommendations to the Board of Directors regarding any risk management decision applicable to all Banque Populaire Group entities.

The Group Risk Management Committee meets twice each year in plenary session to hear reports regarding risk assessment and monitoring and an appraisal of internal control systems of Banque Fédérale des Banques Populaires.

The Committee is chaired by Chairman of the Banque Populaire Group. The Committee is made up of four members of the Office of the Board as well as two members of the Group Credit Risk Committee from the Board of Directors. Since its creation on November 17, 2006, Natixis is a member by right. Committee meetings are also attended by the Deputy Chief Executive Officers of Banque Fédérale des Banques Populaires and the heads of the Group Risk Management and Compliance departments of Banque Fédérale des Banques Populaires. No Executive Officers (Chairman and Chief Executive Officer and Deputy Chief Executive Officers) attend meetings of the Group Risk Management Committee to review reports concerning Banque Fédérale des Banques Populaires. Experts or line managers from any of the Group's banks may be invited to attend to provide additional insight into the matters under review.

Since November 17, 2006, following the creation of Natixis, the Group Risk Management Committee reviews operational and financial relations between Natixis and the Banque Populaire banks in view of Natixis's equity interest in the Banque Populaire banks.

Decisions are taken by a two-thirds majority. Minutes of the Committee meetings are presented to the Board of Directors of Banque Fédérale des Banques Populaires for consideration.

The composition of the Group Risk Management Committee will be reviewed in 2009 to take account of the new recommendations of CRBF regulation 97-02 as amended.

Committee	Chairman	Members	Attendance rate	No. of meetings in 2008
Quarterly Group Risk Management Committee meetings	First half 2008(1): Philippe Dupont	(2): JL Tourret, S. Gentili, Y. Gevin, Y. de La Porte du Theil, J. Hausler B. Jeannin, (3b): F. Ladam	87.50%	6 dedicated to the Group
	Second half 2008(1): Philippe Dupont(1b)	(3): J. Clochet, J. Hausler, S. Gentili, Y. de La Porte du Theil, (2b):Y. Gevin (C. du Payrat), B. Jeannin (3b): F. Ladam (J.Y. Forel)		2 dedicated to BFBP
Audit Committee	First half 2008: Y. de La Porte du Theil(4)	(4): P. Desvergnes, J. Clochet, B. Jeannin	87.50%	2
	Second half 2008: Y. de La Porte du Theil(4)	(4): P. Delourmel, P. Desvergnes, B. Jeannin		
Remuneration Committee	First half 2008: Philippe Dupont(5b)	(5): J. Tourret, S. Gentili, B. Jeannin, Y. de La Porte du Theil	100%	4
	Second half 2008: Philippe Dupont(5b)	(5)): J. Clochet, S. Gentili, B. Jeannin, Y. de La Porte du Theil		
Cooperative Committee	Second half 2008: Pierre Delourmel(3)	(3): T. Cahn, J. Hausler, B. Jeannin, J.C. Detilleux	100%	1

(1) *First half 2008: appointed by the Board of Directors of Banque Fédérale des Banques Populaires meeting on May 31, 2007.*
Second half of 2008: appointed by the Board of Directors of Banque Fédérale des Banques Populaires meeting on May 15, 2008.

(1b) *When the Group Risk Management Committee considered issues relating to Banque Fédérale des Banques Populaires, it was chaired by Jean-Louis Tourret in the first half of 2008 and by Jean Clochet in the second half of 2008.*

(2) *Appointed until the Annual General Meeting of the shareholders to approve the financial statements for 2008.*

(2b) *Yves Gevin replaced by Christian du Payrat as of October 8, 2008.*

(3) *Appointed until the Annual General Meeting of the shareholders to approve the financial statements for 2009.*

(3b) *As of October 8, 2008, Natixis, represented by François Ladam, then by Jean Yves Forel has been a member by right of the Group Risk Management Committee since Natixis was created on November 17, 2006.*

(4) *Appointed for the term of their appointment as Director of Director of Banque Fédérale des Banques Populaires*

(5) *Appointed for the term of their appointment as members of the Office of the Board of Banque Fédérale des Banques Populaires.*

(5b) *When the Remuneration Committee considered issues relating to Banque Fédérale des Banques Populaires, it was chaired by Jean-Louis Tourret in the first half of 2008 and by Jean Clochet in the second half of 2008.*

4.3 Executive body at December 31, 2008

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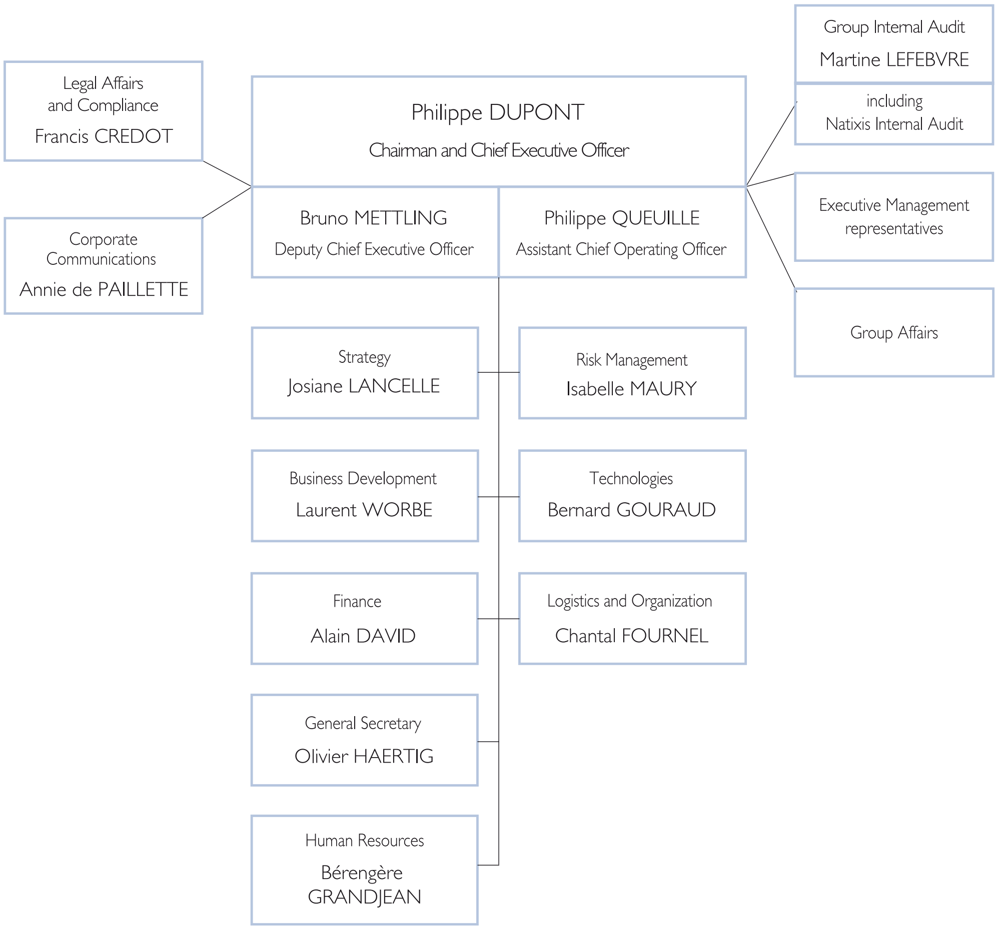
4.3.1 Members of the Management Committee

Banque Fédérale des Banques Populaires' Executive Committee is made up of 15 members:

- Philippe Dupont, Chairman and Chief Executive Officer;
- Bruno Mettling, Deputy Chief Executive Officer;
- Philippe Queuille, Assistant Chief Operating Officer;
- Francis Crédot: Legal Affairs and Compliance;
- Alain David: Finance;
- Chantal Fournel: Logistics and Organization;
- Dominique Garnier: Strategy;
- Bernard Gouraud: Technologies;
- Bérengère Grandjean: Human Resources;
- Olivier Haertig: General Secretary;
- Josiane Lancelle: Strategy;
- Martine Lefebvre: Group Internal Audit;
- Isabelle Maury: Risk Management;
- Annie de Paillette: Corporate Communications.
- Laurent Worbe: Business Development;

4.3.2 Organization

Banque Fédérale des Banques Populaires' organizational structure is as follows:



4.4 Corporate governance rules for the Banque Populaire banks

On November 20, 2002, the Board of Directors of Banque Fédérale des Banques Populaires approved the corporate governance charter and internal rules framework applicable to the Boards of Directors of the individual Banque Populaire banks.

This charter establishes the rules of corporate governance and codes of conduct to be followed by all the Banque Populaire banks. It sets out the responsibilities of each bank's Board of Directors, Chairman, Chief Executive Officer and Consultative Committees. All Group banks are required to have a Risk Management Committee (with the option of also creating an Audit Committee) and a Remuneration Committee. They may also choose to set up other committees, such as a Member-Stakeholder Committee.

The Banque Populaire banks are cooperative banks, and their member-stakeholders play a central role in their organization. Boards of Directors are made up of member-stakeholders, who are clients like any others. The Group Risk Management Committee oversees lending decisions regarding these Directors, to avoid conflicts of interest.

Well before the May 15, 2001 Corporate Governance Act entered the statute books, the Banque Populaire banks had already decided to optimize the effectiveness of their executive and management structures by separating the roles of Chairman and Chief Executive Officer, thus separating responsibility for strategic decisions and control from the implementation of these decisions and the management of the business.

4.4.1 Responsibilities of the Board of Directors

The Directors derive their authority from the member-stakeholders, whether individuals or organizations, from among whom they are elected. The General Meetings of member-stakeholders represent a high point in the life of a cooperative bank, allowing broad-based participation in its affairs, the free flow of information, transparency and an informed exchange of views.

The Board of Directors collectively represents all member-stakeholders and is bound to act in all circumstances in the best interests of the member-stakeholders of the Banque Populaire cooperative bank.

Directors have no individual powers of management, exercising their powers only collectively through the Board of Directors.

Directors' code of conduct

Each Director must understand that he represents all member-stakeholders and act accordingly in the fulfillment of his duties.

Directors must allocate the time and attention necessary to the performance of their duties. They must make all reasonable efforts to attend meetings of the Board of Directors and the General Meetings of the shareholders. Training events are offered to Directors as required.

Where Directors, in exercising their duties, gain access to information not yet in the public domain, they are bound by a duty of confidentiality and professional secrecy.

Directors who sit on Consultative Committees are expected to meet the same standards as apply to all Directors, namely loyalty, diligence, competence, regular attendance, confidentiality and professional secrecy.

Directors are expected to make a more general contribution to promoting the image of their Banque Populaire bank in the regional community and economy. They play an active part in encouraging and introducing new business.

Organization of the Board of Directors

The Directors elect from their number a Chairman for a renewable term of three years, providing that this does not exceed the term of his appointment as a Director or go beyond the date of his sixty-fifth birthday. Beyond this date, the Chairman's appointment is for a term of office of one year, and may not exceed the statutory age limit set by the General Meeting held to approve financial statements in the year of his sixty-eighth birthday.

On the recommendation of the Chairman, the Board of Directors appoints a Chief Executive Officer, who may not be a member of the Board, for a renewable term of five years or until his sixtieth birthday. Beyond the date of his sixtieth birthday, the Chief Executive Officer's appointment is for one year and may not exceed the age limit set in the bylaws at the date of his sixty-fifth birthday.

The Board of Directors adopts internal rules governing the organization and work of the Board and of its Consultative Committees.

On the recommendation of the Chairman, the Board of Directors may set up and determine the membership of the following Consultative Committees:

- a Risk Management Committee;
- an Audit Committee.

The Board of Directors may elect to combine the roles of these two committees in a single body to be known as the Audit and Risk Management Committee.

The purpose of these committees is to:

- review, on a Company and consolidated basis, the main conclusions arising from risk monitoring systems, findings from the internal control processes and the main conclusions arrived at by the Internal Auditors, in accordance with banking regulations;
- analyze financial statements and other financial documents produced by the bank following approval of accounts and to conduct further

enquiries into particular areas before such documents are brought before the Board of Directors.

In addition, the Board of Directors may elect to create two other committees:

- a Remuneration Committee responsible for drawing up, in the absence of those concerned, any proposal concerning the employment terms of Executive Officers. The committee's proposals must be in accordance with Group policy regarding Executive remuneration;
- a Member-Stakeholder Policy Committee. This committee is responsible for tabling proposals to develop and promote the cooperative aspects of the Company, through steady increases in the number of member-stakeholders, a balanced distribution of capital, communications policy and involvement in local cooperative ventures, etc.

The powers of the Board of Directors

Strategy and operational structure

The Board of Directors is responsible for setting the bank's overall strategy and policy, in accordance with the strategy and policy of the Banque Populaire Group.

It determines key strategic policies based on joint recommendations of the Chairman and Chief Executive Officer and makes periodic checks on their implementation in terms of the fundamental issues of expansion, profitability, security and the adequacy of the resources employed.

Risk control

The Board of Directors is responsible for controlling the major risk exposures of the bank and ensuring the quality and reliability of internal control systems in accordance with banking regulations (CRBF 97-02).

- It sets the overall direction of lending policy and sets exposure limits regarding the division and distribution of risk and its relationship with the bank's capital. It determines the exposure thresholds above which it must be consulted, ensures compliance with the procedures relative to the powers of the Group Risk Management Committee of Banque Fédérale des Banques Populaires, and monitors exposure using regular information given on an aggregate basis on the cases considered by the Group Risk Management Committee and on the portfolio as a whole.
- It sets overall limits for other major areas of financial risk, with regard to the bank's ability to bear potential losses, and monitors the compliance with these limits and the level of risk using the regular information with which it is provided to this end.
- The Board of Directors also reviews the procedures for controlling operational risk, relating to information systems, accounting, fraud and embezzlement, procedures, and legal risks.
- It sets targets regarding internal control and risk control having reviewed the reports submitted to it and in particular following the analysis of those reports required by law or regulations.

The results of any on-site inspections carried out by Banque Fédérale des Banques Populaires or by the Banking Commission or other regulators are submitted to the Board of Directors for discussion. The Board is responsible for monitoring the implementation of any recommendations made as a result of such checks; The Board is required to take, without delay, any measures or corrective steps necessary to protect the financial and economic balance of the bank and thus preserve its competitiveness.

In more general terms, the Board of Directors is responsible for ensuring that the controls and checks in place are adequate for their purpose and for making such further controls and checks as it considers necessary.

Capital remuneration policy

The Board fixes the rate of capital remuneration constituted by shares ("parts sociales") and Certificates Cooperative Investment (CCI) subscribed by Natixis. This rate must be compatible with the creation of such provisions and reserves as may be required to ensure adequate cover of risk exposure, and with ensuring that the bank has sufficient resources to allow its growth. The rate is set within the legal maximum level for interest paid on shares in its capital. Remuneration on CCIs is determined in accordance with market practices and under regulations must be at least equal to that paid on shares.

The Board decides on the capitalization of reserves, ensuring that any such transfers are exceptional in nature.

4.4.2 Responsibilities of the Chairman

The Chairman is one of the two Directors with responsibility under the terms of the Monetary and Financial Code. As a result, he is one of the two key contacts for the banking authorities and must, therefore, have a clear overview of the bank's operations in order to fulfill his duties.

Owing to the separation of functions, the Chairman does not have responsibility for the Executive Management of the bank. He is not the legal representative of the bank and may not make undertakings on its behalf to third parties.

Management of the Board of Directors

The Chairman is responsible for managing the Board of Directors and is also the natural point of contact for the bank's executives, member-stakeholders and third parties in their dealings with the Board.

The Chairman is responsible for the smooth running of the bank's management bodies (the Board of Directors, Executive Management and General Meetings) and for ensuring compliance with the legal requirements on the responsibilities of the Board: setting the remuneration of Executives, setting and distributing Directors' fees, the maximum level of which is determined by the General Meeting, and informing the Board of regulated and non-regulated agreements.

The Chairman organizes and directs the work of the Board and reports on this work to the General Meeting. In this respect, the management report to the General Meeting provides information regarding the work of the Board, such as the number of meetings held during the year, the main topics discussed and the work of the Consultative Committees, etc.

The Chairman determines the agenda for meetings of the Board of Directors and thus has the power to raise subjects for discussion.

The Chairman ensures that the minutes of meetings of the Board of Directors give a full account of the work performed by the Board. A copy of these minutes is supplied to Banque Fédérale des Banques Populaires immediately after their approval by the Board of Directors.

The Chairman will use the decisions of the Board of Directors of Banque Fédérale des Banques Populaires to guide the Board of Directors in the overall direction to follow and requirements that must be met.

Relationships with the Chief Executive Officer and the Group

The Chairman works with the Chief Executive Officer on preparing the strategic decisions to be submitted to the Board and for the implementation of which the Chief Executive Officer is responsible.

As one of the two key points of contact for the Group, alongside the Chief Executive Officer, the Chairman ensures that the policies adopted by the Board of Directors are in keeping with those determined by the Group. The Chairman plays an active role in the federal life of the Group, such as participating in federal conferences and commissions and meetings of Chairmen of the Banque Populaire banks.

The Chairman represents his Banque Populaire bank at the General Meetings of Banque Fédérale des Banques Populaires. Should the Chairman be unable to attend, the bank will be represented either by a Director chosen by the Chairman or by the Chief Executive Officer.

By staying in permanent contact with Executive Management, the Chairman ensures that the strategies and policies approved by the Board are implemented, and also keeps himself informed about the overall conduct of the bank's operations.

The Chairman appends his signature to documents relating to the Group Risk Management Committee alongside that of the Chief Executive Officer and ensures that the decisions of this body are upheld. Both the Chairman and Chief Executive Officer are systematically informed by Banque Fédérale des Banques Populaires of the Group Risk Management Committee's findings.

The Chairman receives Internal Audit reports from Banque Fédérale des Banques Populaires and reports from French Banking Commission inspections and ensures the Board is fully informed of the findings of inspections carried out by the Banking Commission or other regulatory bodies. The Chairman also ensures that the minutes of the Board meeting at which the Banking Commission's letter was discussed are provided to the Banking Commission.

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4.4.3 Responsibilities of the Chief Executive Officer

Executive responsibility

The Chief Executive Officer, as a responsible Director under the Monetary and Financial Code, works with the Chairman to propose choices of strategy to the Board of Directors and ensures that these are in keeping with the strategy and policies defined by the Group.

Thus alongside the Chairman, the Chief Executive Officer is the bank's representative and point of contact for Group bodies and supervisory and regulatory organizations. The Chief Executive Officer also participates in the federal life of the Group.

The Chief Executive Officer is responsible for implementing strategies and policies approved by the Board of Directors.

The Chief Executive Officer is appointed by the Board of Directors and answers to the Board on the proper performance of his duties. Periodically, at the Chairman's request, the Chief Executive Officer reports to the Board of Directors on the implementation of policies adopted by the Board.

The head of the bank and manager of its staff

The Chief Executive Officer is the bank's legal representative vis-à-vis third parties and in law. He is vested with the fullest executive powers and is the head of the Banque Populaire bank, responsible for smooth operational and day-to-day management of the bank's affairs.

The Chief Executive Officer is also responsible for management of the bank's staff. In agreement with the Chairman and in accordance with banking regulations, he informs the Board of Directors of the choice of the head of the Internal Audit function, whose independence is then safeguarded by the Board.

Risk control

The Chief Executive Officer is jointly responsible with the Chairman for implementing an internal control system safeguarding the bank against the risks to which it is exposed, including credit and margin risks, interest rate risks, market risks, foreign currency risks, liquidity risks, operational risks and risks relating to subsidiaries. The Chief Executive Officer makes regular checks on the correct operation of these systems, ensures that adequate resources are provided to internal control given the nature of these risks, and supervises reporting to the Board of Directors.

The Chief Executive Officer is also responsible for the system of delegating decisions on commitments. He ensures that the staff authorized to make such commitments have the skills and training required.

The Chief Executive Officer is responsible for ensuring constant control over risk and for promoting a strong culture of risk awareness within the bank's staff.

The Chief Executive Officer is responsible for ensuring there is a policy for controlling legal risk with regard to operational risks and particularly legal risks which could threaten the bank's image.

5 The Group's businesses

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5.1 Personal customers

In 2008, owing to the efforts of the network and an innovative product line, the Banque Populaire Group made progress in the goals it has been pursuing for several years in retail banking: attract new customers and increase customer loyalty.

5.1.1 An aggressive business development strategy

During the year, the Banque Populaire Group developed a marketing strategy that puts priority on two objectives: developing the retail customer base through targeted initiatives to attract new customers and increasing customer loyalty through innovative products and services.

Attracting new customers

To achieve these objectives, the Banque Populaire Group implemented a strategy to attract new customers by concentrating principally on adolescents and university students, young working people and civil servants.

In an increasingly-competitive environment, this approach brought in more than 511,000 new customers in 2008, of which 2/3 derived from consolidation of the Regional Banks and 1/3 from new customers.

Structured solutions in favor of young people

Young customers constitute a major strategic objective for the Group. Products are structured as a function of the customer's age.

The "Premier Pas", or "first step" passbook account is intended to capture the savings of children under 12 (to be supplemented from 1 January 2009 by the "Livret A"). A new payment card, the "BudJ card", was created and reserved for the 12-18 age group. This card combines the features of a bank account, without check-writing or overdraft privileges, a Visa Electron International card and a young person's passbook account.

This new account, the only one of its kind in the market, allows a young person to become familiar with a bank account, in a framework defined by his or her parents.

The "budJ" account places responsibility on the account holder's shoulders while allowing parents to decide how much will be regularly deposited to their child's account. The young person decides how much to spend and how much to save. The amount saved is automatically deposited to a passbook account. The "budJ" card is a practical and bona fide payment card. The young account holder can also access his account from afar, either through Cyber+ for internet access (the Group's distance banking portal) or by SMS+. Lastly, the adolescent receives an account statement every month via the post at his parents' address, showing all transactions. The "budJ" card is reliable and does not allow the adolescent to spend more than the available balance in his account. When the account balance falls to zero, he is alerted via text message that he temporarily cannot use the card. Once the account has been credited with new funds, he receives another text message informing him of his card's renewed availability. It provides absolute security for him and peace of mind for his parents.

For university students, the Group offers two new products.

The first derives from a partnership the Group signed in 2006 with La Mutuelle Des Étudiants (LMDE), one of France's health insurance plans for students. Leveraging the new Fonds de Garantie des Solidarités Étudiantes (FGSE), a student guarantee fund, this partnership aims to make it easier for students to obtain loans, and in so doing to become more independent. It enables students affiliated with LMDE to obtain loans and rent guarantees without requiring their parents or third parties to furnish one. The Banque Populaire Group had already created "Autonomie et Solidarité pour les Étudiants" (ASE) in partnership with the LMDE in 2006. This association also fosters financial independence for students.

The second results from a partnership signed with Oséo in 2008[6]. In September, the Banque Populaire Group was the first French bank to offer government-guaranteed loans without personal guarantees to all university-level students. All students from France and other European Economic Area countries between the ages of 18 and 28 are eligible for these loans. The maximum amount of the loan is €15,000, and the maximum term is 10 years. No parental guarantee is required, and the loan is 70% guaranteed by the French government. Repayment can be deferred after graduation. After reviewing the student's application, Banque Populaire offers the loan guaranteed by the FGSE if the student is affiliated with LMDE. Now there are two new possibilities for the other half of the student population, *i.e.* not affiliated with LMDE: a loan backed by a parental guarantee or the government-guaranteed student loan. The new product thus enables the Group to address the entire student population.

The government-guaranteed student loan supplements the Group's existing student product range. It identifies Banque Populaire as the best bank for students, the bank that trusts them and makes it easier for them to be independent. As the product was made available quickly, more than 1,400 student loans were granted in the space of three months.

A new account was also introduced in 2008 for young working people. The account is governed by a contract called "Equipage Horizon" and offers a Visa card plus significant price reductions compared with other customer segments. The account holder receives e-mail or text message notices about his account balance, can apply for attractively-priced loans to move into their own apartment, an advance on the first month's salary repayable over 12 months at a cost of 1 euro, as well as advantages on property loans and non-banking services via the "Pass Cityzen" card available to 15-25 year-olds.

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(6) Oséo is a public agency supporting innovation and growth in small and mid-sized companies.

Targeted approach to civil servants

The Banque Populaire Group has had a unique approach to the civil servants market for many years now. This approach is based firstly on the strong ties CASDEN Banque Populaire has with people working in the French educational system and in research and cultural fields. Secondly it leverages the partnership with the "Associations pour le Crédit et l'Épargne des Fonctionnaires" (ACEF), the civil servants' banking association.

A cooperative bank operating on a nationwide level, CASDEN Banque Populaire has 107 departmental delegations and representation in schools and 3,391 Banque Populaire branches. The ACEFs, created to provide civil servants with a range of savings and loan products at preferential terms, have adapted their organization to that of the Banque Populaire banks so as to make it easier to attract new members.

After the various "Cap 100,000" initiatives, the Banque Populaire Group launched a new program in 2008 called "Rendez-vous CASDEN". This program is articulated around two groups: students and teachers-in-training at the Instituts Universitaires de Formation des Maîtres (IUFM) on the one hand and the staff (teaching and non-teaching) of primary and secondary schools and universities on the other.

As it has been every year, the program was overseen by the CASDEN Banque Populaire offices in each département and supported by the regional Banque Populaire banks. It gave account representatives an opportunity to meet not only many customers but also a significant number of prospects.

Similarly, for the second consecutive year, the Group pursued a nationwide program to attract new customers from among non-teaching civil servants, in collaboration with regional ACEFs. Events were held in places identified as having a large number of active civil servants. At the same time, a program to attract new customers via the internet was implemented for the first time and was very successful with the regional Banque Populaire banks. It significantly increased the number of active customers.

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5.1.2 Constant innovation in products and services

Apart from the various initiatives to attract new customers and increase customer loyalty, significant progress was made in innovating, adapting and enriching all product ranges. These innovations and adaptations took place in traditional commercial banking, in life and non-life insurance and in financial investment.

The average number of products per retail customer, now 10 per account, has vindicated our strategy.

In 2008, apart from launching the "BudJ" card, the new accounts for young working people, and the government-guaranteed student loan, the Group also rolled out "Créodis", its new revolving credit product and the new range of guaranteed-capital funds, "Izéis".

New "Créodis" revolving credit

The "Créodis" bank card was gradually rolled out to the entire network of Banque Populaire banks in 2008. "Créodis" is a Visa card and gives access to a credit line of up to €21,500.

Until now, the Banque Populaire Group's revolving credit facilities were offered by Novacrédit in partnership with Cetelem. The Banque Populaire banks were responsible for distribution via the private-label card "Aurore". Alongside this well-defined product, certain Banque Populaire banks also offered their own revolving credit solutions. It became clear that the Group needed to reorganize these services.

To obtain accurate, reliable information about customers, the system used to grant credit lines was completely redesigned. The new system uses a credit score. In contrast to the previous tool, the credit score enables account managers to take all of the customer's banking behavior into consideration. As a result, risk evaluation is much better and the procedure for granting credit is in line with customer expectations.

The other advantage of "Créodis" is that it includes a Visa card. In contrast to the "Aurore" private-label card, "Créodis" enables the customer to withdraw cash from ATMs and make all kinds of purchases, including on-line purchases, with the same ease of use.

86,000 contracts were signed in the launch year, representing total financing of €125 million.

"Izéis", Banque Populaire's new range of guaranteed-capital funds

In an effort to respond to numerous customers interested in the equity markets but afraid of the risks they imply, the Banque Populaire Group launched a new range of guaranteed funds, "Izéis", in February 2008. They have several advantages for attracting a wide range of retail investors and for bringing both them and the branch network on board.

Izéis funds guarantee the investor's principal at maturity, offer performance linked to the CAC 40 index, and contain an auto-call feature allowing the investor to withdraw from the fund in the middle of its term. Lastly, Izéis funds offer a robust returns outlook. In a particularly difficult year for financial investments, this new range of funds saw an inflow of €476 million.

Robust business volumes in 2008

Thanks to the marketing initiatives and the enthusiastic participation of the network of Banque Populaire banks, the Group performed well in 2008 in terms of business volumes, in both lending and savings.

Personal loans increased by 12% to €74.4 billion.

Consumer loan production remained stable at €7.1 billion.

In guaranteed-capital savings, outstandings rose by 11% to €64.4 billion, on the back of steady increases in bank passbook savings ("LDD" sustainable development accounts up 14%; other passbook accounts up 8%; time accounts up 38%). Naturally, the market context benefited solutions offering constant returns and a guarantee of principal, to the detriment of other financial investments.

Net new money in life insurance totaled €3.4 billion. Life insurance outstandings totaled €32.3 billion at end-2008 and €37.2 billion including the Regional Banks.

Inflows to private banking products were higher than the market averages.

Izéis, the new guaranteed-capital product replacing Odéis, saw inflows of €476 million.

5.2 Private banking and real estate activities

5.2.1 Development of the Private banking business

Brisk rate of inflows

The rate of inflows of new assets remained brisk in 2008 thanks to a solid business pipeline. Premium life insurance policies under French law delivered a particularly strong performance, with further growth in gross intake compared with 2007, while the global life insurance market sustained a sharp fall. Gross intake rose 11% in premium policies including capitalization policies year-on-year, while the market sustained a fall of 8%, including a 14% decline among bancassurers. Life insurance outstandings relating to private banking customers increased by 5.3% over the period.

Significant impact of the financial market downturn on our customers' assets

Between 2007 and 2008, the decline in equities in our customers' portfolios resulted in a sharp fall in amounts invested in ordinary securities accounts (CTO) and equity savings plans (PEA), down 22% and 26% respectively, compared with a 25% fall in the CAC 40 index over the period.

At end-2007, these structures represented 22% of assets assigned by our customers. The market downturn had a significant impact on these assets, which stopped growing despite a continuing solid rate of inflows. This contrasts considerably with past growth in assets assigned, which still stood at 7% between 2006 and December 2007. If we look at the breakdown by customer segment, the decline in assets assigned affected high net worth customers most of all (down 9.3% between 2007 and 2008), while wealth management customers saw further slight growth in their assets (up 1.4%).

Severe halt on growth in the number of Private banking customers

The number of wealth management customers increased by a further 3.6% over the period from July 2007 to July 2008. The number of high net worth customers remained stable, rising 0.5%.

5.2.2 The Group's private banking approach

Private banking and its relationship to the Group's values

The Banque Populaire Group makes its considerable expertise in this area available to customers under the heading of Banque Populaire Gestion Privée. Based on a comprehensive approach to the customer's wealth management needs, with the Group's values of proximity and accessibility foremost, Banque Populaire Gestion Privée recognizes that each customer's financial situation is unique and that every wealth management decision has lasting consequences on the customer's personal situation.

Thus, in an ever-changing legal, tax and financial environment, where investors must call upon a panel of experts capable of recommending long-term solutions, our financial advisors endeavor to understand the customer's goals and define the means to achieve them, while identifying the potential major changes in the environment and opportunities they create.

Expert financial advisors in each Banque Populaire bank

The Banque Populaire Group has implemented an ambitious private banking policy in the Banque Populaire banks, segmenting the customer base, stratifying sales forces and hiring expert financial advisors.

The Banque Populaire banks' 350 financial advisors, through their expertise in legal and tax matters, as well as in savings and investment, play a key role in counseling our high net worth customers. The Group maintains their high level of expertise through a broad array of training programs in all areas of wealth management, often in addition to university degrees. These experts work in synergy with the Group's network of branches.

If need be, they can call upon experts in financial engineering (e.g. in structuring the purchase or sale of a company) or in employee salaries and benefits (e.g. advice to entrepreneurs in optimizing their compensation or that of their employees). Depending on the complexity of the problems they encounter, they work with Banque Populaire's wealth management experts or those of our specialized subsidiary, Banque Privée Saint Dominique.

A close-knit communication and information network

At the same time, the Group offers customers complete and practical information on current wealth management topics through publications such as "Synthèses", which now also has its own comprehensive website at *www.gestionprivee.banquepopulaire.fr*, attracting an average of 15,000 visits per month. A bi-monthly newsletter is also sent to more than 20,000 clients.

The marketing and communications plan of action

The Private banking unit at BFBP has defined a plan of marketing actions for the Group within the framework of highly structured discussions. The aim of this is also to prepare for the national launches of products and services with the Banque Populaire banks in order to ensure optimum marketing efficiency, proposing ways of approaching customers, arguments, marketing materials etc.

This unit also provides technical support for financial advisors at the Banque Populaire banks, for example by facilitating the sharing of information in terms of the latest legal and tax issues and pooling structured solutions and monitoring tools. This year, this support role was enhanced to include "*Atelier du Patrimoine*" (wealth management workshop) services, made available to all financial advisors and wealth management experts. This workshop provides a comprehensive documentary environment, bringing together all of the tools needed to help with writing wealth management reports, such as access to Harvest's La Patrithèque database, the Fidroit database (wealth management experts), wealth management bulletins, product information, research and letter templates and presentations.

Lastly, the unit is also involved in devising training programs for financial advisors.

In 2008, the main focus was on support given to the Banque Populaire banks in their efforts to foster customer loyalty and win new private banking customers, capitalizing primarily on synergies with the small business and business owner segments. In this respect, the key period of this plan of action - supported by an advertising campaign - is aimed at generating valuable contacts for advisors via a systematic approach to reducing tax (income tax and wealth tax) tailored to each customer's personal situation. In addition to the range of FIP, FCPI and SOFICA funds under the Private banking label, a range of "Girardin" funds is now also available.

Furthermore, ongoing efforts over the year aimed to provide the banks with concrete and practical tools to target specific high potential customer segments.

During 2008, emphasis was placed in particular on capitalizing on new tax opportunities thanks to suitable products and advisory services. For the Banque Populaire banks, this concerned primarily making the most of the new advisory opportunities offered by measures allowing for the reduction of wealth tax by investing in SMEs (directly or via collective investment structures) or thanks to the improved "*Bouclier Fiscal*", capping the amount of taxes payable. The Banque Populaire banks implemented major efforts to market the FCPI ISF fund (investment of €12 million). This product was eagerly awaited by our customers and this campaign allowed for the identification of promising potential customers.

Advising our customers on wealth tax-related issues was also facilitated by the production of more than 6,000 wealth tax statements – launched in February 2008 – and the provision by the Banque Populaire banks of a training/information kit for financial advisors called "Wealth tax optimization and the *Bouclier Fiscal*".

The TEPA law relating to reducing inheritance taxes had a limited impact on the marketing of life insurance products.

The principal target customer segments

The Private banking business focuses its efforts and resources on the following customer segments.

Wealthy clients, senior managers

Private banking's first "natural target" includes customers with assets of €50,000 to €150,000 at a Banque Populaire bank. These amounts grow naturally as their owners gradually entrust the Banque Populaire banks with additional assets. In certain cases, these are potential private banking customers. Customers belonging to the "wealthy" segment in December 2006 now represent 19% of all high net worth customers. The senior and executive managers segment is potentially connected to a vast array of topics necessitating expertise in numerous fields.

Small businesses and self-employed professionals

A significant portion of small businesses and an even greater portion of self-employed professionals have the potential to become private banking customers. The "premium" segment among small businesses and the "premium" and "with potential" segments of self-employed professionals constitute special targets for the Banque Populaire banks. Financial advisors for these segments assist commercial account managers to help create a banking relationship involving the businessman's personal assets, in addition to his company's banking relationship.

Small business owners

Many of the executives of family-owned SMEs are in the wealthy client segments during their professional lives. However, this clientele has very little time to organize their affairs and do succession planning for their business. A team combining the expertise of corporate account managers in the Group's 157 specialized branches (2006 figure), financial advisors, wealth management engineers and the subsidiary Banque Privée Saint Dominique offers small business owners the locally-based advisory services and the quick turnaround time they demand.

The Banque Populaire banks' Private banking businesses are involved in ongoing efforts to encourage exchanges between the various specialist advisors.

As many of the owners of SMEs that are customers must sell or transfer their company, the Group is well placed to handle between 1,000 and 2,000 SME sales per year *(source: BCG)*. A good number of these business owners will be able to obtain high prices for selling or transferring their business, which could place them in the wealth customer segment.

Buy-to-let investors

This customer segment, which has a high level of rental income from owning a number of rental properties, and also presents an asset base with sometimes limited liquidity, is one of Banque Populaire Gestion Privée's priority targets. This group has taken on new importance with the acquisition of FONCIA, which has a large number of buy-to-let investors among its customer base and which offers expertise and services to meet their requirements.

The implementation of integrated shared and dedicated communications, advisory and marketing approaches - covering both banking and real estate - has begun with the Banque Populaire banks. These efforts will be stepped up in 2009.

5.2.3 Products and services dedicated to private banking

The Group's products and services respond to all the needs of a premium clientele and offer in particular solutions to protect family members, secure their assets and make them grow, while taking into account not only the financial situation but also structure and changes in family situation.

Tax-sheltered savings products

Diversification above all

Building wealth must be based on careful attention to diversification. Spreading a portfolio over several types of investments enables customers to take advantage of different economic cycles while limiting overall risk. Especially as certain strategies benefit from a non-negligible advantage: a tax incentive. For this reason, Banque Populaire Gestion Privée offers a broad range of tax-sheltered products, based in particular on the expertise of Natixis, enabling customers to combine their investments with flexibility and adaptability.

The marketing of these products has been supported by a specific press campaign over the period concerned, with the main message of: "When the time comes to optimize your taxes, our experts can help you to find the right formula". The visual highlights the diversity of the Group's tax-sheltered products and the positive impact of this approach on economic activity in general. It is accompanied by a marketing campaign and extensive media developed under the "*Synthèses*" section of the *www.gestionprivee.banquepopulaire.fr website.*

Real-estate tax shelters

Real estate constitutes one of the pillars of an asset portfolio of private banking customers, alongside financial investments. In this regard, the Banque Populaire Group is in a position to accompany its customers in this complex asset class. The multifaceted nature of real estate investment makes it possible to achieve two major objectives:

- build or diversify a portfolio;
- obtain additional revenue, in particular for retirement.

The insurance range devoted to private banking

Despite the changes induced by the TEPA law, life insurance remained one of the principal constituents of our customers' wealth management strategies.

Life insurance contracts dedicated to the private banking clientele and accessible starting at certain monetary thresholds ("Solévia" range) were attractive, in terms of both performance and diversity of the underlying investments. Management in the form of arbitration mandates is generally offered by the Banque Populaire banks.

In addition, the Group offered a premium range of Luxembourg-based life insurance contracts through Natixis Life. These are particularly flexible in terms of investment strategy, in a standard French tax context. They allow for very flexible management, particularly with mandates.

In this area, customers of Banque Populaire Gestion Privée benefited from the expertise of the wealth management engineers of our insurance company, Assurances Banque Populaire-Vie (ABP-Vie), and of Natixis Life.

Dedicated income protection cover

We promote income protection cover to premium clients as part of our effort to win additional market share, in particular with wealthy clients with illiquid assets. However, income protection cover is also a genuine wealth management tool.

ABP-Vie's high-end income protection product, "Tissea" has been reworked so as to better respond to the expectations of customers.

Management of financial savings

In addition to Natixis Asset Management's "*coeur de l'épargne*" (financial savings) range, the Group offers its private banking customers an evolving range of specific high-performing funds intended for clients with more than average investment knowledge.

Furthermore, due to the complexity and globalization of the markets, managing a portfolio requires more and more information, technical skill and availability. The Banque Populaire banks offer their private banking customers the services of financial market experts, in order to manage the accounts of customers wanting to invest in the financial markets but who prefer to have the help of specialists. These experts use the analyses of Natixis Securities and Natixis Asset Management to adjust portfolio asset allocations (proportion of equities, bonds and cash) and, after a personalized review, to select securities while taking into account the customer's chosen investment style.

Investment management agreements are available via various umbrella structures: securities accounts, PEA (tax-sheltered securities accounts) and life insurance. Depending on the size of the account and on the client's preferences, funds are invested in mutual funds or directly in securities, either partially or totally.

5.2.4 Synergies between FONCIA and the Banque Populaire banks

A year ago, the Banque Populaire Group finalized the acquisition of FONCIA, the French leader in residential property services. This acquisition was an integral part of the Group's strategy to develop its range of services, enabling it to expand its portfolio and increase customer loyalty, offering, for example, bancassurance services to FONCIA customers. In 2008, further operational synergies were achieved in two previously identified categories: "Corporate", related essentially to financial management and financing FONCIA's expansion, and "Commercial", involving cross-selling of the products marketed by the networks of the two companies.

At the end of 2008, the situation was as follows:

"Corporate"

Payment processing/cash flow

The transfer of banking services from FONCIA to the Banque Populaire banks was finalized in early 2008.

"Commercial"

"Passe Location" consumer credit

FONCIA offers its tenants (50,000 leases per year) a loan called "*Passe Location*", introduced by MA BANQUE in mid-2007, to finance the first rental payment, the two-month security deposit and FONCIA's fee. The target is to grant such loans to 30% of rental customers.

At the end of 2008, 5,920 loans had been granted representing an amount of €8.6 million, equal to an average of €1,450.

Comprehensive homeowners insurance for tenants

In addition, comprehensive homeowners insurance for tenants offered to FONCIA rental customers, initially provided by Covéa Risks and Gan Eurocourtage, is now offered by Assurances Banque Populaire-Vie. At the end of 2008, more than 30,000 policies had been taken out.

There is also a plan to offer Banque Populaire banking services to FONCIA customers having taken out one of these products in 2009.

Mortgage loan referrals

Solufimmo, FONCIA's loan brokerage subsidiary sent the Banque Populaire banks over 2,500 loan applications in 2008. Of these applications, 359 resulted in the effective offering of a loan, representing a total of €39 million.

Cross-referrals and creation of the GRECO intranet site

In mid-2008, FONCIA launched a three-month cross-referral campaign between FONCIA and Banque Populaire networks called "*5/5 Été 2008*". This allowed for the development of customer referrals from one network to the other. Each FONCIA branch had to recommend five customers to the Banque Populaire bank for the region, with the Banque Populaire bank in turn recommending five clients to each FONCIA branch.

This resulted in nearly 1,000 customer referrals between the networks over the summer. FONCIA referred 524 customers to the Banque Populaire banks, of whom 86 opened an account with a Banque Populaire bank and 138 met with a private banking advisor. Meanwhile, 301 customers took out sales retention agreements and 109 clients took out management agreements with FONCIA as the result of referrals from Banque Populaire banks.

In order to follow up these recommendations more precisely, an intranet site was developed by FONCIA and implemented by the two networks in November 2008. This "traceability" has allowed for an increase in referrals.

FONCIA information points

In order to take the partnership even further, a project was initiated in late 2008 with the aim of setting up within certain Banque Populaire branches, depending on local conditions and where FONCIA does not already have a branch, either a FONCIA information point with advertising boards and sales and marketing documentation, but with no FONCIA employees physically present, or a FONCIA micro-branch with up to three employees.

The first information point is due to be opened in early 2009 in Aiffres (Deux-Sèvres) with Banque Populaire Centre Atlantique and a micro-branch in Colmar with Banque Populaire d'Alsace.

5.3 Small businesses

The Banque Populaire Group holds a predominant position in the main small business categories. Its products are tailored to each market segment, and it knows each business through its relationships with industry bodies. These qualities make the Group a small business' local banker, from start-up to sale of the business.

In 2008, the Group strengthened its status as the principal banking partner for small businesses. *(CSA pépites)*(7).

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(7) *CSA Pépites 2008 survey.*

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5.3.1 Continuity of purpose

Leader in corporate start-ups

With the domestic market continuing to post strong growth, the Banque Populaire Group, leader in corporate start-ups(8), developed and showcased its products and services in 2008. Factoring solutions, employee savings (Fructi Duo) dedicated to very small companies and loan-facilitating guarantees (Socama, Natixis Guaranties, Oséo guarantees, etc.) all contributed to the Group's initiatives in support of new enterprises.

Making it easier for small businesses to obtain loans

Making it easier for the smallest companies to gain access to credit facilities remains a major objective. Through its partnership with "Socamas", small business mutual guarantee companies, the Banque Populaire Group was able to grant loans to small businesses while limiting the owner's personal guarantee or not requiring one at all. Granted in the context of the European "Competitivity Innovation Program", buy-in/buyout loans and Socama Express loans without personal guarantees enable customers of the Banque Populaire banks to invest in their businesses while protecting their personal assets. The European Investment Fund (EIF) - which manages corporate programs on behalf of the European Commission - provides a counter guarantee to the 28 Socamas in France. These Socamas then extend the benefit thereof to member-customers of the Banque Populaire banks.

In this way, Socamas provided counter-guarantees to 29,100 loans worth €821 million in 2008 and posted €2.43 billion of loans.

Similarly, in 2008, the Group strengthened its counter-guarantee solutions for very small companies by signing a protocol with Oséo(9) and enlisting the support of Natixis Garanties, a Group subsidiary. This service is dedicated to farmers, self-employed professionals and retail businesses.

5.3.2 Decentralized and close to its customers

To carry out its initiatives, the Banque Populaire Group leveraged its geographical and sectoral proximity. The Group's network is one of the most extensive in France. In July 2008, it purchased seven regional banks from HBSC France. The 400 branches that joined the Group, oriented towards small and mid-sized companies, will extend the Group's footprint in small business segments, in a manner complementary to the 20 Banque Populaire banks.

The Banque Populaire Group's effectiveness also derives from the close ties the Banque Populaire banks have forged with other entities. These include not only chambers of commerce and trade and the various entities that help entrepreneurs start new companies (ADIE, France Initiative, Les Boutiques de Gestion, Entreprendre, etc.) but also the order of chartered accountants and the self-employed professionals' accounting oversight bodies. These local ties cut to the heart of local and regional economic development and also provide an opportunity to promote the commitment of our member-customers. In this way, the Banque Populaire Group remains an important player in enabling new small businesses, be they tradespeople, storekeepers or farmers, to realize their economic potential.

Recognizing talented entrepreneurs

"Stars & Métiers" awards

What if our tradespeople were also stars? To publicize the entrepreneurial talents of its customer-tradespeople, the Banque Populaire Group, the Assemblée Permanente des Chambres de Métiers (APCM) and the chambers of trade joined forces to organize the second edition of the "Stars and Métiers" awards.

These awards recognized the accomplishments, expertise and efforts of nine exceptional tradespeople in front of nearly 1,200 guests and more than 20 journalists.

Historic partner to small businesses, the Group reiterated its commitment to help tradespeople and entrepreneurs realize their objectives.

Small business challenge

One in three tradespeople and one in four shopkeepers are customers of the Banque Populaire banks, and the Group aims to promote and accompany all types of small businesses over the long term. With this objective in mind, the Group co-organized the 34th "Challenge du Commerce et des Services" (small businesses challenge) in 2008 alongside the chambers of commerce, awarding the "Mercures d'Or" and "Panonceaux d'Or" prizes to the best-performing businesspeople and to the most dynamic industry groups. As proof of their commitment to this clientele, the regional Banque Populaire banks presented 52 candidates for the "Mercures d'Or" and nine for the "Panonceaux d'Or". Retail businesses are reorganizing, rearranging and adopting a sharper focus. For these reasons, the Banque Populaire Group has signed an agreement with CEFAL, a training center for retail technical assistants, service companies and hotels, to be the banking partner at future ATC (retail technical assistants) training sessions.

Awards for farmers and fishermen

Strongly committed to farming and fishing segments, the Group has organized the "Dynamique Agricole et de la Pêche" (dynamism in farming and fishing) awards every year for the past 16 years. These prizes recognize performance and innovation in agricultural and maritime businesses on a national level. In the presence of Michel Barnier, minister of agriculture and fishing, and the chairmen of the national federation of

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(8) Source: OSE PCE.

(9) Oséo is a public agency supporting innovation and growth in small and mid-sized companies.

farmers' unions, of the young farmers organization and of the permanent assembly of chambers of commerce for agriculture, ten winners were chosen by a jury of representatives of the agriculture industry. The event showcases entrepreneurial agriculture and its cherished business development model, and also highlights the initiatives of the Banque Populaire Group to position itself as challenger in this market segment.

5.3.3 Strong, consistent orientation in favor of long-standing customer segments

The Banque Populaire Group is the principal banking partner for France's tradespeople and retail businesses.

Tradespeople, retail businesses and corporate start-ups/buy-outs

Tradespeople

A fast-growing market for the Banque Populaire banks

The Banque Populaire Group works together with the professional organizations that represent the various trades so as better to respond to the needs of the 320,000 tradespeople who are customers of the Group. Seventy percent of them also maintain a personal banking relationship with the Group.

In addition, during the course of 2008, the Group accompanied the chambers of trade in organizing events such as the corporate start-up week, the entrepreneurs trade show, and the "Stars et Métiers" awards. These events help tradespeople realize their economic potential.

Similarly, the Group strengthened its commitment to major entities in the trades such as the Fédération Nationale de la Coiffure and the Confédération Nationale des Professionnels de l'Automobile. 20,000 members of these federations will have to sell their companies in the next five years.

The trades sector counted 325,000 new companies in 2008 and remained the Group's spearhead for attracting new customers.

Franchises

The leading bank in the franchise segment

For the fifth consecutive year, the annual franchising survey carried out by the Fédération Française de la Franchise, in collaboration with the CSA and the jobs supplement "Réussir", published by Le Figaro and L'Express, confirmed the Group's leadership in this growing commercial segment.

The Banque Populaire Group is the leading banker to franchisees and franchisers alike with penetration rates of 25% and 51%, respectively, and half of all franchisers recommend the Group to their franchisees.

The Group is continuing to strengthen and deploy its partnerships

In 2008, the Group implemented ten new partnerships and strengthened those already in place. A complete range of products and services and a system in place at the regional Banque Populaire banks injects energy into existing relationships with nearly 500 networks and 100 partnerships, thereby facilitating the work of Banque Populaire advisors.

Agriculture

Planting roots for the long term

At end-2008, more than 55,000 farmers were customers of the Banque Populaire Group, representing 326,200 agricultural businesses in France. The Group's penetration rate has increased every year.

Financing for agriculture remained brisk in 2008. Traditional loans and loans at preferential rates increased by 16.24% year-on-year. The Group continued to increase its visibility in this customer segment. In addition to participating in the "Prix National de la Dynamique Agricole et de la Pêche" *(see 5.3.2)* the Group was present in the International Agriculture Trade Show. The 2008 theme for the show was "L'Agriculture au coeur de la vie" (Agriculture is at the heart of life) and confronted farmers with three challenges: food production, environment, transversality. The Banque Populaire Group stands ready to assist them in all three areas.

In 2008, the Group also supported numerous events and trade shows:

- the Finale Nationale de Labours (La Daguenière): 60,000 visitors;
- Innov Agri 2008, Europe's largest agricultural trade show (Loiret): 90,000 visitors;
- the Sommet de l'Élevage (Clermont-Ferrand): 75,000 professional visitors;
- the Salon des Productions Animales (Rennes): 113,000 visitors.

The Group pursued its partnership with Agriaffaires, the internet-based site for selling second-hand agricultural equipment. It strengthened its presence alongside livestock farmers, the Fédération Nationale Bovine and the principal associations that represent the profession.

Self-employed professionals

A promising market for the Group

This market is growing because many professionals are continuing to go into business for themselves. A survey carried out by the CSA Institute in September 2008 positioned the Banque Populaire Group third among banks that are active in this market segment, where total business volume is flat. The positions of these banks are changing rapidly.

The Banque Populaire Group, leader in corporate start-ups, is also positioning itself as the principal banking partner for self-employed professionals. Tools and reference materials have been developed for use by bank employees and self-employed individuals.

By maintaining close relationships with its customers and offering financing solutions tailored to the businesses of self-employed professionals, the Group now has the second-largest share in this market.

In medical and related fields, the Group partners with the Fédération Nationale des Étudiants en Orthophonie (the national federation of speech therapy students), and the Syndicat National des Jeunes Médecins Généralistes (the national union of young general practitioners), and is present at major trade shows such as the Congrès de la médecine générale (the general medicine convention). It also attends the Congrès National des Experts-Comptables (the national chartered accountants convention). Through these relationships, the regional Banque Populaire banks pursued their initiatives in 2008.

5.4 Corporate and institutional clients

5.4.1 A fitting commercial organization

The Banque Populaire Group offers its 383,000 corporate and institutional clients a broad range of products and services, from current account holding to the most complex financing arrangements.

The corporate banking department consists of 740 employees at 160 Banque Populaire, Crédit Coopératif and Crédit Maritime business centers, with the former focusing specifically on the social economy sector, as well as supporting the coastal economy.

Relationship managers, who play a pivotal role in the business relationship, can call on a network of expertise to support their clients in areas as diverse as structured and specialized financing, payments and cash management, employee benefits planning, international assistance and financial engineering.

The Group's range of products and services is enhanced by Natixis's business-specific expertise via subsidiaries such as Natixis Asset Management for asset management, COFACE and Natixis Factor for receivables management, Natixis Bail for leasing and Natixis Interépargne for employee savings.

5.4.2 A leading player in the corporate segment

In 2008, against the backdrop of major destabilization of the world's economies, the Banque Populaire Group confirmed its leading position in the corporate segment.

With market share of 38% among businesses with fewer than 1,000 employees *(source: Sofres 2007 survey)*, it is market leader in this area and supports nearly all of France's major companies with Natixis.

It delivered a satisfactory overall commercial performance over the year, with outstanding loans to business customers of €64.7 billion at the end of the year and a solid level of inflows into money market funds, which benefited from reallocation arbitrage operations.

As a result of the expansion of the network with the acquisition of seven regional banks, these 88,000 new clients benefit from the extensive range of products and services on offer for businesses.

Financing and investment

The Banque Populaire Group has confirmed its determination to accompany and support the development of SMEs in a very challenge economic climate, reasserting its commitment to ensuring growth in outstanding loans of 3-4% a year. This commitment highlights the Group's continuing close collaboration with Oséo(10), a long-standing partner in all areas of guarantees, cash management, risk diversification and financing business start-ups.

At the end of 2008, outstanding loans to businesses were up 12% year-on-year.

In addition to the traditional financing techniques of medium-term operating loans, the range of products and services to support the growth of businesses has been diversified with the inclusion of Natixis's specialist financing subsidiaries, in particular:

- property and equipment leasing with Natixis Lease. In 2008, equipment leasing production rose 14% to €107 million and property leasing production rose 35% to €533 million;
- renewable energies financing with Natixis Energéco.

Receivables management: a reinforced market-leading position

Trade receivables account for 40% of assets on companies' balance sheets. It is therefore necessary to manage, finance and protect their relationships with commercial partners.

Benefiting from the combined expertise of Natixis Factor and Coface, a broad range of products covers the four areas of receivables management:

- company information, which enables companies to assess the creditworthiness of their business partners (credit information) and to identify business opportunities with creditworthy customers (marketing information);
- credit insurance, which protects companies against the risk of non-payment of their customer receivables;
- receivables management, which helps companies recover monies due to them;

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(10) *Oséo is a public agency supporting innovation and growth in small and mid-sized companies.*

- factoring, which enables companies to monetize their receivables by transferring them to a third party, the factor, who takes responsibility for collection.

Factoring is currently the second most popular source of short-term financing. A company's cash needs vary significantly depending on its expansion policy and the various stages of its development.

The factoring range developed by Natixis Factor, whose products are distributed by the Banque Populaire banks under the name of "Banque Populaire Factorem", endeavors to address all of these situations to support companies at key stages of their development.

Further strong growth was seen in export factoring in 2008, with factored receivables up 8%.

Natixis Factor made a strong contribution to this international growth through the Center of Factoring Excellence, as well as the Coface network. The factoring business now covers 30 countries around the world.

Communications efforts helped to make clients aware of the issues involved in receivables management during a number of regional "receivables management" meetings and breakfasts, as well as "Expert days" organized by Natixis Factor, whose presence at the Banque Populaire banks has been reinforced through the strengthening of sales and marketing teams.

In a highly competitive environment, quality of service is a key concern. In 2005, Natixis Factor obtained BVQI certification, which was renewed in 2008. This certification requires Natixis Factor to meet a set of commitments to its clients over the full range of its factoring services. For example, one of these commitments is to finance 100% of all invoices submitted for factoring as of the day after receipt.

As France's third-largest factoring company, Natixis Factor enjoys an overall satisfaction rate of over 93% and is highly appreciated for its professional approach, ability to listen and speedy response *(source: Artenice)*.

International operations: constant change

The Banque Populaire Group has made its international expansion one of the key tenets of its strategy and is committed to continuing efforts to improve the support provided for its clients outside France, as well as developing its commercial presence abroad. It is the primary bank abroad for 17% of its clients and presents potential for strong growth.

As a result of changes in payment methods, in particular with the introduction of the SEPA(11), we have had to review the scope of our international activities and strengthen our facilities to support our clients, particularly in exports, as well as the development of new markets. The structure of domestic and international payment flows is being redrawn, with the former enlarged to include the eurozone, covering 31 countries. In keeping with the regulatory time frame, the Banque Populaire Group carried out its first SEPA Credit Transfers (SCT) successfully on January 28, 2008.

Emphasis has been placed on internet transactions with the new "Cyber International" offering, allowing for international transfers to be made online using the same system as for domestic transfers.

This enhances the range of online documentary credit services thanks to the "Credoc Import Internet" tool, which facilitates the transmission of import transactions by reducing payment times and meeting the needs of clients transferring large amounts.

The Group is also strengthening its position among new customer groups through partnerships with foreign correspondents, such as that signed at the end of the year with Banque Centrale Populaire du Maroc and that signed with VBI to work together in Central Europe.

5.4.3 The Group strengthens its positions in the institutional market

The institutional market comprises insurance companies, mutual benefit societies, provident societies, pension funds, associations and other similar organizations, welfare institutions, authorities, training organizations and collection organizations.

This sector has been subject to extensive consolidation over the last few years at a growing rate, affecting all pension funds and healthcare mutual benefit societies. As a result of the combined effect of the new "*Code de la Mutualité*" governing mutual benefit societies, setting out draconian prudential rules, as well as the withdrawal of Social Security, the number of mutuals fell from 6,000 to less than 700 in 2008. The aim of these combinations is to improve productivity.

Leading partner to the institutional sector

In 2008, the Banque Populaire Group continued with its efforts regarding the institutional sector by capitalizing on a very broad range of products and services. It offers cash management solutions as well as asset management, insurance and employee benefits planning products.

With Crédit Coopératif, it has a very strong presence among organizations involved in the social economy, such as cooperatives, business groupings and their members, associations and organizations supporting the general interest, particularly in the healthcare and social sector alongside authorities for family services, households, retirement homes, facilities for the disabled and home care services.

Stronger positions in the local public sector market

The local public sector serves regional and local authorities (municipal, departmental, regional and intermunicipal authorities), public law satellite organizations (public housing agencies) and independent public institutions (chambers of commerce and industry, trade chambers, hospital centers).

The local public sector is currently undergoing major regulatory reforms, with further decentralization to local authorities, the modernization and computerization of payment methods, increased flexibility of the public treasury's monopoly and the authorization, subject to certain conditions, of deposits of funds with banks.

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(11) *Single Euro Payments Area.*

The application of these various reforms represents a commercial development opportunity for the Group, particularly with regard to authorities representing regions with fewer than 10,000 inhabitants. Thanks to its solid reputation among local elected representatives via CASDEN Banque Populaire and ACEFs[12], as well as the Banque Populaire banks' regional roots and Natixis's experience, the Group has the means to strengthen its position in this market.

Its commercial ambitions are underpinned by a specific range of financing products and services for the local public sector, comprising short-term loans, bridge financing, medium and long-term financing and financing of infrastructure projects. Natixis has co-led two bond issues - one for a syndicate of 20 local authorities and the other for the City of Paris. These products and services are offered to public officials via products developed for the retail banking market.

5.5 A new communications strategy

With a new branch concept, new advertising positioning and new communications slant, 2008 marked a turning point in the communications strategy of the Banque Populaire Group, becoming "the bank that shares its faith in people and in the future".

5.5.1 Revised brand positioning

In order to express its unique position and draw attention to its daring approach and optimistic outlook, the Banque Populaire brand took a new communications angle, focusing on popular children's tales. The first two parts of the "saga" were revealed in April and November.

In the first installment, a daring Cinderella takes her fate into her own hands by going to Banque Populaire. This is followed by a Snow White, the young owner of a modern and fast-growing business at the head of an "apple factory" created and developed thanks to Banque Populaire, conveying the Group's message about the spirit of entrepreneurship. The first post-tests show that Banque Populaire has found a register and advertising creations that make it stand out, get it noticed and which people enjoy.

The two television advertising campaigns have been supported by an in-branch advertising campaign and the creation of highly innovative 3D games on the internet. For the Snow White campaign, an exclusive and original partnership has been formed with virtual social networking site Viadeo to create a Banque Populaire community area, allowing members to debate and express their opinions about starting a business, as well as participating in discussion forums and chats led by experts from the Banque Populaire regional banks.

In addition to television advertisements, extensive radio, press and internet advertising campaigns have been developed (car loans/insurance, products and services for civil servants, products and services for young people in work, franchises, self-employed people, students, businesses, farmers, the "Créodis" card, private banking etc.). To accompany these campaigns, the Group's in-branch advertising strategy has been revised to comply with the new advertising slant.

The Banque Populaire regional banks and Group entities involved in advertising efforts for the Banque Populaire network were very quick to adopt this new creative framework, helping to reinforce the strength of the brand name by ensuring its consistency.

5.5.2 An ongoing commitment to sustainable development

In April, the Banque Populaire Group - the No. 1 bank in the financing of sustainable development - lent its support to the new concept of the "*Ballon Air de Paris*" hot air balloon, which it has sponsored for six years. Located in Parc André Citroën in Paris, it is the first hot-air balloon in the world to change color to indicate air quality close to traffic and the level of air pollution.

This provided the opportunity for the Banque Populaire Group to make the media and the general public aware of its commitment to sustainable development by means of an exhibition in the welcome pavilion, as well as the publication of leaflets and information brochures handed out at its branches setting out its efforts and products and services for individuals (CODEVair - PREVair) and small businesses (PROVair).

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(12) *Civil service banking organizations.*

5.5.3 Improvement in customer relations publications

Quarterly magazines "*Cockpit*" for business owners and "*Synthèses*" for private banking customers have been popular with our readers for nearly 15 years.

In 2008, the Group wanted to provide its customers and prospects with more regular information available online. It therefore created two websites to provide information about business management, *www.entreprises.banquepopulaire.fr*, and wealth management, *www.gestionprivee.banquepopulaire.fr*. These websites contain information about the activities of these business lines, financial news, customer testimonials and responses from experts in the form of explanatory texts or videos. Regular chats are organized on both websites to allow internet users to benefit directly from the advice of Banque Populaire Group experts.

They can also subscribe to a monthly e-newsletter to keep them up to date about the latest information or analysis provided on the websites. These communications efforts confirm the desire of the Banque Populaire banks to assert their local presence and support their customers.

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6 Chairman's report on internal control procedures

This report forms an integral part of the full Chairman's report on the conditions in which the work of the Board of Directors is prepared and organized and on internal control procedures within the Company. It was presented to the Group Risk Management Committee on March 18 and to the Board of Directors of Banque Fédérale des Banques Populaires on April 17, 2009.

6.1 General organization

The Banque Populaire Group's internal control system complies with French banking and financial services regulations and the corporate governance principles of the Banque Populaire Group. These regulations require general organizational systems, particularly in accordance with CRBF Regulation 97-02, as well as a system of external monitoring by France's Commission Bancaire and Autorité des Marchés Financiers (AMF).

The principles governing the internal control system were defined by the Board of Directors of Banque Fédérale des Banques Populaires and are set out in a corporate governance charter and an internal control charter. Changes in the internal control regulations announced on March 31, 2005 prompted a reorganization of the system implemented within the Group's entities. In addition to the internal control charter, a total of five charters were drawn up in 2005 covering all areas of risk management, compliance and internal auditing.

These charters resulted in the implementation, as from January 1, 2006, of a new organizational structure based on three distinct functions:

- permanent control of credit, financial and operational risks (excluding compliance risk);
- permanent control of compliance risk;
- periodic control.

Revisions to update these charters were approved by the Board of Directors of Banque Fédérale des Banques Populaires on May 14, 2008 after review by the Group Risk Management Committee. The revisions primarily have to do with the changes brought about by the formation of Natixis. The joint oversight arrangements are addressed and the charter on financial risks is expanded.

These charters are and will continue to be supplemented by procedures designed to ensure that for each type of risk – credit, financial, operational and compliance – the level of control is appropriate and consistent across the entire Group.

The process of implementing new capital adequacy standards within the Basel II framework, which is being coordinated at Group level, has provided the opportunity to update and enhance existing procedures.

Within the Banque Populaire Group, risk management, risk monitoring and internal control information systems reflect the decentralized organization of the Group. These functions are performed at two levels: at the level of each entity (on a consolidated basis, if applicable) and at the level of Banque Fédérale des Banques Populaires.

6.1.1 Organization of internal control at the level of the consolidated entities

On November 20, 2002, the Board of Directors of Banque Fédérale des Banques Populaires approved the corporate governance charter and internal rules framework applicable to boards of directors.

This charter establishes the rules of corporate governance and codes of conduct to be followed by all Banque Populaire banks. It sets forth in detail the responsibilities of the Board of Directors, the Chairman, the Chief Executive Officer and the consultative committees that the charter institutes in the Banque Populaire banks. A Group Risk Management Committee (with the possibility of splitting off some duties to an Audit Committee as well) and a remuneration committee are required; others (such as a membership committee) are left to the initiative of the board.

Well before the May 15, 2001 Corporate Governance Act entered the statute books, the Banque Populaire banks had already decided to optimize the effectiveness of their executive and management structures by separating the roles of chairman and chief executive officer, thereby separating responsibility for strategic decisions and control from the implementation of these decisions and the management of the business.

In addition, on September 6, 2006, the Board of Directors of Banque Fédérale des Banques Populaires updated the internal control charter for the Banque Populaire Group that was originally approved on January 21, 2004. A new update of this charter was approved by the Board of Directors de Banque Fédérale des Banques Populaires on May 14, 2008. This charter establishes the central principles governing internal controls. In each significant Group entity, internal controls are organized from the lowest to the highest level.

The organizational structure is defined by the Chief Executive Officer with the approval of the Chairman. Responsibilities and resources are allocated as efficiently as possible, in line with the guidance issued by the Board of Directors, to ensure the coverage, exhaustive assessment and management of risks.

Internal involvement in control

There are three levels of control:

- **first tier:** Each staff member is responsible for performing preliminary or simultaneous checks of each transaction that they carry out in performing their professional duties and functions, and supervisors are responsible for checking the transactions performed by those reporting to them. These first-tier controls provide the foundations of the internal control system. They are described in written procedures and must be formally evidenced;
- **second tier:** Ongoing checks serve to ensure compliance with internal and external rules and regulations as well as to verify the existence, implementation and relevance of first-tier controls. In accordance with the internal control charters, these checks are structured around units in charge of risk control (credit, financial and operational risks) and a unit in charge of compliance. These units can report to a single permanent control officer, as authorized by regulations. The permanent control departments, in conjunction with other departments within the Group, cover functional areas such as accounting, commitments and risks, and information systems security, as well as controls required by law and regulations;
- **third tier:** Periodic audits and/or investigations carried out by the Internal Audit department. The internal auditors have free access to all information they require to conduct their audit. Nothing may be withheld from them on professional secrecy or other grounds. A manager oversees all audit work.

Executive management is responsible for ensuring that this set of internal control mechanisms is consistent and effective. It reports to the Group Risk Management Committee and the Board of Directors on the performance of its internal control duties.

Role of the administrative or supervisory body

The Board of Directors oversees control of the main risks incurred by the bank as well as the quality and reliability of the internal control system, in accordance with banking regulations.

It sets up a Group Risk Management Committee, which is responsible for organizing reporting systems covering company-level and consolidated risk data, the results of internal control procedures and the main findings of internal auditors, in accordance with banking regulations. This committee assesses the quality of internal control, including risk measurement, monitoring and management systems. It is also responsible for recommending additional measures where appropriate.

It also sets up an Audit Committee, whose role is described below in the section below on accounting and financial reporting. These two committees may be combined.

6.1.2 Organization of internal control at the level of Banque Fédérale des Banques Populaires

In its role as the Banque Populaire Group's central body as defined in the French Monetary and Financial Code, Banque Fédérale des Banques Populaires oversees the cohesiveness of the Banque Populaire and Crédit Maritime Mutuel network and takes all necessary measures to guarantee the liquidity and solvency of each Banque Populaire bank and the network as a whole through the Group Risk Management Committee. More generally, it supervises and controls all of the entities that make up the Banque Populaire Group, in particular its subsidiaries. During 2009, work will continue on integrating Société Marseillaise de Crédit, consolidated by Banque Fédérale des Banques Populaires for the first time in 2008, into the Group's internal control system, more particularly as regards permanent control and the control required by the specific nature of the new subsidiary's business activities and resulting risks.

Jointly with Caisse Nationale des Caisses d'Epargne, Banque Fédérale des Banques Populaires is also the central body of Natixis.

Internal involvement in control

In performing its central oversight duties, the Group Risk Management Committee was supported in 2008 by three departments of Banque Fédérale des Banques Populaires: Internal Audit, Compliance, and Risks. The latter two departments were formed on January 1, 2006 to achieve the separation of control functions mandated by the reform of Regulation 97-02. These departments manage the various aspects of Group control in accordance with the charters approved by the Board of Directors of Banque Fédérale des Banques Populaires.

The Group Internal Audit department reports directly to the Chairman and Chief Executive Officer. It carries out periodic controls through two units:

- the Internal Control Procedures department is responsible for providing methodological and technical support to Group entities in accordance with the Group internal audit charter adopted by the Board of Directors of Banque Fédérale des Banques Populaires in 2005 and updated in 2008. The department's role is to promote the adoption by all entities of best practices identified within the Group. In 2008, its work focused mainly on completing a project to create a library of audit guidelines covering all areas of retail banking on the basis of groupwide audit methodologies and on organizing and managing two Group audits, one on the organization and direction of permanent risk control functions, excluding compliance, and the other on entity-level contributions to the consolidated financial statements of Banque Populaire Group under IFRS. In collaboration with Internal Audit, it prepared a draft corpus of internal audit standards for all internal audit departments of the Banque Populaire Group. This draft will be submitted to the Group Risk Management Committee and the Board of Directors of Banque Fédérale des Banques Populaires during the first semester of 2009. Internal control assessments are performed annually, and the results are presented to the Group Risk Management Committee for the purpose of preparing the Group's Regulation 97-02 report;
- the Internal Audit department, which includes two units responsible more specifically for audits of information systems and quantitative models, performs periodic audits of Banque Populaire Group entities in accordance with the internal audit charter approved by the Board

of Directors of Banque Fédérale des Banques Populaires. These audits are carried out in accordance with an annual program that combines a priority focus on the main risk areas identified by the permanent control function with recurring audits of all components of the Group, performed on a rolling basis over several years. The audits also meet the requirements for regular validation of Basel II rating tools. Each audit includes quantitative and qualitative risk analysis and assessments of the quality of information systems and internal control systems. The internal auditors also assess the overall efficiency of the audited entities. The head of Internal Audit reports to the Group Chief Executive Officer, and all audit reports are submitted to the Board of Directors. In addition, reports are submitted to the Group Risk Management Committee describing the actions taken to implement the internal auditors' recommendations. Periodic control of Société Marseillaise de Crédit, a subsidiary of Banque Fédérale des Banques Populaires, is delegated to Banque Fédérale des Banques Populaires under a charter approved by the boards of both companies. It is carried out locally by a dedicated team of auditors, currently being staffed.

The compliance charter adopted by the Board of Directors of Banque Fédérale des Banques Populaires in 2005 and updated in 2008 sets out the terms for the formation of a groupwide compliance function headed by the Compliance Department of Banque Fédérale des Banques Populaires. The Compliance Department reports to the head of Legal Affairs and Compliance, which in turn reports directly to the Chief Executive Officer.

The Risk Management Department, which reports directly to Executive Management, is not involved in the commercial decision-making process. It leads the Banque Populaire Group's Risk Management activities in accordance with the permanent control charter drawn up in 2005 and updated in 2008. It is responsible for ensuring that the same rules are applied throughout the Group, with a set of procedures and appropriate risk control methods and tools, and for ongoing monitoring of the risks governed by Regulation 97-02 (credit/counterparty risk, interest rate risk, liquidity risk and operational risks of the Banque Populaire Group). It also oversees the Basel II approval process for the Banque Populaire Group, and it manages the Group's risk database and the software engines needed to produce internal ratings on all Group exposures.

Since November 17, 2006, periodic and permanent control of the Natixis Group has been the responsibility of two functions organized jointly by the two shareholder central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, as described below.

6.1.3 Banque Populaire Group's decision-making bodies

Group Credit Risk Management Committee

The Group Credit Risk Management Committee is responsible for operational oversight of credit risks across the entire Banque Populaire Group.

It meets eleven times a year and its role includes:

- rating the main counterparty risks borne either by each Banque Populaire entity on a consolidated basis or by the Banque Populaire Group;
- rating commitments to officers and directors, thereby playing a role in preventing conflicts of interest;
- reviewing periodic reports on credit risk.

Responsibility for performing credit reviews and validating ratings may be delegated to the Group Risk Management Department. For interbank risks, Banque Fédérale des Banques Populaires collates details of the limits set by each bank as well as the quality and outstanding amount of commitments by counterparty. The Group Risk Management Department oversees the level of exposure to each counterparty. Any differences in assessments of risk levels within the Banque Populaire Group are reported monthly to the Group Credit Risk Committee for resolution. The Committee receives the minutes of meetings of the Group Standards and Methods Committee and the Confederal Standards and Methods Committee.

Following the creation of Natixis, the Group Credit Risk Committee's responsibilities with regard to Natixis have been transferred to the Confederal Risk Committee, which comprises representatives of the executive bodies of Banque Fédérale des Banques Populaires, Caisse Nationale des Caisses d'Epargne and Natixis. The Group Credit Risk Committee reviews the minutes of meetings of the Confederal Risk Committee.

Group Standards and Methods Committee

The Group Standards and Methods Committee was created in early 2006. It meets every two months or more frequently if required.

It is responsible for validating standards for risk identification, measurement, organization, and systems, as well as methods and models used groupwide for prudential supervision of Banque Populaire Group risks on a consolidated basis.

It oversees the maintenance and development of:

- risk mapping processes;
- control and reporting standards;
- methodologies and standards used by the Banque Populaire Group for financial risk, credit risk and operational risk, as well as any required revisions resulting from regulatory or prudential developments, new product creation or backtesting campaigns.

Group Asset and Liability Management (ALM) Committee

The ALM Committee meets quarterly (having shifted from a twice-yearly schedule in early 2008). Its role includes:

- reviewing interest rate and liquidity risk indicators for the Group and for each Banques Populaires bank;
- defining a standard framework for asset and liability management (modeling and reporting) and improvements to it;
- providing opinions to the Board of Directors on ALM policy guidance;
- defining how the ALM function operates;

- revising or proposing limits and stress scenarios for asset and liability risks at least once a year. The ALM Committee's recommendations are then submitted to the Group Risk Management Committee for approval.

It also draws on the Banque Fédérale des Banques Populaires ALM department, which reports to the Finance Department and is responsible for:

- determining internal transfer pricing in close collaboration with the financial control department, in strict accordance with ALM run-off models;
- setting out ALM modeling rules for all Banque Populaire regional banks;
- calculating the home savings loan provision using the methodology that it has defined for this purpose.

Federal Risk Information System Committee

Banque Fédérale des Banques Populaires' ongoing role in preventing, monitoring and controlling risk is exercised through its power to set standards. This standard-setting power applies to the shared risk information system used by all Banque Populaire Group entities in order to enable risk assessment and monitoring on a consistent consolidated basis.

A Federal Risk Information System Committee has been set up within Banque Fédérale des Banques Populaires for this regulatory security task. At the behest of the head of Group Risk Management, who is in charge of second-tier permanent control within the meaning of Regulation 97-02, and the head of the credit risk management organization instituted by decision of the Board of Directors of Fédérale des Banques Populaires on September 7, 2005, this Committee's role is to:

- direct the federal risk information system effort (development and maintenance);
- "frame" all risk management requirements at the federal level that involve IT systems development within the Banque Populaire Group, both in the federal information systems and in those of the Banque Populaire banks and Natixis, for activities (other than SISP) that all have to perform.

The Committee meets every six weeks.

It is chaired by a Chief Executive Officer of a Banque Populaire bank.

In addition to the Chief Executive Officer, the following are members of the Committee:

- the head of Group Risk Management;
- the head of Group Technologies;
- the deputy director of i-BP;
- the head of risk management for i-BP risks;
- one risk officer member of the CNMG who is part of the i-BP community and covers a regional bank;
- the three risk officers of the Banque Populaire banks that are not on the i-BP platform.

Permanent non-voting participants at Committee meetings include:

- the head of i-BP systems development;
- the deputy head of Group Risk Management.

The composition of the Committee is decided by the executive management of Banque Fédérale des Banques Populaires. Members are appointed for terms of three years.

Group Business Development Committee

The Group Business Development Committee meets every two months on average to approve new products and services developed by the Banque Populaire Group. It may meet more frequently if required for a particular project. The Committee validates projects initiated by one of the Group's bodies on behalf of several Group banks.

It is not involved in projects initiated and run by one Group bank for its own account, which are the responsibility of that bank's own New Products Committee.

The remit of the Group Business Development Committee covers:

- new products;
- substantial changes proposed for an existing product;
- substantial changes to processes relating to an existing product;
- new methods of marketing an existing product;
- new target customer groups;
- new business activities.

The procedure for referring a project to the Group Business Development Committee involves three stages:

- the Banque Fédérale des Banques Populaires Business Development Department reviews the proposal;
- the proposal is sent to the Banque Fédérale des Banques Populaires Risk Management and Compliance Departments;
- these two departments issue an opinion before submitting the proposal to the Group Business Development Committee.

For projects that are exceptional in nature, the Group Business Development Committee may ask for a presentation to be made to the Board of Directors of Banque Fédérale des Banques Populaires. The Group Risk Management Department and the Compliance Department of Banque Fédérale des Banques Populaires both have a right of veto over the use of certain products or the development of certain business activities.

Joint bodies responsible for internal control of Natixis

Four committees are responsible for joint oversight of Natixis by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne. Their roles and responsibilities are described below in the section entitled "Banque Populaire Group's internal control relating to Natixis":

- the Confederal Risk Committee, which took over the responsibilities of Group Credit Risk Committee upon the creation of Natixis;
- the Confederal Standards and Methods Committee, which has taken over certain responsibilities of the Group Standards and Methods Committee for standards common to Natixis and its two shareholders groups (general organization of the risk management function, risk assessment methods of all kinds, consolidated control reporting and permanent risk control);

- the Confederal Information Systems Committee, which deals with all issues relating to risk information systems common to Natixis and its two shareholder groups and required for exercise of consolidated oversight;
- the Confederal Compliance Committee, whose role is to ensure that Natixis's internal control system is consistent with that of its two shareholder groups.

Role of the Board of Directors of Banque Fédérale des Banques Populaires

The Board of Directors of Banque Fédérale des Banques Populaires ensures that the Group's main risk exposures are properly managed on a consolidated basis, and it monitors the quality and reliability of the internal control system.

In 2008 the Board of Directors of Banque Fédérale des Banques Populaires, assisted by the Group Risk Management Committee, continued to keep a close watch over the internal control system employed within Banque Fédérale des Banques Populaires and the Banque Populaire Group as a whole in order to manage all risks arising in the course of the Group's business, whatever their origin.

The Board of Directors of Banque Fédérale des Banques Populaires is also supported by the Audit Committee in supervising the Banque Populaire Group's financial statements, as described below in the section on internal control over financial reporting.

Decisions of the Board concerning internal control

During 2008, the Board of Directors of Banque Fédérale des Banques Populaires made a number of decisions concerning internal control in addition to those made by the Group Risk Management Committee. The matters addressed were:

- **March:** review of the Group Risk Management Committee meeting of December 2007, including:
  - approval of the charter on safety and security of persons and property,
  - approval of the charter on implementation policy for Business Continuity Plans,
  - status report on internal audit work,
  - approval of the draft Group internal audit plan for 2008-2009;
- **May:** review of the Group Risk Management Committee meetings of February, March and April 2008, including:
  - updating of the Group charters on internal control functions and approval of the accounting control charter,
  - analysis of consequences of the fraud at Société Générale;
- **June:** review of Group Risk Management Committee meeting of May 2008, including:
  - review of the 2007 annual internal control report of Banque Fédérale des Banques Populaires and the Banque Populaire Group,
  - approval of the work being done on macro-mapping of compliance risks,
  - organization of liquidity management in the Banque Populaire Group;
- **August:**
  - decision to have Banque Populaire banks produce financial statements under IFRS starting January 1, 2010,
  - Board informed regarding Banque Fédérale des Banques Populaires' commitment letter to Société Marseillaise de Crédit;
- **October:**
  - Banque Fédérale des Banques Populaires given authority to borrow eligible securities from Banque Populaire banks as collateral for refinancing from the European Central Bank, for the purpose of managing Group liquidity;
- **November:** review of Group Risk Management Committee meeting of October 2008, including:
  - approval in principle of delegating periodic control of Société Marseillaise de Crédit to Banque Fédérale des Banques Populaires;
- **December:**
  - Board informed regarding the outcome of the commutation process at CIFG.

Subjects addressed in meetings of the Group Risk Management Committee

The Committee met six times in 2008. Six meetings dealt with matters concerning the Banque Populaire Group:

- **February:** review status of the CIFG situation, 2007 results and equity of the Banque Populaire Group; review of the letter from the Commission Bancaire regarding Natixis's regulatory capital and items in response to the letter;
- **March:** approve the Chairman's report on internal control procedures of Banque Populaire Group for 2007; analyze the consequences of the Société Générale fraud; review the initial results of the Group's suspicious transaction reporting system in 2007; approve the Group's accounting control charter; review progress on the structured products project; review the situation of Banque Populaire Group in terms of interest rate and liquidity risks; review the timetable and progress of work in response to the Commission Bancaire's follow-up letter on the internal ratings-based approach;
- **April:** second status review of the CIFG situation; approve the updated Group internal control charters;
- **May:** review the annual internal control report of Banque Fédérale des Banques Populaires and Banque Populaire Group for 2007; analyze the assessment report on information systems security within the Group; approve the work undertaken on macro-mapping of compliance risks; review progress on implementing the Commission Bancaire's recommendations on Basel II and internal rating tools; receive a presentation on the Group internal audit of the permanent risk control system;
- **October:** approve the principle and terms of delegating periodic control of Société Marseillaise de Crédit to Banque Fédérale des Banques Populaires; hear a progress report on the CIFG commutation project; review status of money-laundering prevention within Banque Populaire Group and centralization procedure for compliance risks; analyze the results of the Group internal audit of the banks' contributions to the consolidated financial statements of Banque Populaire Group under IFRS; analyze the Commission Bancaire report on risk oversight by Banque Populaire Group; review the Group's liquidity situation and the centralized cash management performed

by Banque Fédérale des Banques Populaires; analyze the Group's application of Pillar 2 and its progress on implementing the internal ratings-based approach;

- **December:** review the annual report on credit risk of Banque Populaire Group; analyze the proposed response to the Commission Bancaire report on margins in retail banking; approve the business continuity charter; analyze the action plan for preventing fraud; review the draft changes in Regulation 97-02 regarding internal control and a corpus of audit standards; analyze the process and conditions for shifting to the advanced approach for determining regulatory capital requirements for operational risks.

Two meetings dealt with issues concerning Banque Fédérale des Banques Populaires:

- **May:** review the Banque Fédérale des Banques Populaires' annual internal control report and progress on implementing recommendations of the Commission Bancaire regarding asset-liability management, consolidated financial statements and information systems security;
- **December:** review the cash management activity of Banque Fédérale des Banques Populaires and analyze its asset-liability management; receive a presentation on the risk reporting tool for Natixis and subsidiaries of Banque Fédérale des Banques Populaires; review the action plan for preventing fraud.

6.1.4 Internal control system of Banque Fédérale des Banques Populaires

In accordance with the credit risk charter approved by the Board of Directors of Banque Fédérale des Banques Populaires on September 7, 2005, a Credit Risk Committee (CRC) has been instituted at Banque Fédérale des Banques Populaires.

Composition

The committee is chaired by the Assistant Chief Operating Officer in charge of risk management functions or in his absence by the Deputy Chief Executive Officer. If neither the chairman of the committee nor his alternate can be present, the chairman may temporarily delegate his authority to the head of business development.

The committee can sit in two configurations:

Full configuration: plenary CRC

In addition to the Assistant Chief Operating Officer mentioned above, the committee members are:

- the head of the Finance department;
- the head of Business Development;
- the head of Risk Management;
- the head of the Legal Affairs and Compliance department, or the head of Compliance as his or her representative;
- the head of any department affected by the matter to be presented.

The head of Internal Audit also attends committee meetings as a non-voting member.

Narrow configuration: subsidiaries CRC

Instituted in July 2008, this configuration of the committee meets weekly. In addition to the executive officer mentioned above, the committee members are:

- the head of the Group Risk Management department;
- the head of Business Development;
- the head of Legal Affairs and Compliance;
- the managing director of the subsidiary or his designated representative.

Plenary CRC

- It is not the province of Banque Fédérale des Banques Populaires, as a central body, to take on credit risk in relations with banking customers. However, as part of its participation in industry bodies and its role as shareholder and central body, or for the purpose of asset-liability management, Banque Fédérale des Banques Populaires may assume credit risk on financial and non-financial counterparties.
- The CRC has sole competence to decide on the taking of credit risk, regardless of the nature of the counterparty and the nature of the risks incurred (banking transactions, securities, capital market products, off-balance-sheet commitments), in accordance with the system of delegation in place at Banque Fédérale des Banques Populaires and the rules of the Banque Populaire Group, in particular the rules on commitment ceilings.
- It decides on proposals to take risk put forward by heads of the Banque Fédérale des Banques Populaires departments concerned, primarily the heads of the Finance, Business Development, Technologies and Strategy departments, after taking advice from the Risk Management department, which must also approve the Basel II risk rating assigned to the counterparty.
- Regardless of which way the decision goes, Risk Management's rating is binding.

Transactions with Natixis and Banque Populaire banks in connection with centralized Group cash management at Banque Fédérale do not fall within this scope.

Subsidiaries CRC

- For purposes of risk monitoring on a consolidated basis, case files on decisions by subsidiaries to extend credit in amounts exceeding a threshold specified in their delegated authority must be sent up to the Subsidiaries CRC for approval before being put into effect.
- Any rise in a credit exposure above the authorized level must be reported immediately to Group Risk Management.

The Subsidiaries CRC now has jurisdiction over Société Marseillaise de Crédit. Delegations of credit authority to subsidiaries are decided by the executive officer of Banque Fédérale des Banques Populaires in charge of risk functions upon the proposal of Group Risk Management, which informs executive management of the subsidiary of the decision.

The BFBP Asset and Liability Management Committee (BFBP ALM Committee)

The BFBP ALM Committee meets quarterly. Its role includes:

- reviewing indicators of interest rate and liquidity risk at Banque Fédérale des Banques Populaires;
- reviewing trends in risk and return on Banque Fédérale des Banques Populaires' own portfolio;
- determining policy directions for operational management by approving financial transactions to be made and ensuring that previous CRC policy directions are being followed.

As with the Group ALM Committee, the BFBP ALM Committee is supported by the ALM unit within the Group finance department and by the controls carried out by the financial risks unit within the Risk Management department of Banque Fédérale des Banques Populaires.

BFBP Market Risk Committee

The role of the BFBP Market Risk Committee, established in September 2008, is to:

- approve financing programs proposed by the cash management committee: list of allowed products, amounts, limits, etc.;
- approved delegations of authority and market risk limits for products;
- oversee monitoring and control of market risks.

This committee meets once a month and when needed in the event of an emergency, in particular when limits are exceeded, in accordance with applicable procedures for handling over-limit situations.

6.1.5 Banque Populaire Group's internal control system relating to Natixis

Natixis is subject to the joint oversight of its two shareholders and central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, each of which is responsible for ensuring that their respective groups comply with risk monitoring requirements on a consolidated basis. Structures and systems to coordinate permanent and periodic controls as required to ensure overall consistency were therefore put in place when Natixis was formed. Similarly, the Risk Management, Compliance and Audit departments are integrated into the corresponding business units of each of the two shareholders.

Permanent risk control (excluding compliance)

Permanent risk control is exercised at three levels:

- the Natixis Risk Management Department;
- the Group Risk Management Department;
- the confederal committees chaired by senior executives of the two shareholding central bodies.

Natixis's risk officer has a functional reporting line to the risk officers of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne and is required to report to them on a regular basis. The risk officers of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne approve the appointment or removal of Natixis's risk officer.

They are also informed of the appointment or removal of risk officers in Natixis's subsidiaries or individual business lines. They approve Natixis's risk management charter and are invited to attend meetings of Natixis's Group Risk Management Committee.

Natixis's Risk Management Department plays a key role in all procedures:

- it takes part in drawing up the risk policy on a consolidated basis, determines risk limits, contributes to calculating the economic allocation of capital and ensures that portfolios are managed in accordance with these limits and allocations;
- it defines and implements standards and methods for consolidated risk measurement, risk mapping, approval of risk assumption, risk control and reporting, and compliance with laws and regulations, in accordance with the principles and rules set out by the two central bodies;
- it performs an adversarial analysis of proposed assumptions of risk, in particular for launches of new products or services, over which it has a veto or right of appeal;
- it is responsible for ongoing oversight, in particular for detecting and resolving over-limit situations, and for centralized internal and external risk reporting on a consolidated basis;
- it is responsible for second-tier control of certain processes for preparing financial information (valuation methods, reductions, provisioning, determining market values);
- it is responsible for the overseeing the dedicated risk information systems required to measure, control, report and manage risks.

The Group Risk Department of Banque Fédérale des Banques Populaires is provided with the information required to monitor risk trends in Natixis's business activities. It receives the information and reports set out in the Convergence Plan and by the Confederal Standards and Methods Committee, notably on the rating system, risk mapping and ALM management, through common tools implemented by Banque Populaire Group.

Risk management is coordinated by three permanent committees. Ad-hoc committees are formed as needed:

- a confederal standards and methods committee, co-chaired by the risk officers of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, with the participation of Natixis's Risk Management Department. The committee's main role is to draw up joint standards, or to validate them if the task of drafting has been delegated. These standards relate mainly to the general organization of the risk management function, risk assessment methods and reporting within the framework of consolidated monitoring.

  Decisions of the committee are taken with the agreement of both shareholder groups.

  This committee met four times in 2008;
- a confederal risk information systems committee, co-chaired by the risk officers of Banque Fédérale des Banques Populaires and Caisse

Nationale des Caisses d'Epargne, with the participation of Natixis's risk management department and IT directors. This committee handles project management issues relating to the risk information systems shared by the two core shareholder groups and Natixis and required for consolidated risk monitoring.

Decisions made by the committee are taken with the agreement of both shareholder groups.

This committee held one meeting in 2008;

- a confederal risk management committee, set up by delegation of the Management Board of Caisse Nationale des Caisses d'Epargne and the Board of Directors of Banque Fédérale des Banques Populaires, co-chaired by a member of the management board of Caisse Nationale des Caisses d'Epargne and the chief executive of Banque Fédérale des Banques Populaires. There are four other members, two each appointed by Caisse Nationale des Caisses d'Epargne and Banque Fédérale des Banques Populaires. This committee:
  - approves the aggregate risk ceilings proposed by Natixis for the various types of risk and ensures compliance with those ceilings, in accordance with Article 33 of Regulation 97-02,
  - decides on commitments exceeding the unit ceiling for major risks agreed with the two shareholder groups, when such commitments require that the shareholder groups guarantee the excess amount or syndicate it across their networks,
  - performs an annual review of risk strategies, risk limits and relative ratings for large individual counterparty risks,
  - periodically reviews the main risk areas at Natixis and for this purpose may call for review of sensitive cases, whether or not either of the two shareholder groups are also involved, or other transactions of an exceptional nature,
  - rules on any matter of shared interest relating to risk management and monitoring on a consolidated basis and to exercise of delegated risk control authority.

  This committee met eleven times in 2008.

The Risk Management Departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne are responsible for preparing the committee's work in coordination with Natixis's Risk Management Department.

Permanent compliance control

Natixis's compliance division is integrated into the compliance divisions of its two shareholder groups, which are responsible for ensuring the consistency of compliance efforts. The compliance officers of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne have functional authority over Natixis's compliance officer, who has a reporting line to them. This means, in particular, that:

- appointment or removal of Natixis's compliance officer requires the prior approval of the compliance officers of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne. They must also be informed of the appointment or removal of compliance officers in Natixis's subsidiaries or individual business lines;
- under a common reporting system, identical documents are sent to both shareholder groups on the basis of standards and reporting thresholds defined by the two groups;
- Natixis's compliance charter is approved by the compliance officers of the two shareholder groups.

A confederal compliance committee has been set up to ensure that consistent compliance procedures are implemented by Natixis and its two shareholder groups. The Committee is co-chaired by the compliance officers of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, and Natixis's compliance officer is also a member. The compliance officers of Natixis's main subsidiaries may also be invited to attend committee meetings, either systematically or as and when necessary. The committee's main role is to draw up joint standards or to validate them, if the drafting is delegated to Natixis or one of the two central bodies, in particular standards concerning:

- general organization of the compliance division, in particular Natixis's compliance charter;
- Natixis's internal methods and framework procedures to prevent compliance risks within the meaning of standard Regulation 97-02 as amended;
- reporting in the context of consolidated supervision. In this respect, the committee determines the list, content, procedures, frequency and timeframe for reporting, according to the nature of the risks.

This committee held two meetings in 2008.

The committee also sets out procedures for coordinating issuance of a joint compliance opinion prior to the launch by Natixis of new products intended for distribution through the networks of the two shareholder groups. Products offered by Natixis for marketing by these networks must be approved by the new products committees of the two shareholder groups, after a coordinated opinion has been given by the compliance officers of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

Permanent control of rules compliance is performed directly by Natixis under the ultimate supervision of the internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, which regularly assess the completeness and effectiveness of Natixis's controls.

Internal Audit

Natixis's Internal Audit department is an integral part of the Internal Audit functions of the two shareholder groups. The main rules governing the joint management of this division are set out in a charter and include:

- appointment and removal of the head of Natixis's internal audit department is subject to prior approval of the internal audit heads of Banque Fédérale des Banques Populaires et de la Caisse Nationale des Caisses d'Épargne; they are also informed of the appointment or removal of internal audit department heads in Natixis's subsidiaries or individual business lines;
- Natixis's group internal audit charter is approved by the internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne;
- the internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, in collaboration with Natixis's internal audit department, define standards, methods and tools in areas of common interest and check regularly to ensure that these standards are applied;
- Natixis's medium-term and annual internal audit programs on a consolidated basis are drawn up in agreement with the internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, jointly with the chairman of Natixis's management board;

- the internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne have precedence to carry out any audits they consider ought to be conducted by themselves, in accordance with the responsibilities delegated to them;
- Natixis's internal audit department reports regularly to the internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, mainly by providing them with reports on completed audit assignments.

A coordination committee meets once a month, headed by the internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, with the systematic participation of Natixis's internal audit department. This committee met seven times in 2008.

6.2 Risk monitoring and control procedures

6.2.1 Risk management organization

In the course of its business, on both a consolidated and sub-consolidated basis, the Group is exposed to five main categories of risks:

- credit risks arising from customer transactions;
- market risks arising from capital markets transactions;
- interest rate, currency and liquidity risks arising from retail banking activities;
- operational risks, in the strict sense, and
- compliance risks.

In accordance with Regulation 97-02, each bank has set up risk management and monitoring systems that are independent of the operating units.

All Group banks have also set up their own systems of exposure limits and decision-making procedures, in compliance with the rules established at Group level (as set out in the credit risk manual updated in November 2008, the ALM risk manual updated in August 2008, the market risk manual validated in December 2008, and the operational risk manual updated in December 2008).

6.2.2 Credit risk

Since January 1, 2006, the responsibilities of and relationships between the parties involved in credit risk management within the Banque Populaire Group have been governed by a charter.

Credit risk management in the banks is organized in accordance with the charter and the Banque Populaire Group's credit risk manual.

Each bank's risk policy is determined by the bank's executive management and approved by its Board of Directors. The banks are also responsible for exercising ongoing control over risks in accordance with the rules laid down by the Board of Directors of Banque Fédérale des Banques Populaires, particularly those dealing with the role of the Group Risk Management Committee and the Group Credit Risks Committee, and by the banking regulator.

The risk policy defines:

- business development strategies and objectives, particularly regarding the nature, quality and amounts of risk exposures;
- the rules governing the organization and control of risk exposure;
- internal exposure limits, which are lower than regulatory limits.

Decisions and delegations

Lending decisions are made on the basis of formal procedures and approval circuits and supported by an assessment of the cost and the potential benefit to the bank. Clear limits are set on discretionary commitment authority at each level, based on credit ratings and monetary amounts. In accordance with Regulation 97-02 (Art. 21), lending decisions are either countersigned or made in exercise of formal delegations of authority. Where appropriate, decision-makers take advice from the Group's specialized entities or other experts on legal, financial, international or other matters.

Organization and role of the Credit Risk function

Credit Risk is one of the permanent control functions. Its role is to manage credit risks. Through its actions and organizational structure, the Credit Risk function contributes to the bank's development and profitability by ensuring that the credit risk management system is reliable and effective. An active approach is developed to identify and control the risks to which the bank is exposed in the course of its activities. It has three main duties:

- preventing undue credit risks;
- contributing to the bank's lending policy;
- ongoing monitoring of credit risks.

The head of Credit Risk reports to senior management and the Board of Directors as well as to ad-hoc committees.

Credit risk measurement and monitoring – supervision of exposures

All business portfolios are monitored according to risk criteria and by customer category.

A preventive risk detection system, tailored to the specific features of each customer category, allows customers to be contacted and problems to be addressed before an incident occurs. In addition, several independent structures perform non-overlapping supervisory controls.

Risk monitoring systems are designed to provide the senior management and Board of Directors of each bank and the Banque Populaire Group with quantitative and qualitative risk data, covering both outstanding commitments and transaction flows. These systems include regular reviews of at-risk exposures focusing mainly on the levels of risk and related provisions.

The information system provides applications to generate management information reports for tracking individual and aggregate exposures and analyzing both activity levels and qualitative and quantitative changes in risk.

As part of the Basel II/CRD project, the Group Risk Management Department has developed an information system that comprehensively covers all the Group's exposures.

Managing non-performing and non-recoverable loans

Non-performing and non-recoverable loans are monitored separately in the banks, notably to ensure that the Banque Populaire Group's conservative provisioning policy is followed in all cases. Each bank has a committee that meets regularly to review the most significant troubled loans and exposures and determine appropriate levels of related provisions. As permitted by IFRS, in addition to specifically assessed provisions, collectively assessed provisions may also be taken against business sectors, countries and customer segments where there is objective evidence of impairment on the closing date.

Concentration of risk on a single counterparty or counterparty group.

The banks have access to the Banque Fédérale des Banques Populaires risk database containing information on large exposures, and to its rating engines.

Customer credit ratings

In late 2003, the Banque Populaire Group introduced an internal credit rating system to comply with regulatory requirements (Basel II, CRD). This is based on uniform methodologies throughout the Banque Populaire Group and centralized credit rating programs for the main customer categories. Natixis uses the same rating systems:

- for loans to companies, the system is based on quantitative and qualitative assessments of the counterparty's creditworthiness and draws on the expertise of the commercial team and risk managers, with the latter having the last word;
- for small business and personal customers, the systems use statistical techniques and take two main parameters into account: the counterparty credit rating and the expected loss rate on the transaction;
- interbank transactions are conducted exclusively with counterparties on the Banque Fédérale des Banques Populaires approved list, which are selected on the basis of credit ratings assigned by external credit rating agencies.

Risk diversification

Diversification of risk at the Banque Populaire Group is ensured by internal as well as external rules. It is one of the fundamental rules of risk management. As required by the Group's risk management manual, each bank sets internal risk concentration limits based on its own specific characteristics. These limits are often lower than the limits authorized under banking regulations. In 2005, a maximum unit level below the regulatory ceiling was implemented. It was applied in all Group banks on a consolidated basis with effect from June 30, 2006.

Future developments

During 2009 the Group will continue to roll out the Fermat GEM system designed to strengthen surveillance of counterparty risk. Natixis's exposures and limits have been integrated into this centralized system since January 2008, and BRED Banque Populaires' since December 2008.

The exposures and limits of other entities will be integrated during 2009.

6.2.3 Market risk

The Group's exposures to market risk, as assessed on a consolidated basis, are concentrated primarily in Natixis, which is jointly controlled by its two shareholders and central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne. Natixis's market risk management system is described below. BRED Banque Populaire is also exposed to market risk, but to a lesser degree, while Crédit Coopératif and the regional banks have hardly any exposure.

The Group's market risk management system is based on Value at Risk (VaR) limits for Natixis and BRED Banque Populaire, with stress testing and regular reporting to the Risk Management Departments and Banque Fédérale des Banques Populaires.

In the second half of 2008, Banque Fédérale des Banques Populaires established a cash management activity for the purpose of facilitating shared refinancing of the Banques Populaires banks, Banque Fédérale des Banques Populaires and Société Marseillaise de Crédit. This activity is monitored daily using a system of market risk limits (sensitivities, VaR), counterparty risk limits and loss alerts.

Banque Fédérale des Banques Populaires, with support from the risk officers in Banque Populaire Group, has prepared a market risk handbook that governs measurement, control and reporting standards for these risks throughout the Group. This handbook was approved by the Group Standards and Methods Committee in 2008.

As regards CIFG, a former Natixis subsidiary that was taken under direct ownership by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne on December 20, 2007, an agreement on the commutation process, under which bank counterparties give up guaranties underwritten by CIFG in exchange for cash and equity participation, was concluded on January 22, 2009. Under the terms of this agreement, the Banque Populaire Group and the Caisse d'Épargne Group significantly reduce their respective equity interests in CIFG, and the main counterparties renounce their pecuniary rights under financial guarantees (credit default swaps and insurance policies) issued by CIFG in exchange for cash payments and equity interests in CIFG. Henceforth, Banque Fédérale des Banks Populaire and Caisse Nationale des Caisses d'Épargne jointly hold an equity interest in CIFG of slightly more than 10%.

Organization of Natixis's market risk management system

Natixis's main market risks are generated by the capital markets department of the corporate and investment banking (CIB) division.

When it was first created on November 17, 2006, Natixis adopted the Scenarisk internal model used by the former IXIS CIB division. This model is based on a VaR measure and is has been approved by the Commission Bancaire. The Commission authorized Natixis to use the internal Scenarisk model to measure the capital requirement for market risks of the entire Natixis Group.

The market risk management and control system is primarily the responsibility of the front office staffs, which do the managing and ongoing monitoring of this risk on a daily basis in accordance with previously allocated limits.

Permanent second-tier control is the responsibility of Natixis's Risk Management Department. The risk supervision system is based on a validated risk measurement method, allocation of trading limits to the various business lines and ex-post control of compliance with those limits.

The limits are allocated by the market risk management committee that was set up when Natixis was created. This committee is responsible for setting the Group's market risk policy and ensuring that it is properly applied. It meets monthly and is chaired by the chief executive officer or his delegated representative.

Market risk management is based on a system of delegation. Concretely, authority to take on market risks is delegated in the form of sets of limits on the various risk factors likely to be borne by Natixis. The limits are allocated and revised as and when necessary, and at least once a year, by the Market Risks Management Committee or under the Committee's delegation.

All applications for limits must first be sent to and reviewed by the Risk Management Department.

Natixis's Risk Management Department is responsible for analyzing and measuring risks on a daily basis using a process that must produce reliable calculations and take account of all risks to which Natixis is exposed. The daily measurements and risk limits are based on the concepts of VaR, stress tests and operational indicators. A global risk report is sent to members of the management board, front office managers and the risk management departments of the central bodies.

Natixis's Risk Management Department carries out daily checks to ensure that limits are respected. A procedure is in place for monitoring any violations.

Organization of the market risk management system at BRED Banque Populaire

The market risk management system at BRED is based on:

- the Financial Markets Committee, which takes part in defining the bank's strategy, new products and limits for the trading desk;
- the Financial Management Risks Committee, which defines the system of limits for financial management;
- the Credit Committee, which takes part in determining limits by counterparty and by issuer;
- the Committee on Accounting Organization for Capital Markets Activities (COCAM), which brings together the back office, the Modeling Department, the Financial Risks Department, the General Accounting Department and the Financial Communication Department; among other things, this committee provides shared solutions to problems encountered in accounting, administrative, regulatory and control areas;
- the Committee on Change Management in Capital Market Activities (COGECAM), which brings together the front office, the Modeling Department and the Financial Risks Department; this committee reviews proposed new offerings and verifies compliance for new products;
- separation of functions between transaction processing and transaction control:
  - the front office is in charge of negotiating trades,

- the back office records the trades, sees to it that they are settled, and keeps the books on all market transactions; the payments are verified by a cashier;
- the Financial Management Department and the Modeling Department (middle office), which is responsible for determining profit and loss and measuring risk;
- the Financial Risks Department, which carries out the second-tier permanent controls and monitors the system of limits;
- third-tier controls, which are performed by BRED's internal audit department;
- quantification of market risk, which is done by the Modeling Department using three methods:
  - the regulatory method, with a daily calculation of the CRD (Capital Requirements Directive) capital requirement and the amount of regulatory capital assigned to market risk (national and international capital ratio),
  - Value At Risk (VaR), using both a parametric method and a historical method,
  - aggregate limits for interest rate risk, currency risk, counterparty risk and liquidity risk on capital market transactions.

Observance of these limits is verified daily by the Financial Risks Department, which reports on it to executive management.

Future developments

Regarding Natixis, a reorganization of its business was begun in late 2008, leading to the design of an internal confinement structure for its riskiest assets, and its limit system has been recalibrated. The review of the calibration of Natixis's market stress scenarios is continuing in 2009 and is incorporating recent market events.

At the Banque Populaire banks, operational deployment of the market risk guidelines in 2009 will focus on implementation of risk reporting supported by a risk measurement and calculation tool.

Work on calibration of market stress scenarios is also being studied with BRED Banque Populaire, with the objective of achieving consolidated market risk reporting.

6.2.4 Structural interest rate risk and overall liquidity risk

Interest rate risk is the risk of loss or adverse change in the interest margin due to an unfavorable change in interest rates and is analyzed as a margin risk.

Liquidity risk is the risk of being unable to honor the bank's liabilities or to finance its assets at any time.

Each bank sets its own policy in accordance with Banque Populaire Group rules

Since January 1, 2006, the responsibilities of and relationships between the parties involved in financial risk management within the Banque Populaire Group have been governed by a financial risk charter (approved by the Board of Directors on September 7, 2005 and updated on May 14, 2008).

Each bank is responsible for managing its own interest rate and liquidity risks in accordance with the methods and rules set out in the Group ALM risk manual updated in August 2008. The executive management of each bank determines the bank's financial risk policy, subject to approval from the Board of Directors, with the aim of defining the best strategy to increase net interest income while reducing the related risks, striking an appropriate balance between business growth and interest rate and liquidity risk, reducing exposure to interest rate risk through appropriate hedging programs, validating the rules governing the organization and control of balance sheet risk lines, and defining and periodically monitoring internal exposure limits.

Interest rate risk: Limits are set as a percentage of the projected interest margin on a "dynamic" balance sheet basis (*i.e.* including business projections) and as a percentage of earnings capacity on a "static" balance sheet basis (*i.e.* previous period's balance sheet).

- For the dynamic approach, interest margin sensitivity indicators are based on 18 variations on a central scenario determined by Natixis's economists. There are four families of scenarios:
  - limit scenarios: scenarios of upward and downward shifts in the yield curve by 100 basis points, used in setting limits for years 1 and 2;
  - management scenarios, calculated over four years;
  - stress scenarios, calculated over four years;
  - inflation scenarios, calculated over four years.
- For the static approach, static gap indicators are calculated over twenty years, and limits are set for years four and beyond.

  Liquidity risk: The following indicators and limits have been set:
  - static basis: observed ratio;
  - dynamic basis: ratio of shortfall to total assets.

A liquidity crisis scenario limit was also set in July 2007 and revised in September 2008. A continuity plan in the event of a liquidity crisis has also been prepared, involving the financial and risk management departments of Banque Fédérale des Banques Populaires, Natixis and the Banques Populaires banks.

Due to the nature of its activities, a specific system applies to Natixis.

Banque Fédérale des Banques Populaires, with support from the risk officers and finance departments of the Banque Populaire Group, has prepared an ALM risk handbook that governs measurement, control and reporting standards for these risks throughout the Group. This handbook was approved by the Group Standards and Methods Committee in 2008.

The QRM (Quantitative Risk Management) system, introduced by the Group at the third quarter closing in 2007, has been deployed across the Banque Populaire Group to serve as a framework for monitoring interest rate and liquidity risks. This new system ensures that all interest rate and liquidity risks at the Banque Populaire banks are comprehensively covered and measured on a consistent basis. It provides the Group GAP Committee and the Group Risk Management Committee with the information required to ensure overall supervision and to make prudential recommendations to the Board of Directors. During 2008, the new system was run side by side with the historical system to ensure reliability.

Future developments

New indicators are planned to improve the analysis of aggregate interest rate and liquidity risks. These include use of the delta equivalent method for a better view of option risks, inclusion of NPV (net present value) calculations in QRM, and finer-grained modeling of housing savings (PEL/CEL) plans.

In addition, the scope of monitoring is to be extended to the Regional Banks (former HSBC Banks) integrated into the Banque Populaire banks.

At the Banque Populaire banks, operational deployment of the market risk guidelines in 2009 will focus on implementation of risk reporting relating to second-tier control of ALM risks.

6.2.5 Operational risk

Operational risk management within the Banque Populaire Group is based on a manual of procedures and methods approved by the Board of Directors of Banque Fédérale des Banques Populaires in November 2005, updated each year by Banque Fédérale des Banques Populaires and validated by the Group Standards and Methods Committee. The manual covers the organization and principles of operational risk management, the risk mapping methodologies, and methods for collecting and tracking loss and incident data. The manual is used by all Group banks and is completed by a reporting system so that Banque Fédérale des Banques Populaires can oversee operational risks on a consolidated basis.

The Banque Populaire Group has acquired a new operational risk management application called ORIX and in 2008 began to deploy it in all Group banks. After completion of parameter tuning at the pilot Banques Populaires banks, ORIX was rolled out to all Banque Populaire Group entities in late 2008. This application enables shared dynamic management of operational risks, incidents and associated losses. It is also used to meet COREP regulatory reporting requirements.

Banque Fédérale supports provision of the ORIX application throughout the Group by training operational risk managers in its use.

The Banque Populaire Group has undertaken to migrate the former HSBC regional banks to the Group's operational risk management system. The first step in the convergence process was accomplished in 2008 by centralizing the collection of loss data from the regional banks. The next step is harmonization of the regional banks' risk mappings with the Group's mapping and deployment of ORIX during the first half of 2009.

Natixis has implemented its own operational risk management system based on a manual of procedures and methods geared to its specific business activities. It reports quarterly to Banque Fédérale des Banques Populaires on the level of risk it is bearing and whenever a major incident (greater than EUR 1 million) occurs.

Operational risk management organization

The definition of operational risk corresponds to the one adopted by the regulators: Operational risk is the risk of loss resulting from shortcomings or failures attributable to internal procedures, persons and systems or to external events. Banque Populaire Group has produced a mapping of risks consistent with this definition. This mapping groups operational risks in four broad categories: systems and process risks, fraud and external risks, legal and compliance risks, strategic risks.

Since January 1, 2006, the responsibilities of and relationships between the parties involved in operational risk management within the Banque Populaire Group have been governed by a charter. This charter was updated in 2008. Applied at the level of each entity and led by Banque Fédérale des Banques Populaires, the mapping process relies on exchange of information. It is based on regular reporting of loss and risk mapping data to Banque Fédérale des Banques Populaires, an alert mechanism for major operational risk incidents, annual bilateral meetings between each Banque Populaire bank and Banque Fédérale des Banques Populaires, and a twice-yearly meeting of everyone involved in operational risk management.

Risk mapping and incident monitoring

Substantial work was done in 2008 to update and harmonize the initial mapping of operational risks across the Group, with the objective of having a single groupwide mapping for the purpose of consolidated risk monitoring.

The Group's operational risk mapping relies on an approach by business process and a methodology for identifying risks and assessing levels of risk. Each bank's business was analyzed. The results were used to identify all processes, which were recorded in a common database. Each process was then reviewed to identify and measure all operational risks, prioritize them according to the risk management policy and prepare action plans to eliminate or minimize the risk.

The main factors measured for each risk event were probability of occurrence (frequency and expected value), financial impact, non-financial consequences, worst-case impact, effectiveness of the risk management system and the causes and consequences of an occurrence of each event.

The system is completed by the collection and systematic tracking of loss data, which is used by the risk mapping experts to refine their measurements. In effect since January 1, 2005, collection of loss data throughout the Banque Populaire Group provides the historical database needed for moving to the advanced measurement approach (AMA). Operational risk incidents within the Banque Populaire Group are now recorded in ORIX and reported quarterly.

Future developments

Deployment of the operational risk management application to all Banque Populaire Group entities, including the former HSBC regional banks and the subsidiaries, will continue in 2009. The roll-out will be prolonged by stepped-up support for changes stemming from the ongoing harmonization of Group operational risk mappings, scheduled for the end of the first quarter of 2009. These two large-scale projects will optimize dynamic management of prevention, monitoring and containment of Banque Populaire Group operational risks.

Lastly, work on transitioning to the advanced measurement approach will continue on the schedule established by the Group Risk Management

Committee. The first phase entails analyzing scenarios representing the Group's major operational risks and modeling them statistically. When this is completed, the second phase will entail integrating external loss databases into the system.

Business continuity plan (BCP)

With the expansion of Banque Fédérale des Banques Populaires' activities, two new BCPs have been put in place at the finance department level to deal with liquidity risk and ensure continuity in cash management operations. A review of the regional banks' BCPs has begun and will continue in 2009, with the objective of gradually bringing these plans into line with Banque Populaire Group standards.

During 2008, three entities had call to put their BCPs into action – after a gas explosion in Lyon, riots in Cameroon and outages of telecommunications networks – and did so successfully. To ensure that its BCPs are operational, the Group carried out numerous exercises and tests. The Banque Populaire banks and Banque Fédérale des Banques Populaires conducted thirty exercises to verify continuity for their in-house information systems, and the i-BP community conducted eleven for their shared IT systems. Fifty-one fallback drills were also conducted by the entities. Eleven crisis management exercises were conducted in 2008. The Group also took part in the industry-wide exercise organized by the Banque de France in June 2008, to which seven entities in the Paris region contributed, and five regional Banque Populaires banks were involved in the flu pandemic exercise conducted by public authorities in western France in October 2008. For its part, Natixis conducted more than eighty tests and exercises.

The Group has acquired BCP management software that is also used by Natixis. Developed by the same software publisher that supplied the operational risk management solution, this application shares major data components with it and will be deployed in the various entities during 2009. It will facilitate oversight and maintenance to keep BCPs in operational condition. At the same, the scope of the plans is being expanded to cover scenarios of long-lasting unavailability of competencies that up till now were only partially dealt with. This project will be completed in 2009.

Lastly, governance of Group business continuity efforts has been aligned with governance of personal, property and information system security under the business continuity charter approved by the Group Risk Management Committee in December 2008.

Information systems security

Following approval of the Group information systems security charter, the foundational document of Group policy in this area, by the Board of Directors in December 2007, the Information Systems Security (ISS) organization was put in place in early 2008. The executive managements of all Banque Populaire Group entities have formally designated an information systems security officer if the entity did not already have one. In accordance with the charter, the ISS coordinating committee met four times in 2008. The pace of work on formalizing the second tier of Group ISS policy was stepped up. This work entails compiling a handbook of Group ISS rules as well as cross-entity instructions concerning how the ISS process works and how security incidents are handled and reported. It is continuing in 2009.

The Group ISS Department played a role in leading or supporting numerous cross-entity projects, particularly in online banking and only payment security: implementation of a surveillance/response service to defend against attacks; strong authentication; deployment of physical certificate devices for use by professional and corporate customers; launch of a project to bring online merchants and the banks' "buyer" layer into compliance with the PCI DSS standard, etc. In addition, numerous security assessments were made in connection with various projects.

Regarding Banque Fédérale des Banques Populaires, a project aimed at building security into IT projects more integrally has begun, while second-tier permanent controls have been strengthened and will be further strengthened in 2009.

Lastly, the reporting tool for tracking action plans on post-assessment security and internal audit recommendations was enhanced in 2008 to include various operational indicators on Banque Fédérale des Banques Populaires information systems.

Insurance and risk coverage

Like other banking groups, Banque Populaire Group insures its major risks through specific insurance policies negotiated for all Group entities with reputable international insurance and reinsurance companies of unimpeachable solvency.

The main aim of the Group's insurance strategy is to ensure adequate, consistent coverage at Group level to protect it against the pecuniary consequences that might ensue from its professional liability on banking and brokerage activities, civil liability to third parties, and directors' and officers' liability.

The Group also insures against theft, fraud, embezzlement and information systems risks. Important Group buildings and other sites, such as head offices and data centers, are likewise covered by the insurance program. These policies cover loss of earnings resulting from interruption of banking activities as well as consequential losses.

Insurance arrangements are reviewed annually to assess their continuing effectiveness in light of changing risks. Policies are renegotiated annually to enlarge the scope and improve the level of coverage.

6.2.6 Compliance risks

As stated above, the compliance charter adopted by the Board of Directors of Banque Fédérale des Banques Populaires sets out the terms for the creation of a groupwide "Compliance" function headed by Banque Fédérale des Banques Populaires. It comprises three sub-units, each responsible for a specific type of risk:

- prevention of financial crime;
- ethics and compliance;
- legal compliance.

When Natixis was created on November 17, 2006, the Group launched a project with Caisse Nationale des Caisses d'Epargne on the exercise of joint compliance control, as described below.

One of the high points of 2008 was the integration of the former HSBC regional banks into the Group compliance process. The degree of integration will be increased further in the first half of 2008.

Prevention of financial crime

Banque Fédérale des Banques Populaires' Financial Security and Money Laundering Prevention Department was set up in March 2006. Its role is to organize and manage risks related to money laundering, financing of terrorism and compliance with economic sanctions for all Banque Populaire Group entities. Since the decision of the Board of Directors on May 20, 2008 updating the internal control charters, this department has been renamed the Financial Crime Prevention Department. It heads up the network of money laundering and terrorism financing prevention units, which form part of the compliance departments of Group entities. It is also responsible for coordinating prevention of fraud within the Group.

Accomplishments in 2008

Combating financial crime remains a key priority for the Banque Populaire Group. Financial security assurance has been consolidated through:

- actions to inform and train Banque Populaire Group employees responsible for financial security issues. These actions took the form of meetings and nationwide training programs in association with the Group Human Resources department;
- integration of the former HSBC regional banks in the embargo surveillance system based on Fircosoft filtering software as well in the Group's system for reporting suspicious transactions to Tracfin;
- coordination of fraud prevention. Two working groups were formed during the second half of 2008, and in December 2008 the Group Risk Management Committee adopted fraud prevention action plans for BFBP and the Group;
- work conducted at industry-wide meetings, mainly of the French Banking Federation, in particular on preparing for tranposal of the third EC anti-money laundering directive.

Future developments

Owing to the delay in transposing the third directive, the work required to bring the Group into compliance with it will continue through most of 2009. This work includes:

- revision of the Group's money laundering and terrorism financing prevention procedures to bring them into line with the new regulations once the new rules have been transposed into French law;
- operational optimization of the NORKOM software in Banques Populaires banks: the number of operational scenarios will be increased to twenty-one, and a tool for broadcasting certain alerts to the network will be deployed in the first half. Employees in the banking network will be trained in handling money laundering alerts generated by NORKOM starting in the second half of 2009;
- in collaboration with the Banque Populaire regional banks, the fraud prevention coordinating system will be gradually expanded during 2009. In conjunction with the current listing of operational risk losses, it will make prevention and handling of fraud by Group entities more effective. A nationwide training program in fraud prevention for Group employees has been approved in principle and will be implemented in 2009.

Ethics and Compliance

Formed on January 1, 2006, the Ethics and Compliance Department of Banque Fédérale des Banques Populaires is one of the three sub-units of the Group Compliance Department and the compliance function organized under the Group's Compliance Charter.

I. Group level

Annual reporting to the AMF

The Ethics and Compliance Department coordinates preparation of the Banque Populaire banks' annual compliance report for the Autorité des Marchés Financiers (AMF) as well as the special report to the AMF, which this year is focused on the conflicts of interest policy.

Its role involves:

- organizing a preparatory meeting for each of the reports;
- drawing up a standard analysis and design framework for the special report;
- summarizing the responses from the Banque Populaire banks on the two reports and sending the key conclusions to the banks.

Compliance with regulations and preparation for regulatory reforms

Alongside Natixis and its specialist subsidiary Natixis Securities, and in keeping with finance industry efforts, the Ethics and Compliance Department plays an active role in preparing for technological and structural changes relating to regulatory reforms. It reports regularly on these issues to the Banque Populaire banks, mainly via its intranet site and twice-yearly meetings, to enable the banks to assess the impact of these changes and ensure that the necessary measures are taken in time.

In extension of the work on implementing the MiFID, special efforts were devoted to the following:

a) surveillance of "complex" orders

With the Technologies Department and i-BP, the department took part in implementing a module that analyzes compliance on orders from Banques Populaires bank customers, in particular whether the customer is qualified to trade in "complex" financial instruments as defined in Article 314-57 of the AMF General Regulation;

b) personal trading and market abuse

The department, assisted by a working group of systems security officers from Banques Populaires banks, drew up a framework procedure and recommendations for the Group's investment service providers. Harmonization of the banks' practices for handling suspicious transaction alerts was encouraged, and improvements to the software tools provided by Natixis-Eurotitres as vendor of services were identified and made;

c) best practices guide for real estate activities

Work on a code of practice for the banks' real estate activities was conducted in association with all of the parties involved, with implementation planned for 2009;

d) integration of the former HSBC regional banks

These entities were able to initiate the process of updating their internal rules by taking the Banque Populaire Group's standard rulebook as a model and including the new provisions stemming from the MiFID. Similarly, the department worked with Natixis-Eurotitres to make the queries used for detecting market abuse available to the former HSBC regional banks.

II. At Banque Fédérale des Banques Populaires level

Insiders at Banque Fédérale des Banques Populaires

The Ethics and Compliance Department is responsible for managing the lists of permanent and occasional insiders at BFBP.

BFBP cash management unit

A cash management unit dedicated exclusively to treasury operations of Group entities was set up 2008.

The department provided its expertise at several levels:

- updating of the BFBP authorization and program of operations package submitted to the CECEI;
- drafting of compliance procedures for the cash management activity;
- implementation of the compliance process, jointly with Natixis's compliance department;
- provision of ethics training to traders.

In addition, the department participates along with the Financial Crime Prevention Department in reference checking of counterparties and fund subscribers, as part of a committee formed for this purpose within the Compliance Department. An ethics compliance control plan for this activity has also been defined.

Future developments

The department will continue to structure its control plan for the BFBP cash management activity, which after six months of existence is now in regular operation. The emphasis is on ensuring that orders are traceable and that trades comply with the terms of BFBP's operating authority.

The department will continue to work on improvements for the BP banks' customer sales desk, drawing on i-BP's expertise in particular regarding means of tracing investment advice provided to customers and warnings sent to them.

Provision of customer disclosure on fees and inducements received by Banque Populaire banks for financial products and investment services sold by them will be operational in 2009. This issue is being handled with BFBP's Business Development department and Natixis's fund management companies.

Legal compliance

The framework procedures of Regulation 97-02 have been in place starting with the 2006 fiscal year, under provisions of the Banque Populaire Group compliance charter. During 2008, the Legal Compliance department focused particular attention on assisting the compliance officers of the former HSBC entities, which became part of the Group at the start of the second half, in gaining understanding of the procedural framework.

Warning procedure

The warning procedure required by Article 11-2 of Regulation 97-02 is in place at Banque Fédérale des Banques Populaires and the Banque Populaire banks based on a standard model. The procedure document was sent to the works councils and individually to each employee for information prior to implementation.

Once every quarter, the Group's banks report all warnings issued under this procedure to Banque Fédérale des Banques Populaires, in accordance with applicable confidentiality requirements.

New product procedures

A procedure meeting the requirements of Regulation 97-02 on adoption of new products was drawn up in collaboration with the Business Development department and has been implemented. This procedure concerns new products marketed by more than one Banque Populaire bank and sets out the organization and operation of the "Group Business Development Committee", which deals with issues relating to new products and is described above. This committee meets every two months on average. A compliance opinion is issued on each new product presented to the committee. The head of the Legal Affairs and Compliance department (or his representative) is a member of this committee *ex officio*.

New products marketed by just one Banque Populaire bank are the responsibility of the bank's own new products committee, in accordance with procedural guidelines drawn up in concert with the banks.

Each Banque Populaire bank provides Banque Fédérale des Banques Populaires with minutes of the meetings of its new products committee.

Centralization of information on incidents of non-compliance

Banque Fédérale des Banques Populaires has a procedure in place for the centralization of information on non-compliance incidents identified at the Banque Populaire banks, providing for systematic twice-yearly reporting and event-triggered reporting if necessary between scheduled reporting dates.

Outsourcing of essential or major services or other operational tasks

To facilitate the role of the legal compliance officers, Banque Fédérale des Banques Populaires has outsourced various control functions for the Banque Populaire banks on a contract-by-contract basis, in order to comply with the provisions of Regulation 97-02. The same process is in place within Banque Fédérale des Banques Populaires. In addition, a list of the services involved has been made available to Banque Populaire Group entities on the Compliance Department intranet. The list is updated as and when necessary.

The banks report a summary of their compliance work on service outsourcing contracts to Banque Fédérale des Banques Populaires.

Compliance risk mapping

As part of a working group led by the Legal Affairs and Compliance Department, the Banque Populaire banks have mapped their compliance risks for the purpose of identifying major risks and defining and prioritizing the most relevant permanent controls.

During 2008, this working group supplemented the methodological documentation needed for this approach for the purpose of achieving greater consistency in groupwide measurements of compliance risks.

Future developments

In 2009, the department, in coordination with the Risk Management Department, will focus on supporting the Group's entities in refining their second-tier permanent control programs and sharing the reference information used in them. The two departments will also work on specifying the content of reports to Banque Fédérale on the entities' second-tier permanent controls.

6.3 Internal control of financial reporting and disclosure

6.3.1 Preparation of the consolidated financial statements

General principles

The consolidated financial statements of Banque Fédérale des Banques Populaires and the Banque Populaire Group are prepared by Banque Fédérale des Banques Populaires in its capacity as central body of the Banque Populaire banks, Crédit Maritime Mutuel and Natixis. Its Finance Department has drawn up and deployed a consolidation manual designed to guarantee the reliability of the process. It is based on the following core principles:

- definition and communication of accounting policies for the Banque Populaire Group, including analysis and interpretation of new texts issued during the period, both for French GAAP and international accounting standards (IFRS);
- use of the direct consolidation method to permit detailed examination of the consolidation packages of consolidated entities according to a formal review process. In contrast, Natixis and FONCIA are consolidated using the sub-consolidation method, which means their own consolidated financial statements are naturally consistent with those of the Banque Populaire Group and Banque Fédérale des Banques Populaires;
- use of a single consolidation system for all consolidations and sub-consolidations conducted within the Banque Populaire Group in order to ensure internally consistent scopes of consolidation, definitions, standards, charts of accounts, processing sequences and analyses. The sub-consolidation process using this system, which was previously restricted to a few Banque Populaire banks, was extended to all Banque Populaire banks in the first half of 2007;
- preparation of quarterly consolidated accounts to provide a better level of control over half-yearly and annual financial statements, by projecting transactions for the period, providing reliable estimates on a consolidated basis and better reconciliation of intragroup transactions;
- checking of data reported by consolidated entities through the use of application interfaces as well accuracy and consistency checks that must be passed before the data can be transmitted;
- item-by-item analysis of all entries that impact consolidated shareholders' equity and production of a tax proof for each consolidated entity. This procedure provides full evidence of consolidated shareholders' equity and individual justification of recognized deferred taxes;
- an audit trail system to trace the accounting data reported in the financial statements and the notes back to the individual accounts of each consolidated entity and the consolidating adjustments;
- archiving and security procedures including daily backup of the single consolidation database and regular testing of data recovery;
- regular training of accounting staff at the consolidated entities to promote the use of best practice throughout the Banque Populaire Group.

In 2008 Banque Fédérale des Banques Populaires and Banque Populaire Group produced its first full consolidated regulatory reports required by the member regulators of Committee of European Banking Supervisors (CEBS):

- COREP (COmmon REPorting), the common European reporting framework for the new Basel II requirements;
- FINREP (FINancial REPorting), the common European reporting framework for the content and presentation of consolidated financial statements under IFRS.

Preparation of Group consolidated financial statements under IFRS

As an unlisted company, the Banque Populaire Group is not obliged to adopt international financial reporting standards (IFRS). However, with a view to transparency and comparability with other major banking groups in the market, the Board of Directors of Banque Fédérale des Banques Populaires decided to prepare its consolidated financial statements in accordance with IFRS as from January 1, 2005.

Consolidation takes place quarterly based on the separate financial statements of each Group entity. The financial statements of the entities are entered into a central database where consolidating adjustments are then carried out. In 2007, the Banque Populaire Group opted for a mixed consolidation solution that not only provides for strong internal control but can also be adapted to the constraints of efficient production of the Group's consolidated financial statements:

- for Banque Populaire banks, their subsidiaries and the Caisses du Crédit Maritime, the solution is based on the principle of line-item tracking of variances between their statutory financial statements under French GAAP, as approved by their Board of Directors, and their consolidating statements under IFRS as consolidated into the Group's financial statements. This system led to the deployment of an IFRS consolidation package, which lists and controls all adjustments to be made to the French GAAP financial statements for translation to IFRS. This solution provides more than 4,500 checks and ensures a full audit trail between the French GAAP and IFRS financial statements;
- for Natixis and FONCIA, the choice was made to prefer consolidating statements in native IFRS format, which is better suited to their internal procedures for individual and sub-consolidated accounts.

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6.3.2 Control process

Internal control processes at the level of the consolidated entities

Reflecting the decentralized nature of the Banque Populaire Group, internal control procedures are tailored to the organization of each consolidated entity. In all cases, the process includes several layers of controls:

- at the base level, permanent controls are included in processing programs at the operational level;
- at the intermediate level, independent checks of processing operations by the Finance and Accounting Departments ensure the reliability and completeness of accounting data. At the consolidated level, the Finance Department of Banque Fédérale des Banques Populaires validates compliance with applicable accounting standards across the scope of consolidation. It also performs multiple checks against the data received quarterly in the consolidation packages, to verify that data are aggregated correctly, consolidating entries are proper, residual variances on intercompany transactions have been taken care of, and so on. These checks are supplemented by analytical reviews and consistency controls of the main aggregates in the financial statements, as well as an analysis of changes in shareholders' equity and deferred taxes during the period through individual and consolidated tax reconciliations;
- another level involves controls by the internal audit departments in their role as controller of controls; and
- a fourth level corresponds to the controls by the Audit or Risk Management committees set up by the main entities included in the scope of consolidation of the Banque Populaire Group. Their purpose is to analyze the separate and consolidated accounts of the entities concerned and to check that accounting methods used and main assumptions underlying the financial statements are appropriate and consistently applied.

These ongoing and periodic controls, performed in the various accounting system environments within the Banque Populaire Group, include reviews of account analyses produced by the various departments, checks to ensure that suspense items are cleared and errors corrected on a timely basis, and monitoring of indicators for "sensitive" accounts.

On January 21, 2004, the Board of Directors of Banque Fédérale des Banques Populaires adopted an internal control charter setting out the principles, scope of application, parties involved and rules governing the operation of the internal control system of each Group entity. This charter was revised on September 6, 2006, and a new revision was presented to the Group Risk Management Committee in 2008.

Under the supervision of executive management, this charter must be applied by everyone in all business activities conducted by the entity, its subsidiaries and related organizations, including activities that have been outsourced within the meaning of Article 4 (q and r) of Regulation 97-02 as amended (either externally or internally within the Group).

It sets out general principles and is supplemented by the charters governing the permanent control function (risk management and compliance) and the periodic control function (internal audit) as well as the accounting control charter adopted in 2008.

Top-level controls

In addition to the self-checking and external checking procedures performed in the entities responsible for preparing separate or consolidated financial statements, the quality of accounting controls is verified by:

- Banque Fédérale des Banques Populaires, which reviews the regulatory reporting statements prepared by the Banque Populaire banks and Crédit Maritime Mutuel banks (BAFI 4000 returns and supplementary returns) in its capacity as the central body. To enhance the effectiveness of its controls, the Finance Department of Banque Fédérale des Banques Populaires has elected to review these returns on a monthly basis rather than the quarterly basis required by the Commission Bancaire;
- the Group's external auditors, who work on a panel basis and base their opinions partly on the conclusions of the external auditors of each consolidated entity, particularly as regards compliance with the standards of the Banque Populaire Group as laid down by Banque Fédérale des Banques Populaires, and partly on the effectiveness of local internal control procedures. Action was taken in 2008 to require all of the Banque Populaire banks to include one of the Group's two

external auditors on its panel of statutory auditors. At year-end 2008, 13 of the 20 Banque Populaire banks had at least one of the Group's two external auditors on its own panel. This proportion is set to increase in coming years as current auditors' terms of appointment at Banque Populaire banks expire;

- periodic internal audits of various entities within the Banque Populaire Group and of Banque Fédérale des Banques Populaires, carried out by the Internal Audit department of Banque Fédérale des Banques Populaires.

Lastly, as required by Regulation 97-02 on prudential supervision of credit institutions, the Group Internal Audit Department of Banque Fédérale des Banques Populaires, in coordination with the Risk Management and Compliance Departments responsible for permanent control, submits an annual report on the Banque Populaire Group's internal control to the Group Risk Management Committee and the Board of Directors. This report, which is based on a detailed questionnaire, assesses internal control procedures and more particularly internal control over accounting and financial information prepared by consolidated entities, and consolidated information where appropriate.

6.3.3 Role of the decision-making body

The Audit Committee is composed of four members of the Board of Directors of Banque Fédérale des Banques Populaires. Its role is to review the statutory and consolidated financial statements of Banque Fédérale des Banques Populaires and the consolidated financial statements of the Banque Populaire Group. The chairman and chief executive officer and deputy chief executive officer are not present at meetings of this committee. The committee is responsible for ensuring that accounting policies are appropriate and are applied consistently from one year to the next, and for assessing the reasonableness of the main assumptions used to prepare the financial statements. Its responsibilities also extend to the accounting and financial documents published by Banque Fédérale des Banques Populaires.

It makes recommendations to the Board on the choice of statutory auditors for Banque Fédérale des Banques Populaires and Banque Populaire Group, the audit program and the fee budget.

The Audit Committee meets at least twice a year in the presence of the external auditors and the heads of the Finance and Internal Audit departments of Banque Fédérale des Banques Populaires, who attend *ex officio*. Lastly, the committee may also request the presence of other individuals who in one way or another are involved in the production or supervision of financial statements.

The Audit Committee of Banque Fédérale des Banques Populaires met twice in the presence of the statutory auditors, on August 25, 2008 and February 23, 2009, to review the consolidated financial statements of Banque Fédérale des Banques Populaires and the Banque Populaire Group at June 30 and December 31, 2008 respectively, before presentation of those statements to the Board of Directors.

In addition, at the meeting of March 3, 2008, the Committee approved the new panel of statutory auditors presented to the Board of Directors on March 5, 2008. They were appointed after a competitive bidding process, initiated prior to the expiration of the term of office of the previous statutory auditors. The chairman of the Audit Committee and the heads of the Finance Departments of Banque Fédérale des Banques Populaires and three Banque Populaire banks were involved in the process.

6.3.4 Future developments

In 2009 the Banque Populaire Group will pursue strategies to optimize its data processing and control systems and adapt them to keep pace with business development and changes in the regulatory environment.

In this regard, the Board of Directors of Banque Fédérale des Banques Populaires decided on August 27, 2008 that Banque Populaire banks will produce their own consolidated financial statements under IFRS for fiscal years beginning on or after January 1, 2010. In 2009 Banque Fédérale des Banques Populaires will be providing the necessary resources to facilitate the transition to IFRS.

The efforts undertaken to rationalize the resources and working methods of the teams responsible for producing, checking and monitoring accounting and financial reporting schedules will also be continued.

The major projects currently in progress or due to be launched within the Group are:

- **at the level of the Banque Populaire banks,** an extensive overhaul of the accounting architecture of the banks belonging to the i-BP platform (17 of the 20 Banque Populaire banks). The aim is to gradually roll out a single accounting interpretation solution based on identical accounting schedules validated by Banque Fédérale des Banques Populaires and to create a database of elementary transactions providing a more effective audit trail and broader data retrieval and analysis functions. This project, begun in 2005, continued on schedule in 2008; it will be completed in 2009 once all remaining applications have been migrated via a common interpreter.

  Along similar lines, the Board of Directors of i-BP on December 9, 2008 approved a project to overhaul the accounting and financial information system of Banque Populaire banks that are members of i-BP. This project is budgeted at more than 17,000 man-hours over three years, from 2009 to 2011. The objective is to optimize the accounting function by disentangling account-keeping for customers from general accounting and by harmonizing the reference bases used. A single chart of accounts will be used throughout the i-BP community, and a database of asset and liability items that is natively consistent with it will be generated;
- **at the level of Banque Fédérale des Banques Populaires,** 2008 projects in the area of management control for Banque Populaire banks included:
  - roll-out to all of the "i-BP" banks of management accounting tools that can break down net banking income by customer segment and by

product, using a single internal transfer pricing model based on historical data for all Banque Populaire banks and run-off distributions defined by Banque Fédérale des Banques Populaires' ALM Department,

- extension of ABC (Activity Based Costing) cost measurement tools to objects such as electronic means of payment, currency, loans and disputes,
- adoption in March 2008 of an accounting control charter that is yet to be implemented, in particular for putting together detailed audit programs for accounting controllers. A training course in the various aspects of bank accounting, including IFRS, BAFI and consolidation, was offered to Banques Populaires banks. Some 40 of the banks' accounting controllers took this training course in 2008;

- **at the level of Natixis,** the projects initiated in past years as part of the overall systems blueprint have provided Natixis with:
  - a new accounting application, Matisse, that includes the traditional functionalities of accounting ERP software (accounting codes, foreign currency accounting, calendar management, data audit trails, etc.),
  - new reference bases keyed to the various accounting codes (third parties, products, activities, applications and structure) ensure that the different management and reporting systems use the same reference information,
  - an inventory database including all the data needed for data aggregation systems and regulatory returns,
  - an inventory and accounting reconciliation engine integrated into the tool, including two possible levels of reconciliation (balances and movements) and adaptable to different accounting code parameters,
  - effective April 1, 2008 across the former Natexis Banques Populaires banks, this accounting tool is to be rolled out to the BFI and Capital Markets divisions in 2009.

For the process of drawing up consolidated accounts at its sub-consolidation level, Natixis acquired new consolidation software, Copernic, in the second half of 2008, as called for in the initial planning.

Copernic makes it possible to produce a consolidation pack in native IFRS format as well as automated notes to the consolidated statements. It also manages deferred taxes on a local basis, provides retrieval functionalities, and gives the shareholders access to data via dedicated interfaces.

It has also made it possible to move forward on achieving transparency on the main sub-levels of the Natixis group.

Functionally, however, the coexistence of two accounting systems made the overall process more complex by requiring Natixis to maintain parallel production processes (two consolidation packs) and accounting control processes throughout the year.

7

Statutory auditors' report

prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of Banque Fédérale des Banques Populaires

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF BANQUE FÉDÉRALE DES BANQUES POPULAIRES

Banque Fédérale des Banques Populaires SA
« Le Ponant de Paris » 5, rue Leblanc - 75511 PARIS CEDEX 15

Year ended December 31, 2008

Dear Shareholders,

In accordance with our appointment as auditors of Banque Fédérale des Banques Populaires and in accordance with Article L.225-235 of the French Commercial Code, we present our report on the Chairman's report prepared in accordance with Article L. 225-37 of the French Commercial Code for the financial year ended December 31, 2008.

It is the responsibility of the Chairman to prepare and submit to the Board of Directors for approval a report on internal control and risk management procedures in place within the company and providing the other information required by Article L. 225-37 of the French Commercial Code relating in particular to corporate governance.

It is our responsibility:

- to report to you on our observations on the information contained in the Chairman's report on internal control procedures relating to the preparation and processing of accounting and financial information; and
- to certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to verify the fairness of this other information.

We performed our procedures in accordance with professional guidelines applicable in France.

Information concerning internal control procedures relating to the preparation and processing of accounting and financial information

Professional guidelines require us to perform procedures to assess the fairness of the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of accounting and financial information. These procedures notably consisted of:

- familiarizing ourselves with internal control procedures relating to the preparation and processing of accounting and financial information underlying the information provided in the Chairman's report, as well as existing documentation;
- obtaining an understanding of the work performed to support the information given in this report and existing documentation;
- determining whether appropriate information is provided in the Chairman's report about the major shortcomings in internal control relating to the preparation and processing of accounting and financial information identified within the framework of our audit.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information contained in the Chairman's report prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We certify that the Chairman's report contains the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine, April 24, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit	**KPMG Audit**
Agnès Hussherr	Fabrice Odent

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8 2008 Financial reports

8.1 Banque Fédérale des Banques Populaires financial report

8.1.1 Management report

1. *Summary of Banque Fédérale des Banques Populaires Group in 2008*

In this management report, the following terminological conventions are used:

- Banque Fédérale des Banques Populaires is the consolidated whole, comprising BFBP SA and all its subsidiaries (including Natixis);
- as a legal entity in the strict sense of the term, Banque Fédérale des Banques Populaires' name is BFBP SA.

This convention also applies to the subgroup consisting of Natixis SA and its subsidiaries.

Since its reincorporation as a "*société anonyme*" pursuant to Article 27 of act no. 2001-4200 of May 16, 2001, Banque Fédérale des Banques Populaires has fully and actively exercised the two key roles assigned to it:

Banque Fédérale des Banques Populaires: central body of Banque Populaire Group

This role is strictly defined by Article 8 of the act of May 16, 2001, and is central to the Banque Populaire Group system. Banque Fédérale des Banques Populaires is responsible for:

- organizing the liquidity and capital adequacy of the network as a whole;
- defining the policy and future strategy of the Banque Populaire Group;
- negotiating national and international agreements on behalf of the network;
- more generally, exercising administrative, technical and financial control over the organization and management of the Banque Populaire banks and their direct or indirect subsidiaries in order to maintain a cohesive network and ensure its proper functioning and development.

In 2003, the role of central body was extended to Crédit Maritime Mutuel, pursuant to Article 93 of the Financial Security Act (act no. 2003-706) of August 1, 2003.

In this role, Banque Fédérale des Banques Populaires' Board of Directors examines and prepares the Banque Populaire Group's consolidated financial statements. The consolidated financial statements for the year ended December 31, 2008 were approved by Banque Fédérale des Banques Populaires' Board of Directors on February 25, 2009.

Banque Fédérale des Banques Populaires: holding company and bank

BFBP operates partly as a holding company:

- of the Natixis subgroup, which was created on November 17, 2006 through the merger of some Banque Populaire Group and Caisse d'Epargne Group businesses, and in which Banque Fédérale des Banques Populaires (and its direct subsidiaries) own a 35.78% stake;
- other subsidiaries owned directly by Banque Fédérale des Banques Populaires.

As a fully-fledged bank, Banque Fédérale des Banques Populaires centralizes the Banque Populaire banks' cash surpluses and ensures their refinancing. This function is substantially delegated to Natixis under a cash pooling agreement.

1.1 Introduction

Accounting principles used

The consolidated financial statements to December 31, 2008, and to December 31, 2007 are both presented in accordance with IFRS and are fully comparable in terms of accounting standards.

Scope of consolidation

The Banque Fédérale des Banques Populaires Group's scope of consolidation changed in 2008 as a result of:

- the acquisition by Banque Fédérale des Banques Populaires from HSBC France on July 2, 2008, of:
  - 100% of Société Marseillaise de Crédit, consolidated in the second half of 2008 due to the acquisition date,
  - 49% of six other Regional Banks: Banque Chaix, Banque de Savoie, Banque Marze, Banque Dupuy, de Parseval, Crédit Commercial du Sud-Ouest and Banque Pelletier. In view of Banque Fédérale des Banques Populaires' commitment to sell its stake to the Banque Populaire banks to which the Regional Banks are attached (Banque Populaire Provençale et Corse, Banque Populaire des Alpes, Banque du Sud and Banque Populaire du Sud-Ouest), these Regional Banks are not consolidated in the financial statements of the Banque Fédérale des Banques Populaires Group;
- the sale of credit enhancement company CIFG, acquired jointly by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne in December 2007. The commutation agreement signed on January 22, 2009 diluted the stake held to less than 5%. The company has therefore been deconsolidated and made only a very marginal contribution to earnings for the period.

A key event of 2007 was the acquisition of FONCIA in the first half of the year.

1.2 Banque Fédérale des Banques Populaires Group consolidated results

The Banque Fédérale des Banques Populaires Group's consolidated results are broken down by component:

- **Natixis's** contribution to the Banque Fédérale des Banques Populaires Group, proportionally consolidated at 35.78%;
- **federal activities**, consisting of the businesses housed within Banque Fédérale des Banques Populaires, particularly international retail banking, FONCIA and CIFG (in 2007).

	2008			
in € millions	Natixis	Federal activities	Total	%*
Net banking income	**1,047**	**966**	**2,013**	**-73%**
General operating expenses	(1,808)	(817)	(2,625)	-56%
Gross operating income	**(761)**	**149**	**(612)**	**-139%**
Cost/income ratio			130.4%	
Impairment charges and other credit provisions	(650)	(25)	(675)	+39%
Operating income	**(1,411)**	**124**	**(1,287)**	**-217%**
Share of income of associates	151	17	169	+9%
Income from other assets	34	112	146	
Goodwill	(324)	0	(324)	
Tax	252	(59)	193	
Net income	**(1,297)**	**194**	**(1,104)**	**-199%**
Minority interests	(26)	(10)	(36)	+0%
Net income attributable to equity holders of the parent	**(1,323)**	**184**	**(1,140)**	**-208%**

* *2007 pro forma, with FONCIA over 12 months.*

1.2.1 Effects of the financial crisis on the BFBP Group's financial statements

The Banque Fédérale des Banques Populaires Group incurred a cost before tax of around €1.8 billion placed directly with Natixis (at 35.78%), in addition to goodwill impairment of relating to Natixis's CIB business in the amount of €324 million.

For Natixis, like all companies in the financial sector, 2008 was a year of two key phases:

- until September 15, 2008, the date of the collapse of Lehman Brothers, the crisis concerned primarily underlying credit assets, in particular structured credit products. The majority of losses and value adjustments were in proprietary activities and principal finance and, to a lesser extent, in capital market activities. The profitability of CIB's other business lines and other divisions was still relatively intact at this stage;
- after September 15, the collapse of Lehman Brothers triggered generalized dislocation in all of the markets, as a result of which the crisis gained pace dramatically and spread to nearly all of Natixis's business lines.

The total impact of the financial crisis on Natixis's net banking income amounts to €3,573 million (at 100%, or €1,278 million for the Banque Populaire Group's share), with an impact on impairment charges and other credit provisions of €1,536 million (€550 million at 35.78%).

1.2.2 Natixis's contribution to the BFBP Group's consolidated financial statements

Natixis's contribution reflects proportional consolidation at 35.78%.

Natixis contribution

in € millions	2008	2007	% change	
Net banking income	**1,047**	**1,920**	**-45%**	
General operating expenses	(1,808)	(1,852)	-2%	
Gross operating income	**(761)**	**68**		
Impairment charges and other credit provisions	(650)	(85)		
Operating income	**(1,411)**	**(17)**		
Share of income of associates	151	210	-28%	
O/w BP CCIs	*51*	*77*		*-34%*
O/w CEP CCIs	*88*	*123*		*-28%*
Income from other assets	34	184		
Goodwill	(324)	(0)		
Tax	252	29		
Net income	**(1,297)**	**406**	**-420%**	
Minority interests	(26)	(40)		
Net income attributable to equity holders of the parent	**(1,323)**	**366**	**-462%**	

Comments on the contribution of Natixis to the Banque Populaire Group's consolidated results

Net banking income

Natixis's contribution to the Banque Fédérale des Banques Populaires Group's net banking income was €1,047 million in 2008, down 45% compared with 2007. Net banking income was very low in the fourth quarter of the year at €63 million due to the crisis spreading to CIB's capital markets activities and the associated effects on Natixis's other business lines:

Business line	Q1 08	Q2 08	Q3 08	Q4 08	2008
CIB	142	(293)	101	(163)	(213)
Asset management	113	133	122	118	486
Services	137	145	121	125	529
Receivables management	87	82	76	41	286
Private equity and private banking	32	34	21	(19)	68
Total business lines	**511**	**101**	**441**	**102**	**1,156**
Other activities	(18)	(29)	(22)	(39)	(108)
Total Natixis	**493**	**72**	**419**	**63**	**1,047**

The crisis dented net banking income by €457 million in the fourth quarter of 2008 and full-year net banking income by €1,278 million. Compared with previous quarters, the impact relating to structured credit instruments was relatively limited in the fourth quarter, while there was an explosion in exceptional trading losses (-€364 million over the quarter) in capital markets activities relating to the sharp increase in volatility and the rising cost of hedging.

In addition to this impact on net banking income, the crisis had an impact on impairment charges and other credit provisions of €359 million in the fourth quarter of 2008 and €550 million over the full year.

CIB's net banking income amounted to -€213 million in 2008, broken down between continuing activities and activities managed on a run-off basis, grouped together within the Workout Portfolio Management Structure (GAPC):

- CIB continuing activities generated net banking income of €1,022 million, up 11% compared with 2007, including revenues from CPM activities and taking account of the fact that losses in the Corporate Solutions business are allocated to impairment charges and other credit provisions;
- due to the activities housed within the Workout Portfolio Management Structure (GAPC), this unit bore the brunt of the impact of the crisis, in particular value adjustments relating to structured credit portfolios and trading losses from complex interest rate and equity product activities. Net banking income for these activities totaled -€1,235 million in 2008. Excluding the effects of the crisis, GAPC's net banking income came to €113 million.

  The other business lines, which had so far held up well against the crisis, were affected in the fourth quarter of 2008 by generalized market dislocation and the sharp rise in risk.
- **Asset management**: Net banking income fell by 21% year-on-year in 2008 to €486 million. At constant exchange rates, net banking income was down 17%, due to the decline in performance-related commission income (down 75%) and the fall in commission income on assets under management as a result of the decline in average assets under management (down 6%), coupled with a reduction in average commission rates.

  Assets under management totaled €446.7 billion at end-2008, down 20% compared with the previous quarter or 25.5% year-on-year at constant exchange rates.
- **Services**: Despite deterioration in financial and economic conditions, business momentum remained robust in most of the division's activities, in terms of both direct clients and improvement in the penetration rate of shareholder networks. However, the continuation of the financial crisis and severe deterioration in economic conditions in the fourth quarter of the year affected the division's revenues, particularly in securities and insurance activities.

  The Services division achieved a 1% year-on-year increase in net banking income to €529 million in 2008, compared with a 3% increase to end-September.
- **Receivables management**: The division was severely affected by the escalation of the crisis in the fourth quarter, due to not only the very sharp increase in claims - with a loss ratio rising from 59.2% at end-September 2008 to 72.6% at end-December 2008, a 23.5 point increase relative to 2007 – but also the decline in clients' revenues, as well as cuts in interest rates in the majority of countries. The division generated net banking income of €286 million in 2008, down 13.5% compared with 2007.
- **Private equity and private banking**: Net banking income fell by 63% year-on-year to €68 million.

The private equity business generated net banking income of €29 million, down 79% compared with 2007. Capital gains on asset sales totaled €95 million, up sharply compared with 2007. However, the level of unrealized capital gains fell by €25 million as a result of the high volume of asset sales in 2008, much newer stock over the last two years and unfavorable economic conditions.

The private banking business generated net banking income of €39 million in 2008, down 13% compared with 2007. Margins were affected by the "wait-and-see" stance among investors, the decline in assets under management relating to the equity market slump and the change in assets under management in favor of the most secure products but which generate the lowest margins.

The Banque Fédérale des Banques Populaires Group's share of Natixis's other net banking income was -€108 million in 2008, more or less stable relative to 2007.

Operating expenses

Operating expenses came to €1,808 million, stable in relation to 2007. Of these expenses, "underlying" expenses (excluding restructuring costs), which fell by 9% compared with 2007, should be distinguished from restructuring costs.

- In terms of underlying expenses, variable compensation (including incentive and profit-sharing plans) was halved (down 48%) in all divisions, with a particularly sharp fall in CIB (down 56%), asset management (down 50%) and other functional departments (down 24%). Fixed costs increased by a moderate 3.2%, or by 1.4% at constant exchange rates and like-for-like.

  Over the full year, significant job cuts were made in CIB with a reduction of 194 full-time equivalent employees or 3%, and in other activities, with a reduction of 131 full-time equivalent employees or 5%. The number of staff in other business lines increased slightly. The implementation of the PSE ("*Plan de Sauvegarde de l'Emploi*") redundancy plan as of end-September is only reflected in these figures to a limited extent due to the considerable gap between the date the plan was announced and redundancies becoming effective.
- Restructuring costs amounted to €88 million, including €34 million relating to the PSE redundancy plan, €24 million in compensation relating to departures outside the PSE plan, and €24 million relating to the implementation of various reorganization projects.

Impairment charges and other credit provisions

Impairment charges and other credit provisions totaled €650 million in 2008, with €550 million relating directly to the financial crisis, including:

- €109 million relating to monoline insurers and CDPCs;
- €104 million relating to Lehman Brothers;
- €33 million relating to Icelandic banks;
- €134 million relating to Madoff;
- €113 million relating to the default of two counterparties.

Net income

The share of income of associates totaled €151 million in 2008, including €88 million relating to Caisse d'Epargne CCIs and €51 million relating to Banque Populaire CCIs, after elimination of the share of dividends from Banque Fédérale des Banques Populaires (-€22 million in 2008).

The change in the value of goodwill was negative at €324 million due to the full write-down of goodwill recognized by the Banque Fédérale des Banques Populaires Group in respect of CIB.

Less minority interests of €26 million, Natixis made a negative contribution to the Banque Fédérale des Banques Populaires Group's consolidated net income of -€1,323 million in 2008 compared with a positive contribution of €366 million in 2007.

1.2.3 Contribution of federal activities and Banque Fédérale des Banques Populaires

The federal activities include a number of businesses that can be summarized as follows:

Contribution from other activities

in € millions	NBI	Gen. Op. Exp.	GOI	Net income
Contributions				
FONCIA	526	(486)	40	24
SMC	143	(68)	75	57
BICEC	53	(28)	25	11
MA BANQUE	26	(23)	3	0
VBI	-	-	-	17
Other	218	(213)	5	75
TOTAL	**966**	**(817)**	**149**	**183**

- **FONCIA**, a leading provider of residential real estate services, was acquired by Banque Fédérale des Banques Populaires on April 2, 2007. FONCIA's performance in 2008 shows robust revenue growth in all areas, apart from the transactions business, which suffered a severe slowdown in sales in the second half of 2008. After operating expenses, FONCIA made a contribution to consolidated net profit of €24 million in 2008 compared with €25 million in 2007.

FONCIA	2008	2007	%	Revenue structure
Co-ownership	163	146	+12%	31%
Rental management	129	115	+12%	25%
Sales	67	73	-9%	13%
Rentals	56	48	+18%	11%
International	36	35	+2%	7%
Services	35	32	+8%	7%
Mandated products	26	23	+12%	5%
Other	11	10	+9%	2%
Franchises	1	1	+117%	0%
TOTAL	**525**	**484**	**+8%**	**100%**

- **Société Marseillaise de Crédit** acquired from HSBC France on July 2, 2008, operates in retail banking in the south of France. Given the acquisition date, its contribution to the Group's financial statements concerns just the second half of 2008;
- **MA BANQUE** is the result of a partnership between Banque Populaire Group, MAAF and Mutuelles du Mans, and is 66%-owned by Banque Fédérale des Banques Populaires. It generated net banking income of €26 million, down 5% compared with 2007;
- **International retail banking includes** BICEC in Cameroon and VolksBankInternational (VBI) in Central and Eastern Europe in partnership with Austria's Volksbank and Germany's DZ Bank.

  BICEC is 52%-owned by Banque Fédérale des Banques Populaires. Its net banking income rose by 1% to €53 million in 2008. VBI is 25%- owned by Banque Fédérale des Banques Populaires, and is accounted for under the equity method. Its contribution to consolidated net income was €17 million in 2008, an increase of 33% compared with 2007.
- **The other federal activities** mainly include Banque Fédérale des Banques Populaires' activities as central body, resulting from its function as head of the network. The impact in terms of net banking income was mainly the result of fees received from the Banque Populaire banks as part of its duties as central body, i.e. €142 million versus €136 million in 2007. Net income also includes a positive effect of €100 million from the increase in the stake held in Natixis from 34.66% at December 31, 2007 to 35.78% at December 31, 2008 as a result of purchases of shares on the market symmetrically with Caisse Nationale des Caisses d'Epargne.

1.3 Capital and ratios

1.3.1 BFBP SA's capital

On June 28, 2008, Banque Fédérale des Banques Populaires paid the final dividend for 2007 with the option of payment in shares at a price of €60.46 per share. The issued share capital totaled €54,075,720 and the share premium was €163,885,482.08. All of these shares were taken up by Banques Populaires, and increased Banque Fédérale des Banques Populaires' share capital to €1,357,891,275 consisting of 90,526,085 shares with par value of €15 each.

On July 1, 2008, Banque Fédérale des Banques Populaire carried out capital increase, issuing 12,248,804 new shares with a par value of €15 each. The issued share capital totaled €183,732,060 and the share premium was €1,096,267,958. All of these shares were taken up by Banques Populaires, and increased Banque Fédérale des Banques Populaires' share capital to €1,541,623,335 consisting of 102,774,889 shares with par value of €15 each.

On September 26, 2008, Banque Fédérale des Banques Populaires paid the final dividend for 2008 with the option of payment in shares at a price of €67.69 per share. The issued share capital totaled €9,735,615 and the share premium was €34,197,970.29. All of these shares were taken up by Banques Populaires, and increased Banque Fédérale des Banques Populaires' share capital to €1,551,358,950 consisting of 103,423,930 shares with par value of €15 each.

On December 16, 2008, Banque Fédérale des Banques Populaires paid a second final dividend for 2008 with the option of payment in shares at a price of €66.71 per share. The issued share capital totaled €9,941,385 and the share premium was €34,271,267.89. All of these shares were taken up by Banques Populaires, and increased Banque Fédérale des Banques Populaires' share capital to €1,561,300,335 consisting of 104,086,689 shares with par value of €15 each.

The total number of new shares created as a result of these four successive capital increases was 17,165,652, raising Banque Fédérale des Banques Populaires' share capital from €1,303,815,555 to €1,561,300,335, consisting of 104,086,689 shares with a par value of €15 each.

Capital

Pursuant to the decisions of the AGM of May 15, 2008, the decision was made to deduct:

- €517,457,780.57 from additional paid-in capital to be written off against retained earnings in debit and to allow for the payment of a dividend of €4.41 per share;

- €95,727,282.60 from additional paid-in capital in order to increase the legal reserve to one-tenth of the new share capital after the capital increase in cash, i.e. €154,162,333.50.

1.3.2 Regulatory ratios

Capital and solvency ratio

The Banque Fédérale des Banques Populaires Group's prudential capital totaled €5.2 billion at December 31, 2008, including €4.1 billion of Tier 1 capital.

Risk-weighted assets, calculated in accordance with the provisions of Basel II, amounted to €64.2 billion.

The Basel II solvency ratio was 8.1% and the Tier I ratio was 6.4%, versus 10.8% and 7.6% respectively at end-December 2007. The fall in the ratio in 2008 was mainly due to the effects of the crisis on net income for the period, partly offset by the €950 million super-subordinated bond issue on December 11, 2008, subscribed by Société de Prise de Participation de l'État.

Other regulatory ratios

The liquidity ratio, calculated on an individual basis, provides assurance that liquidity with a time to maturity of less than one month is at least equal to amounts due over the same timeframe. It is defined as the relationship between liquidity and liabilities of up to one month. Regulations require this ratio to be over 100%. It was 128% at December 31, 2008.

Banque Fédérale des Banques Populaires also complies with prudential rules relating to control over major risks. In accordance with banking regulations, no risk may exceed 25% of capital and the cumulative amount of risks exceeding 10% of capital may not exceed 800% of capital.

2. Risk management

Banque Fédérale des Banques Populaires is the central body of the Banque Populaire Group. In the course of its business, on both a consolidated and sub-consolidated basis, the Banque Populaire Group is exposed to five main categories of risks:

- credit risks arising from customer transactions;
- market risks arising from capital market transactions;
- interest rate, currency and liquidity risks arising from retail banking transactions;
- operational risks, in the strict sense;
- compliance risks.

In accordance with standard CRBF 97-02, each bank has set up risk management and monitoring systems that are independent from operating units.

All Group banks have also set up their own systems of exposure limits and decision-making procedures, complying with the rules established at Group level (as set out in the credit risk manual updated in November 2008, the ALM risk manual updated in August 2008, the market risk manual validated in December 2008, and the operational risk manual updated in December 2008).

Each bank's risk policy is determined by the bank's executive management and approved by its Board of Directors. The banks are also responsible for exercising continuous control over risks, in accordance with the rules laid down by the Board of Directors of Banque Fédérale des Banques Populaires (BFBP) – dealing in particular with the role of the Group Risk Management Committee (CARG) – and by the banking regulator.

The Group's central body is responsible for assessing risk policies and management procedures according to standard principles and criteria. Risks are monitored at Group level as follows:

- Banque Populaire banks on a consolidated basis;
- Banque Fédérale des Banques Populaires subsidiaries on a consolidated basis;
- Crédit Maritime Mutuel on a consolidated basis.

The Basel II reform has impacted not only risk assessment and measurement systems. In 2005, the adoption of the Group charter on the organization of the credit risk control unit changed the role and positioning of the Risk Management and Commitments Departments and the Group Risk Management Committee. New bodies – the Group Credit Risks Committee and the Standards and Methods Committee – were created within Banque Fédérale des Banques Populaires in 2006, as well as a Group Assets and Liabilities Management Committee and a Federal Information Systems Risk Committee in 2008.

In addition to this consolidated risk monitoring system, the Group Audit and Risk Committee performs monthly assessments of material individual exposures at Group level or at the level of individual banks. Responsibility for performing credit reviews and the credit rating process may be delegated to the Banque Fédérale des Banques Populaires Risk Management Department. All Group entities are informed of the decisions made by the Group Credit Risk Management Committee. It also reviews periodical reports on credit risk.

Following the creation of Natixis, the Group Credit Risk Management Committee's responsibilities with regard to Natixis have been transferred to the Confederal Risk Management Committee, which comprises representatives of the executive bodies of Banque Fédérale des Banques Populaires, Caisse Nationale des Caisses d'Epargne and Natixis. The Group Credit Risk Management Committee reviews the minutes of meetings of the Confederal Risk Management Committee.

The Group Standards and Methods Committee, created in early 2006, is led by the Group Risk Management Department of Banque Fédérale des Banques Populaires. Its role is to validate all standards relating to risk (identification, measurement, organization and tools), as well as methods and models of a collective nature within the framework of prudential monitoring of the Banque Populaire Group's risks on a consolidated basis.

It oversees the maintenance and development of:

- risk mapping processes;
- control and reporting standards;
- methodologies and standards used by the Banque Populaire Group for financial risk, credit risk and operational risk, and any revisions required resulting from regulatory or prudential developments, new product creations or backtesting campaigns.

As a result of the creation of Natixis, certain duties of the Group Standards and Methods Committee have been transferred to a Standards and Methods Committee common to Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, with the systematic involvement of Natixis.

The ALM Committee meets quarterly (having shifted from a twice-yearly schedule in early 2008). Its role includes:

- reviewing interest rate and liquidity risk indicators for the Group and for each Banque Populaire bank;
- defining a standard framework for asset and liability management (modeling and reporting) and improvements to it;
- providing opinions to the Board of Directors on ALM policy guidance;
- defining how the ALM function works;
- revising or proposing limits and stress scenarios for asset and liability risks at least once a year. The ALM Committee's recommendations are then submitted to the Group Audit and Risk Management Committee for approval.

It also draws on the Banque Fédérale des Banques Populaires ALM department, which reports to the Finance Department and is responsible for:

- determining internal transfer pricing in close collaboration with the financial control department, in accordance with strict ALM run-off models;
- setting out ALM modeling rules for all Banque Populaire regional banks;
- calculating the home savings loan provision using the methodology that it has defined for it.

Banque Fédérale des Banques Populaires' ongoing role in preventing, monitoring and controlling risk is exercised through its power to set standards. This standard-setting power applies to the shared risk information system used by all Banque Populaire Group entities in order to enable risk assessment and monitoring on a consistent consolidated basis.

A Federal Information Systems Risk Committee has been set up within Banque Fédérale des Banques Populaires for this security rule-making task. At the behest of the head of Group Risk Management, who is in charge of second-tier permanent control within the meaning of CRBF regulation 97-02, and the head of the credit risk management organization instituted by decision of the Board of Directors of Fédérale des Banques Populaires on September 7, 2005, this Committee's role is to:

- direct the federal risk information system effort (development and maintenance);
- "frame" all risk management requirements at the federal level that involve IT systems development within the Banque Populaire Group, both in the federal information systems and in those of the Banque Populaires banks and Natixis, for activities (other than SISP) that all have to perform.

The Risk Management Department, which reports directly to Executive Management, is not involved in the commercial decision-making process. It leads the Banque Populaire Group's Risk Management activities in accordance with the permanent control charter drawn up in 2005 and updated in 2008. It is responsible for ensuring that the same rules are applied throughout the Group, deploying appropriate risk control and continuously monitoring the risks governed by standard CRBF 97-02 (credit/counterparty risk, interest rate risk, liquidity risk and operational risk). It also oversees the Basel II approval process for the Banque Populaire Group, and it manages the Group's risk database and the software engines needed to produce internal ratings on all Group exposures.

Banque Fédérale des Banques Populaires' Risk Management Department, along with that of Caisse Nationale des Caisses d'Épargne, is responsible for preparing works in coordination with Natixis's Risk Management Department for the three permanent risk-related committees set up as part of the creation of Natixis – Standards and Methods, Risk Management and Information Systems Risks.

The organization of risk monitoring and control procedures is described in the "Chairman's Report on Internal Control Procedures".

More specifically for Banque Fédérale des Banques Populaires, within the framework of its duties, the Group Audit and Risk Committee reviews Banque Fédérale des Banques Populaires' balance sheet risks and the lessons to be learned from the monitoring of these risks. In addition, a Banque Fédérale des Banques Populaires Credit Risk Committee meets as and when required to look at all credit risk issues that directly concern Banque Fédérale des Banques Populaires.

A Subsidiaries CRC select committee for subsidiaries was created in July 2008, which meets on a weekly basis to review subsidiaries' loan records, which have to be submitted for approval before coming into force, in addition to a threshold fixed within applicable delegations.

The Subsidiaries CRC now has jurisdiction over Société Marseillaise de Crédit. Delegations of credit authority to subsidiaries are decided by the executive officer of Banque Fédérale des Banques Populaires in charge of risk functions upon the proposal of Group Risk Management, which informs executive management of the subsidiary of the decision.

A Banque Fédérale des Banques Populaires ALM Committee meets on a quarterly basis. Its role includes:

- reviewing interest rate and liquidity risk indicators for Banque Fédérale des Banques Populaires;
- reviewing trends in risk and return on Banque Fédérale des Banques Populaires' own portfolio;
- determining policy directions for operational management by approving financial transactions to be made and ensuring that previous CRC policy directions are being followed.

As with the Group ALM Committee, the Banque Fédérale des Banques Populaires ALM Committee is supported by the ALM unit within the Group finance department and by the controls carried out by the financial risks unit within the Risk Management department of Banque Fédérale des Banques Populaires.

The role of the BFBP Market Risk Committee, established in September 2008, is to:

- approve financing programs proposed by the Treasury Committee: list of allowed products, amounts, limits, etc.;
- approve delegations of authority and market risk limits for products;
- oversee monitoring and control of market risks.

This Committee meets once a month and when needed in the event of an emergency, in particular when limits are exceeded, in accordance with applicable procedures for handling over-limits.

The majority of the risks to which Banque Fédérale des Banques Populaires is exposed are borne by Natixis. Other risks are immaterial, comprising primarily credit risks borne by Banque Fédérale des Banques Populaires, MA BANQUE and BICEC. Consequently, the following analysis of the group's risk management relates chiefly to Natixis.

Natixis's general risk management system

Natixis's risk management system has been implemented in accordance with banking regulations and with the Banque Populaire and Caisse d'Epargne Groups' corporate governance principles. The system comes under the supervision of the Natixis Management Board and is built around three tiers of coordinated control:

- internal control carried out by the operational or functional departments, under the supervision of their line management. Depending on the precise situation and activity, these so-called first-tier controls are conducted either by the line personnel themselves, or by an *ad hoc* control body such as a middle-office or accounting control body, or, where necessary, by both acting together;
- second-tier controls (as per Article 6-a of CRBF regulation 97-02) are carried out by dedicated bodies which act independently from operational divisions;
- third-tier controls, also known as periodic controls, are carried out by Internal Audit.

The senior officer responsible for ensuring the consistency and effectiveness of permanent control (in accordance with Article 7-1, sub-point 4 of CRBF regulation 97-02 as amended) is the Chief Executive Officer.

The Chairman of the Management Board chairs the Committee that coordinates controls and which brings together all those involved in permanent control, together with the head of IT Systems Security, the Chief Financial Officer and the Corporate Secretary.

In keeping with commitments made to the CECEI, Natixis has a control system based on:

- separation of risk and control functions within the Natixis Group, including:
  - distinction between front and back office functions,
  - the existence of first-tier controls at an operational level,
  - distinction between periodic and permanent controls;
- a global organization of control units within the Natixis Group ensuring the consistency of internal procedures;
- a specific role for the central body assigned jointly to the Caisse d'Epargne Group and the Banque Populaire Group.

Permanent control is the responsibility of the Risk Management and Compliance departments. Governance of the control system comes under the supervision of the Natixis Management and Supervisory Boards, with the latter making use of the Audit Committee to carry out its duties.

The joint control system, which is aimed at ensuring Natixis's risks are consolidated and monitored on a consolidated basis by the central bodies, relies on the permanent confederal committees set up at the time Natixis was created at the end of 2006.

Natixis's Risk Management Department

Since Natixis was created on November 17, 2006, the Risk Management Department has been based on a unified organizational structure in terms of resources, methodologies and tools.

The Risk department draws up a risk policy in accordance with the policies of the two core shareholding groups and proposes it to the Management Board for validation.

It also submits proposals to the executive body concerning the following principles and regulations:

- procedures concerning decisions to take risks;
- delegations;
- risk assessment;
- risk monitoring.

It plays a key role within a mechanism of Committees, the main components of which are as follows:

- a general committee – the Group Risk Management Committee – which sets out the main tenets of the Group's risk policy;
- the Natixis Group Credit Committee;
- the Market Risk Committee;
- the Operational Risk Committee;
- the New Products and New Activities Committees, in respect of which it is responsible for the approvals process;
- the Limit Violation Committee;
- the Counterparty Watch List Committee.

It also plays an active role in Group Provisions Committees and the ALM Committee, which is chaired and organized by the Finance department.

Lastly, it reports regularly on its work, analyses and findings to Natixis's executive and decision-making bodies and to the Caisse d'Epargne Group and the Banque Populaire Group.

In order to perform its duties in terms of risk assessment, consolidation, monitoring and reporting, Natixis's Risk Management Department relies on a dedicated information system tailored to the activities of the Group's various business lines.

This system is based on risk management tools, which receive information from the management systems of each business line. The Risk Management Department is involved in designing management tools for operating business lines in order to ensure the quality and relevance of the information provided.

Risk management tools consist of a number of applications centered around three main functions:

- assessing and monitoring economic risks;
- calculating and managing regulatory risks;
- conveying information for management and reporting purposes.

In 2008, against the backdrop of deterioration in financial conditions, the role of the Risk Management Department consisted of reinforcing its vigilance measures.

The main measures taken during the year include:

- an in-depth review of existing limits with bank counterparties, with the implementation of any relevant measures;
- recalibration and development of stress scenarios and their impact measurements, taking account of recent changes observed in the markets in the area of both credit risk and market risk;
- risk monitoring and reporting support for limitation operations for certain corporate and investment banking activities;
- implementation of a new methodology for determining Value at Risk (VaR) on the basis of studies conducted in the light of changes in market behavior following the collapse of Lehman Brothers;

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- finalization of the roll-out of the operational risk measurement, control and management target tool in all of Natixis's banking activities;
- further work with a view to developing risk monitoring and management tools based on Basel II advanced approaches.

As a result of these efforts, information has been provided to Natixis's bodies, its central bodies and, where applicable, the Commission Bancaire (work relating to VaR and Basel II).

2.1 The effects of the crisis

Although the financial crisis has only had a limited impact on its retail banking activities, the Banque Populaire Group has incurred a cost before tax of around €2.2 billion as a result of the financial crisis, of which €1.8 billion is placed directly with Natixis (at 35.78%).

Natixis

In the fourth quarter of 2008, Natixis created a Workout Portfolio Management Structure, the aim of which is to manage on a run-off basis CIB's non-target activities, primarily structured credit activities, structured interest rate and equity derivatives and structured derivative funds. The implementation of GAPC reclassified activities was finalized in accounting and analytical management at end-2008.

For Natixis, like all companies in the financial sector, 2008 was a year of two key phases:

- until September 15, 2008, the date of the collapse of Lehman Brothers, the crisis concerned primarily underlying credit assets, in particular structured credit products. The majority of losses and value adjustments were in proprietary activities and principal finance and, to a lesser extent, in capital market activities. The profitability of CIB's other business lines and other divisions was still relatively intact at this stage;
- after September 15, the collapse of Lehman Brothers triggered generalized dislocation in all of the markets, as a result of which the crisis gained pace dramatically and spread to nearly all of Natixis's business lines.

Effects in CIB

In December 2008, Natixis decided to transform its corporate and investment banking activities and to discontinue the majority of its proprietary activities and the most complex derivatives activities. These activities were segregated into an internal structure.

CIB's accounts are now split into "CIB continuing activities", which houses core business activities due to be developed, and another part which comprises segregated "Workout Portfolio Management" (GAPC) activities, as well as issuer spreads.

The aim of this separation is to ensure optimal pro-active management of the segregated assets, protecting the core assets to be retained within the group and highlighting the performance of CIB continuing activities. The main characteristics of CIB continuing activities are as follows:

- a renewed focus on core clients – especially corporate tier one clients in France and Southern Europe, corporate midcaps in France, financial institutions in Europe and structured lending clients in the international market;
- a product offering tailored to the new business and financial environment, with structured lending, simple market products that allow for cross-selling (which perform well during times of crisis), simple investment products and a heavily de-risked equity business that houses simple derivatives and brokerage activities under one roof;
- a narrower international presence, involving sharp cutbacks in Asia and the US, the closure of marginal offices and the mothballing of development projects;
- a reduced risk profile and stronger controls, with an end to most pure-proprietary business and high-volatility activities;
- enhanced operational efficacy, entailing a steep cut in headcount between now and end-2009.

The segregated assets are being managed proactively with the objectives of:

- isolating and running off assets that no longer fit in with Natixis's new strategic choices;
  - either because they offer no synergies with other activities,
  - or because they do not generate sufficient returns relative to the amount of capital or cash they tie up,
  - or because their risk profile no longer complies with management's guidelines;
- gradually and proactively externalizing segregated assets so as to optimize the balance between improving returns on capital and the resale price obtained for the assets concerned.

The crisis had a negative impact on CIB's net banking income of €3,540 million in total (or €1,267 million based on a proportion of 35.78%), including a negative impact of €1,283 million in the fourth quarter (or €459 million based on a proportion of 35.78%).

IMPACT OF THE CRISIS ON CIB (AT 100%)

in € millions	Q1 - 08	Q2 - 08	Q3 - 08	Q4 - 08	Q5 - 08
CIB	(408)	(1,507)	(342)	(1,283)	(3,540)
RMBS/ABS CDO	(116)	(606)	(246)	(234)	(1,202)
Value adjustment relating to credit enhancers	(164)	(789)	(263)	(70)	(1,286)
Widening of spreads	(127)	(105)	30	(291)	(493)
Syndication discount	(24)	(15)	8	(11)	(42)
Structured equity and interest rate derivatives	(126)	-	(56)	(1,017)	(1,199)
Revaluation of issuer spread	+149	+8	+186	+250	+593
Other	-	-	-	+90	+90

This concerns primarily:

- the impact of the dislocation of the credit market (write-downs on RMBSs and ABS CDOs, value adjustments relating to credit enhancers, widening of spreads, syndication discount and revaluation of issuer spread), representing a total negative impact of €2,430 million (or €869 million based on a proportion of 35.78%);
- the effects of the sharp increase in correlations and volatility relating to structured interest rate and equity derivatives, representing a negative impact of €1,199 million, including €1,017 in the fourth quarter of 2008 (or €429 million and €364 million respectively based on a proportion of 35.78%).

The crisis had a negative impact on impairment charges and other credit provisions of €1,277 million (or €457 million based on a proportion of 35.78%), including a negative impact of €911 million in the fourth quarter (or €326 million based on a proportion of 35.78%). This comprises -€375 million relating to the Madoff fraud, -€186 million relating to Lehman Brothers, -€317 million relating to counterparties concerning corporate solution financing packages and -€94 million relating to exposure to Icelandic banks (or -€134 million, -€67 million, -€113 million and -€34 million respectively based on a proportion of 35.78%).

Other impacts

In the Group's other divisions, in addition to the implementation of measures to adapt to the financial crisis such as targeted reorganization, and control of the number of employees and costs, the cost remained limited and concerned primarily the asset management business, which was impacted as follows:

- a negative impact on net banking income of €33 million (or €12 million based on a proportion of 35.78%);
- a negative impact on impairment charges and other credit provisions of €56 million (or €20 million based on a proportion of 35.78%).

Retail banking

For the Banque Populaire banks and other components of the Group, the direct cost of the financial crisis is limited to marginal exposures relating to major market events:

- following Lehman Brothers Holdings Inc.'s decision to file for Chapter 11 bankruptcy protection on September 14, 2008, the Banque Populaire banks valued their net exposure to the Lehman Brothers Group at €27 million;
- the Banque Populaire banks' exposure to the Madoff fraud was limited to €10.5 million;
- lastly, as a result of deterioration in economic conditions in Iceland and the difficulties facing Icelandic banks, the Banque Populaire banks booked a provision of €24.8 million for total exposure of €26.6 million to Landsbanki and Kaupthing Bank.

Other activities

CIFG, the former monoline insurance subsidiary owned by Natixis, was acquired by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Épargne on December 20, 2007. The two central bodies have been involved in redefining CIFG's risk management policy and analyzed the structured credit products underwritten by the monoline insurer.

Since the takeover, a task force has been set up to allow the central body to gain a better understanding of these new risks. The valuation models and stress scenarios used were reviewed with the help of external consulting firms.

In parallel, the two shareholders decided to revise their strategy, taking account of market developments and the situation at CIFG:

- the possibility of any additional support, on top of the support already provided, has been ruled out;
- a new management team has been appointed within the entity, mainly to steer negotiations with its main creditors;
- a commutation process (cancellation of commitments towards counterparties in exchange for a cash payment and/or conversion into capital) was initiated with creditors in the first half of 2008, overseen by the supervisory authorities.

On January 22, 2009, CIFG announced the signature of a commutation agreement with counterparties holding 98% of its outstanding exposure to certain derivative products backed by certain assets, primarily real estate assets, representing around $12 billion.

Under the terms of this agreement, the Banque Populaire Group and the Caisse d'Épargne Group reduce their respective equity interests in CIFG, and the main counterparties renounce their pecuniary rights under financial guarantees (credit default swaps and insurance policies) issued by CIFG in exchange for cash payments and equity interests in CIFG.

As a result, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Épargne jointly hold an equity interest in CIFG of just over 10%, leading to the deconsolidation of CIFG from the Banque Populaire Group.

2.2 Credit risk

Over the last year and a half, the global economy has suffered a slowdown following three successive shocks: the real estate crisis originating in the United States, the sharp rise in commodities, energy and agricultural prices, and then the financial crisis, which has had a major impact on global economic conditions. This has had a number of effects: a decline in consumer spending, amplified by weaker spending power as a result of price rises and tougher lending conditions due to banks' liquidity problems.

Falling demand has led companies to cut back on their expenditure due to more drastic financing terms and a reduction in production capacity leading to a rise in unemployment. All business sectors have been affected, with the most severe difficulties in the real estate and automotive sectors. The number of business failures gained pace at the end of the year.

Credit risk control measures

Since January 1, 2006, the responsibilities of and relationships between the parties involved in credit risk management within the Banque Populaire Group have been governed by a charter.

Credit risk management in the banks is organized in accordance with the charter and the Banque Populaire Group's credit risk manual.

Each bank's risk policy is determined by the bank's executive management and approved by its Board of Directors. The banks are also responsible for exercising ongoing control over risks in accordance with the rules laid down by the Board of Directors of Banque Fédérale des Banques Populaires, particularly those dealing with the role of the Group Audit and Risk Management Committee and the Group Credit Risks Committee, and by the banking regulator.

In addition to the duties stated above, the Group Credit Risk Committee reviews interbank risks, for which Banque Fédérale des Banques Populaires collates details of the limits set by each bank as well as the quality and outstanding amount of commitments by counterparty. The Group Risk Management Department oversees the level of exposure to each counterparty. Any differences in assessments of risk levels within the Banque Populaire Group are reported monthly to the Group Credit Risk Management Committee for resolution. The Committee receives the minutes of meetings of the Group Standards and Methods Committee and the Confederal Standards and Methods Committee.

Following the creation of Natixis, the Group Credit Risk Management Committee's responsibilities with regard to Natixis have been transferred to the Confederal Risk Management Committee, which comprises representatives of the executive bodies of Banque Fédérale des Banques Populaires, Caisse Nationale des Caisses d'Epargne and Natixis. The Group Credit Risk Management Committee reviews the minutes of meetings of the Confederal Risk Management Committee.

In addition a BFBP Credit Risk Committee meets as and when required to look at all credit-risk issues that directly concern Banque Fédérale des Banques Populaires. Since July 2008, this has been enhanced by the creation of a Subsidiaries CRC select committee, which reviews its subsidiaries' loan records, in addition to a threshold fixed within applicable delegations, which have to be submitted for approval before coming into force. This currently includes Société Marseillaise de Crédit's loan records.

Diversification of risk at the Banque Populaire Group is ensured by internal as well as external rules. It is one of the fundamental rules of risk management. As required by the Group's risk management manuals, each bank sets internal risk concentration limits based on its own specific characteristics, which are often lower than the limits authorized under banking regulations. In 2005, a single limit, lower than the regulatory limit, was introduced. It has been applied since June 30, 2006 to all Banque Populaire Group institutions on a consolidated basis.

At the end of 2003, the Banque Populaire Group introduced an internal credit rating system to comply with future regulatory requirements approved by regulatory authorities. The Banque Populaire Group has been authorized by the Commission Bancaire to calculate its regulatory capital requirements relating to credit risk using the advanced internal ratings-based approach (IRBA) for retail asset classes and the internal rating-based foundation approach (IRBF) for other asset classes as of January 2008.

These ratings systems are based on uniform methodologies throughout the Banque Populaire Group and centralized credit rating programs for the main client categories.

In addition, stress tests have been implemented for credit risks at Group level and at the level of each bank, for the corporate portfolio and all asset classes. As regards deterioration in the quality of the main counterparties or certain business sectors considered hardest hit by the financial crisis (construction, real estate development, transport, large-format retailing, public services, automotive), or applying deterioration of one, two or three notches to all ratings of all asset classes, these have made it possible to assess increases in expected loss and provisions, Basel II risk-weighted assets and capital requirements, and to verify the Group's ability to meet these requirements.

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Group results

2.2.1 Interbank risks

RISKS BY REGION (EXCLUDING INTRAGROUP RISKS)

in € millions	2008		2007
North Africa & Middle East	397	2.6%	2.0%
Sub-Saharan Africa	71	0.5%	0.2%
North America	1,601	10.6%	11.4%
Latin America & Caribbean	245	1.6%	1.3%
Asia-Pacific	561	3.7%	3.1%
Central & Eastern Europe	186	1.2%	2.2%
Western Europe	12,009	79.7%	79.8%

Source: Risk IT data.

The majority of risks are in Western Europe and North America. The quality of the Banque Fédérale des Banques Populaires Group's clients reflects that of the Banque Populaire Group. The proportion of speculative grade ratings remained stable but the rate of risks in default increased in 2008.

RISK EXPOSURE BY RATING (EXCLUDING INTRAGROUP RISKS)

	2008	2007
Investment grade	94.0%	94.2%
Speculative grade	5.5%	5.5%
o/w high risk	*0.1%*	*0.2%*
Default	0.4%	0.0%

Source: Risk IT data.

2.2.2 Sovereign risks

Sovereign risk is the risk of a Government (and/or Central Bank) being unable to honor its debts. Sovereign borrowers almost never default on their loans; instead, they initiate negotiations with lenders, frequently leading to the waiver of interest and/or part of the outstanding principal.

SOVEREIGN RISKS BY REGION

	2008		2007
	in € millions	%	%
North Africa & Middle East	140	7.6%	17.1%
Sub-Saharan Africa	18	1.0%	2.8%
North America	443	24.0%	13.5%
Latin America & Caribbean	37	2.0%	1.6%
Asia-Pacific	133	7.2%	0.9%
Central & Eastern Europe	3	0.2%	0.1%
Western Europe	1,070	58.0%	64.0%

Source: Risk IT data.

The breakdown of risks has changed with a decline in Western Europe, an increase in North America and a fall in North Africa and the Middle East.

Investment grade risks are down and represent nearly 89% of exposure, with a 6 percentage point increase in non-investment grade risks.

RISK EXPOSURE BY RATING

	2008		2007
	in € millions	%	%
1	1,534	83.2%	65.3%
2	18	1.0%	17.3%
3	7	0.4%	3.5%
4	77	4.2%	10.5%
5	34	1.8%	1.8%
6	87	4.7%	1.2%
7	46	2.5%	0.1%
8	0	0.0%	0.0%
Default	40	2.2%	0.5%

Source: Risk IT data.

2.2.3 Customer risks

CORPORATE CLIENT RISKS

	2008		2007	
	in € millions	%	in € millions	%
Investment grade	34,615	64.0%	33,931	71.2%
Speculative grade	17,566	32.5%	12,581	26.4%
o/w high risk	*1,036*	*1.9%*	*862*	*1.8%*
Default	863	1.6%	285	0.6%

RETAIL CLIENT RISKS

	Small business		Personal customers	
	in € millions	%	in € millions	%
Performing	1,433	80.9%	877	94.9%
Performing but risky	211	11.9%	9	1.0%
Default	127	7.2%	38	4.1%

Source: Risk IT data.

The retail client portfolio – representing the commitments of Société Marseillaise de Crédit – benefits from a higher quality risk profile than the corporate client portfolio.

BREAKDOWN BY INDUSTRY

	2008		2007
Corporate and small business risks	*In € millions*	%	%
Finance & insurance	23,490	32.8%	27.6%
Holding companies & diversified	13,650	19.1%	17.8%
Services	4,025	5.6%	6.5%
Transport	3,172	4.4%	4.1%
Basic industries	3,032	4.2%	5.7%
Construction & public works	2,846	4.0%	4.1%
Consumer goods	2,830	4.0%	2.4%
Real estate	2,808	3.9%	4.2%
Energy	2,767	3.9%	2.6%
Real estate rental	2,290	3.2%	3.3%
Mechanical and electrical engineering	1,757	2.5%	2.0%
Media	1,729	2.4%	2.1%
Utilities	1,415	2.0%	1.9%
Food	1,097	1.5%	1.7%
Retailing	1,061	1.5%	1.5%
Government	842	1.2%	2.5%
Tourism, hotels & restaurants	469	0.7%	0.9%
Pharmaceuticals & healthcare	465	0.6%	0.5%
Technology	306	0.4%	0.9%
Not applicable	1,503	2.1%	7.7%

Source: Risk IT data.

Risk concentration was not affected by the changes to NAF codes at the start of the year. The weighting of the two main sectors increased in 2008 and they now account for more than half of all risks.

CONCENTRATION BY BORROWER

	2008 breakdown %	Risk-weighted loans as a % of capital
Largest borrower	1.4%	31.4%
Top 10 borrowers	4.3%	95.3%
Top 50 borrowers	13.8%	308.2%
Top 100 borrowers	18.0%	401.3%

Source: Risk IT data.

Concentration of risks is inevitably higher for the Banque Fédérale des Banques Populaire Group than for the Banque Populaire Group.

The Banque Fédérale des Banques Populaires Group's SME risks

Revenue and exposure limits

SMEs: €1.5 million < revenues <= €50 million, irrespective of the level of risk or revenues <= €1.5 million if risks >= €1 million

Very small enterprises: No information about revenues or < €1.5 million and risks <€1 million

Excluded counterparties:

- belonging to a Group;
- holding companies;
- revenues too old or with no NAF code.

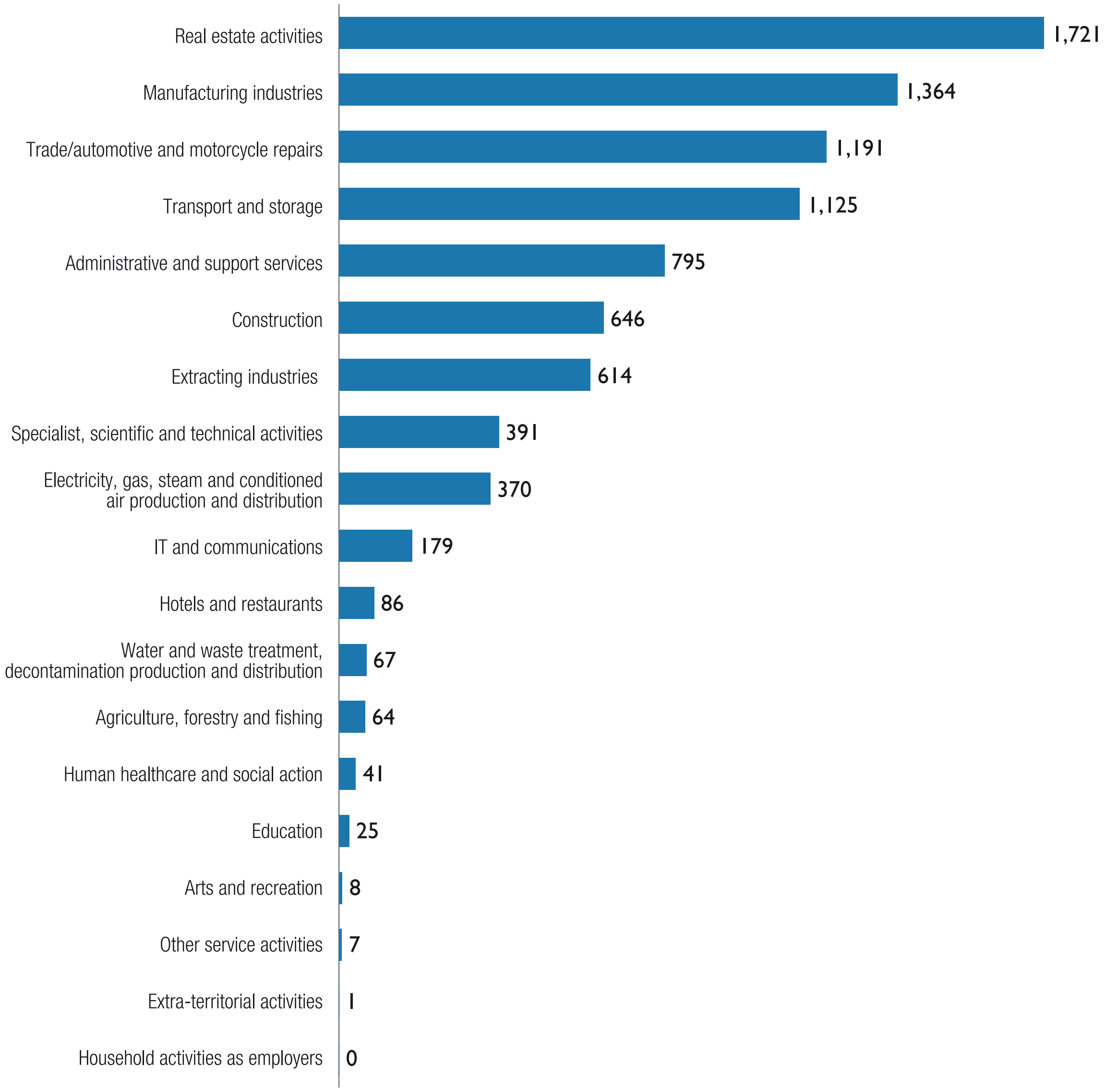
Business sectors: NAF/NNAF according to INSEE classification system Exclusion of the "finance and insurance" and "public administration" sectors.

Products: Reference to product types reported to the Banque de France Central Credit Register.

The volume of exposure to SMEs and very small enterprises was €8.7 billion, including €6.9 billion relating to SMEs (79%). This client group therefore accounts for 13% of the Banque Populaire Group's risks. Real estate activities (trading, rental and operation of owned or rented properties, activities for third parties within the INSEE meaning) represent nearly 20% of risks, compared with more than one-third for the Banque Populaire Group. Manufacturing, trade and transportation represent a very similar weighting, accounting for over 40% of SME risks.

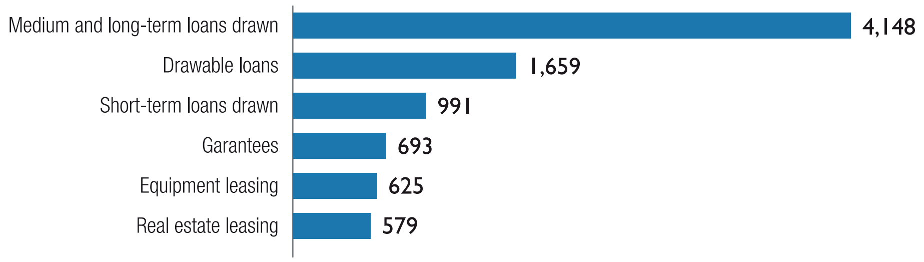
Nearly 50% of financing consists of medium and long-term loans, while short-term loans and available credit lines represent 30% of outstandings.

EXPOSURE TO SMES AND VERY SMALL ENTERPRISES BY INDUSTRY (INSEE CLASSIFICATION) *(in € millions)*



Source: Risk IT data.

EXPOSURE TO SMES AND VERY SMALL ENTERPRISES BY PRODUCT AREA *(in € millions)*



Source: Risk IT data.

The breakdown of performing loans has not changed significantly compared with 2007. The main point of note is the increased weighting of the Banque Populaire banks in total defaults (2.59% at end-2007).

2.3 Market risks

The Financial Risks team, within the Banque Fédérale des Banques Populaires Risk Management Department, controls the Group's market risks.

The Banque Fédérale des Banques Populaire Group's exposure to market risks primarily concerns Natixis, which is jointly controlled by its two shareholders and central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, whose market risk monitoring system is described in the Chairman's report on internal control.

These risks are negligible for the Treasury unit created within Banque Fédérale des Banques Populaires in September 2008 with the role of contributing to the communal refinancing of the Banque Populaire banks, Banque Fédérale des Banques Populaires and Société Marseillaise de Crédit. The Financial Risks team within the Group Risk Management Department carries out specific controls of risks and results.

2.3.1 Natixis's market risk management system

The Market Risk department independently defines the risk assessment methods to be used, advises on limits and ensures the monitoring of all market risks within Natixis. Market risk management is based on a system of delegation overseen by the Group's Risk Management Committee, within which the Market Risk Committee plays a key role.

The purpose of the Market Risk Committee is to determine the bank's market risk policy and ensure that it is applied correctly. The Committee is an operational extension of the executive body and has decision-making powers for matters relating to market risk.

It meets on a bi-monthly basis under the chairmanship of a member of the Management Board. *Ad hoc* sessions may be organized in an emergency.

In 2008, Natixis's risk management policy was based on the reinforcement of market risk monitoring procedures by the Risk Management Department and more active involvement by the business lines.

Supporting documents have been enhanced in order to assess key events for the periods covered using aggregated data (VaR, stress tests, P&L, loss alerts and breaches of thresholds), summaries of the highlights, points of note for each activity, and a summary by the new products and new activities committees.

The market risk policy determined by the Market Risk Committee comprises the following:

- definition and review of VaR limits, operational limits and loss-alert limits. These limits are examined in the light of budgetary information provided by front office managers;
- defining validation delegations;
- reviewing risk exposure with a possible focus on a particular risk category;
- reviewing any violations and/or non-authorizations of limits and measures taken or to be taken;
- reviewing decisions made under delegation;
- information on the validation of market risk and fair-value adjustment methodologies, and on model validation.

Natixis's Risk Management department validates market models and carries out regular checks that the models used are relevant in the light of market developments and best practices.

The Market Risk function comprises two components, an operational unit and a cross-functional unit.

The operational unit is in charge of day-to-day control of market risks and is split into four teams, each of which controls risk for one of the main front offices (Credit, Interest Rates and Interest Rate Derivatives, Equities and Equity Derivatives, Commodities, Cash – Foreign Exchange – Structuring – Project Finance) plus a VaR production team.

These teams are responsible for monitoring activity and also represent the department in its relationships with each front office.

They are therefore responsible for:

- the analysis and control of market risks and corresponding reporting;
- regular monitoring of positions and results;
- validating pricing models;
- determining provisioning policies and deductions for liquidity risks, risks relating to parameters that cannot be covered by the system, model risks and other items.

They are also responsible for determining suitable risk measurement policies.

The cross-functional unit is in charge of all consolidated reports presented to management (Management Board and front office management) and for the implementation of standards and procedures common to all entities (subsidiaries and branches) and covering market risk, international coordination, technology watch and relations with internal and external auditors and monitoring of their recommendations.

Information about the situation and changes in market risks is reported on a bi-monthly basis to the member of the Management Board responsible for CIB and to the Market Risk Committee.

2.3.2 *Banque Fédérale des Banques Populaires' treasury market risk management system*

In the second half of 2008, Banque Fédérale des Banques Populaires created a treasury unit. Daily monitoring of this unit has been set up in the form of a system of market risk limits (exposure and VaR) and counterparty risk limits, as well as loss alerts.

Banque Fédérale des Banques Populaires' treasury unit is overseen by three committees:

- the Treasury Committee, whose role is to oversee the implementation of refinancing strategy and validate market development scenarios;
- the Banque Fédérale des Banques Populaires Market Risk Committee, which validates the financial programs proposed (authorized products, amount, new activities), as well as delegations of limits and products, and market risk limits. This Committee oversees monitoring and control of market risks.
- the Banque Fédérale des Banques Populaires Credit Risk Committee, which sets the limits for each counterparty.

2.3.3 *Methodology for measuring Natixis's market risk*

Natixis's market risk management system is based on a risk metrics model that measures the risk run by each Group entity.

Market risks are assessed using a variety of methods:

1. synthetic VaR calculations determine potential losses from each activity at a given confidence level (for example 99%) and a given holding period (for example one day). The calculation is performed and monitored daily for all of the Group's trading activities.

   For calculation purposes, the joint behavior of market parameters that determine portfolio values is modeled using statistical data covering a period of one year rolling. Over 4,200 risk factors are currently modeled and used.

   Natixis calculates VaR based on digital simulations, using a Monte Carlo methodology which takes into account possible non-linear portfolio returns based on the different risk factors. These calculation methods are harmonized using a single calculation tool, Scénarisk. In order to monitor compliance with VaR limits set by the regulator, Natixis's Risk Department produces the VaR for Natixis's consolidated scope.

   As a result of the extremely high level of market volatility in all asset classes since the collapse of Lehman Brothers in September 2008, Natixis has carried out a number of studies taking account of the different histories in order to calculate VaR, with the aim of reflecting the change of regime recently observed in the financial markets. These studies resulted in the definition of a new calculation method, which is now based on econometrics for which standard deviations are calculated as the maximum, risk axis by risk axis, of standard deviations calculated over the following periods: 12 months rolling, 3 months rolling, September 1, 2008 to the present date (provided that the present date is before September 1, 2009). This change of method has resulted in all limits being recalibrated. After being presented to the Commission Bancaire, the method was put into production in the fourth quarter of 2008;
2. operational indicators are used to manage activity on an overall basis and/or by homogenous activity, by focusing on more directly observable criteria (for example: sensitivity to variations in the underlying instrument, sensitivity to variation in volatility or to correlation, diversification indicators). The limits corresponding to these qualitative and quantitative operational indicators thus complement the VaR and loss-alert limits. They are determined consistently with these last. All operational limits are subject to day-to-day monitoring by the Market Risk team.

   All violations of limits (operational and loss-alert limits) are notified. Loss-alert violations may lead to a management decision concerning the position in question (closure, hedging, maintaining, etc.).

   The key standard metrics used are:

   - sensitivity to a +/-1 bp change in interest rates (overall and by zone, currency and/or maturity),
   - yield-curve exposure,
   - currency exposure,
   - equity exposure,
   - sensitivity to a +/-1% change in implied volatilities in the equity, foreign exchange, fixed income, inflation and commodities markets (overall, by maturity and by strike price),
   - sensitivity to a change in delta of an underlying asset (equities, fixed income, currency or commodities),
   - sensitivity to change in swap spreads,
   - sensitivity to change in issuer spreads,
   - inter-currency spreads,
   - sensitivity to inflation (1 bp change),
   - discontinuity risk,
   - sensitivity to a change in correlations,
   - sensitivity to recovery and to jump to default,
   - monthly and annual loss alerts;
3. stress tests are also employed to measure the losses potentially sustained by portfolios in extreme market circumstances.

   Two major categories of stress tests are calculated at Natixis: global stress tests and specific stress tests for each activity.

   A major project concerning global stress tests was carried out in 2008 with the aim of recalibrating and enhancing these tests. Calculated using Natixis's VaR calculation tool, they can be grouped into three categories:

   - **historic stress tests** consist of reproducing sets of changes in market parameters observed during past crises in order to create an ex-post simulation of the extent of P&L changes recorded. Although these stress tests cannot predict the future, they can be used to assess the exposure of the Group's activities to known scenarios. Six historical stress scenarios have been defined,
   - **hypothetical stress tests** consist of simulating changes in market parameters in all activities on the basis of plausible assumptions concerning the reaction of one market in relation to another, depending on the type of initial shock. Shocks are determined as a result of reviews and collaboration with front office staff and economists. These scenarios can be defined according to economic criteria (real estate crisis, economic crisis), geopolitical considerations (terrorist attacks in Europe, toppling of a regime in the Middle East) or other factors (avian flu). Five theoretical stress test scenarios have been defined,
   - **adverse stress tests** aim to detect the most unfavorable situations for the bank on the basis of the characteristics of its portfolio. Calculations consist of using hypothetical stress tests as a matrix, the adverse stress test scenario being that leading to the maximum loss.

A project concerning **specific stress tests** has been launched with CIB. Severity standards and shock matrices have been defined for each business line. The project will be finalized in 2009, with the aim of calculating these stress test scenarios using management tools and subject to limits.

- in late 2007, at the time of the merger between the two entities, Natixis was authorized by the Commission Bancaire to use the internal VaR model, initially validated for the former IXIS Corporate & Investment Bank, for the equivalent Natixis scope. Following the approval process carried out in 2008, the Commission Bancaire confirmed to Natixis that it may use its model for regulatory purposes at December 31, 2008.

2.3.4 Quantitative data for measuring Natixis's market risk

Changes to VaR within Natixis

99% 1-day VaR for Natixis's trading portfolios averaged €29.6 million, with a maximum observed level of €66.4 million on December 22, 2008 and a value of €55.8 million at December 31, 2008.

These figures should be considered in relation to the change of market regime in September 2008 following the collapse of Lehman Brothers.

This major crisis led CIB to reorganize its activities in the fourth quarter of the year and to hive off some of its activities into an *ad hoc* portfolio (GAPC). This reorganization was accompanied by changes to the risk monitoring system with the calibration of new limits and reporting methods.

Furthermore, as described in the above paragraph, it was deemed necessary to adapt the methodology applied to calculating VaR in order to be able to reflect these exceptional market changes. Natixis therefore changed the way in which historical data is taken into account by adjusting the calculation of standard deviations using the following formula:

Standard deviation = maximum (12 months rolling, 3 months rolling, past data beginning September 1, 2008 "capped" at 1 year)

This new method for calculating standard deviations, applied risk factor by risk factor, came into production in the fourth quarter of 2008.

More conservative and more fitting with the high level and lasting nature of market volatility, it resulted in a significant increase in VaR (1.5-2x, depending on the scope) on the basis of equivalent positions. A global limit for this method was set at €70 million from this date.

The old VaR limit of €35 million is still monitored in parallel with the old daily method. Natixis thereby ensures control of VaR in dual production.

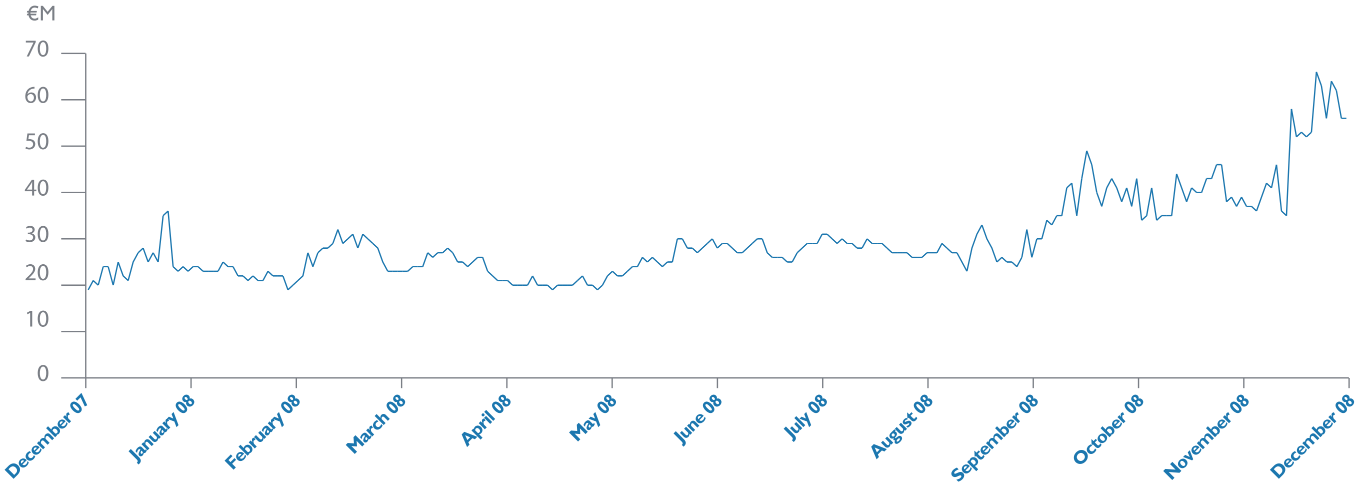
The tables below show the sudden and lasting change in the markets.

The implementation of the new VaR method for the approved scope at the end of 2008 resulted in a lower number of dual back-testing exceptions for the entire year under review.

MONITORING OF GLOBAL TRADING VAR USING THE NEW METHOD AND OLD METHOD

	Monte Carlo VaR 99%, 1 day New econometrics			Monte Carlo VaR 99%, 1 day Old econometrics			
in € millions	12/31/2008	Limit	Average	12/31/2008	Limit	Average	Difference
NATIXIS	**55.8**	**70**	**29.6**	**36.8**	**35**	**28.7**	**18.9**
Durable	**39.6**	**60**	**37.4**	**27.2**		**30.8**	**12.4**
Natixis Europe Asia	38.6		27.5	25.8		26.7	12.8
Debt & Financing - Total	0.1	0.8	6.2	0.1	8	6.2	0
Capital Markets	37.6		23.8	25		23.1	12.6
Supervision and active risk management - Total	3.5		2.3	2.3		2.2	1.2
Natixis Capital Markets	6.9	6.3	6.1	5.3	6.8	6	1.7
Segregated	**36.4**	**30**	**24.1**	**22.4**		**19.9**	**13.9**
Natixis Europe Asia Segregated - Total	33.5		21.6	20		17.7	13.6
Natixis Capital Markets Segregated - Total	10		8.9	7.8		7.9	2.2

NATIXIS OVERALL VAR - TRADING PORTFOLIO (1-DAY, 99% VAR)



VAR BY CLASS OF RISK

	Monte-Carlo VaR, trading portfolio, 1-day, 99%			
in € millions	**Level 12/31/2008**	**Level 12/31/2007**	**Difference**	**Average % over 1 year rolling**
NATIXIS				
Interest rate risk	38.6	10.1	28.5	17.6
Equity risk	26.2	6.9	19.3	13.0
Specific equity risk	2.2	3.0	(0.8)	5.2
Specific interest rate risk	22.6	10.2	12.4	14.4
Currency risk	6.5	2.1	4.4	4.2
TOTAL FROM ALL RISK CLASSES	**96.1**	**32.3**	**63.8**	
Netting effect	(40.3)	(13.0)	(27.3)	
Consolidated VaR	55.8	19.3	36.5	29.6

Stress testing results

Applied to positions as at December 31, 2008, global hypothetical stress tests showed the following potential impacts on income (in absolute terms):

- stress Test 1 - Slump in stock-market indices: €3 million;
- stress Test 2 - Increase in interest rates: €72 million;
- stress Test 3 - Increase in spreads and decline in indices and interest rates: €34 million;
- stress Test 4 - Commodities - Increase in volatility: €224 million;
- stress Test 5 - Crisis in emerging markets: €166 million.

VALUE OF CAPITAL REQUIREMENTS

in € millions	Capital requirements					
Type and nature of risk	Interest rate risk	Commodities risk	Security ownership risk	Currency risk	Internal model	Total
General risk	84	85	53	8	753	983
Specific risk	479	0	23	0	211	713
Options risk	692	13	214	15	0	935
TOTAL	**1,255**	**98**	**290**	**23**	**964**	**2,631**

2.4 Structural interest rate, liquidity and currency risk

The Asset-Liability Management Committee (ALM Committee) defines the main approach toward structural balance sheet risks. Its scope of responsibility covers the company banking portfolio and that of subsidiaries presenting material structural balance sheet risks. It meets once a quarter, is chaired by the Chief Executive Officer and comprises members of the Corporate and Investment Banking business, the finance department and the Risk department. The Committee's remit is to:

- monitor changes in the balance sheet and in off-balance sheet items;
- define the rules for internal refinancing of activities;
- validate overall policy in the areas of refinancing, managing non-operational exchange-rate risk and reinvesting available shareholders' equity;
- approve the assumptions and conventions chosen for preparing indicators and stress scenarios;
- validate the overall limits applying to indicators of structural balance-sheet risk and procedures for managing liquidity crises.

In accordance with the tripartite convergence plan for monitoring structural balance sheet risks taken in the context of the double affiliation mechanism, the supporting documentation and reports of each Committee meeting are sent to the central bodies. At the start of 2009, Natixis's ALM system will be interfaced with those of the central bodies in order to allow for consolidated monitoring of Natixis's ALM risks at their level.

2.4.1 Structural interest rate risk

Interest rate risk

Structural interest rate risk is the result of a mismatch between the type of interest rate for assets and for liabilities. For Natixis, this risk – which is essentially linear and relating to euros and the US dollar – mainly results from mismatching positions concerning transactions with contractual maturities. The most significant positions concern exposures on the short part of the yield curve and relate chiefly to the gap between the date IBOR rates are re-set.

Within the parent company, with the exception of the Finance Department's structural positions, this mismatching is centralized via the use of internal supporting contracts within the Treasury Department, which is delegated responsibility for operational management by the ALM Committee.

Due to the specific nature of their activities, certain credit institution subsidiaries (leasing, factoring, private banking, consumer finance) benefit from delegated management of their interest rate risk relating to their banking portfolio within the framework of their own ALM Committee or Treasury Committee. However, directional positions held by these entities remain of secondary importance relative to Treasury positions.

Monitoring system

Natixis's structural interest rate risk is monitored on the basis of the sensitivity of the economic value of portfolios by curve point and by currency. Within the Treasury Department, this system is complemented by 1-day 99% VaR measurements. These measurements are subject to limits validated by the ALM Committee on the proposal of the Risk Management Department and monitored on a daily basis for the Treasury Department and on a monthly basis for subsidiaries.

There are no specific comments to make regarding Natixis's structural interest rate risk. The Basel II normative shock (immediate +200 basis points change in interest rate curves) would result in depreciation of around €184 million in the economic value of the portfolio at December 31, 2008.

Lastly, measurements of the sensitivity of annual net interest income are produced on a regular basis by way of information by the Finance Department for the banking portfolio. On the basis of end-2008 data, an immediate and durable +100 basis points increase in swap rate curves would result in a reduction in annual net interest income of around €80 million.

2.4.2 Liquidity risk

Management of refinancing

The overall refinancing requirements of Natixis and its subsidiaries in the short, medium and long-term over a large number of currencies are managed operationally by the Treasury department, which operates out of offices in Paris, New York and Singapore. This centralization continuously optimizes the cost of liquidity to the benefit of the entire Group. It also facilitates an issuance policy based on the continuous search for maximum diversification in the placement of Natixis' debt, both in terms of instruments and geographical zone.

Liquidity risk

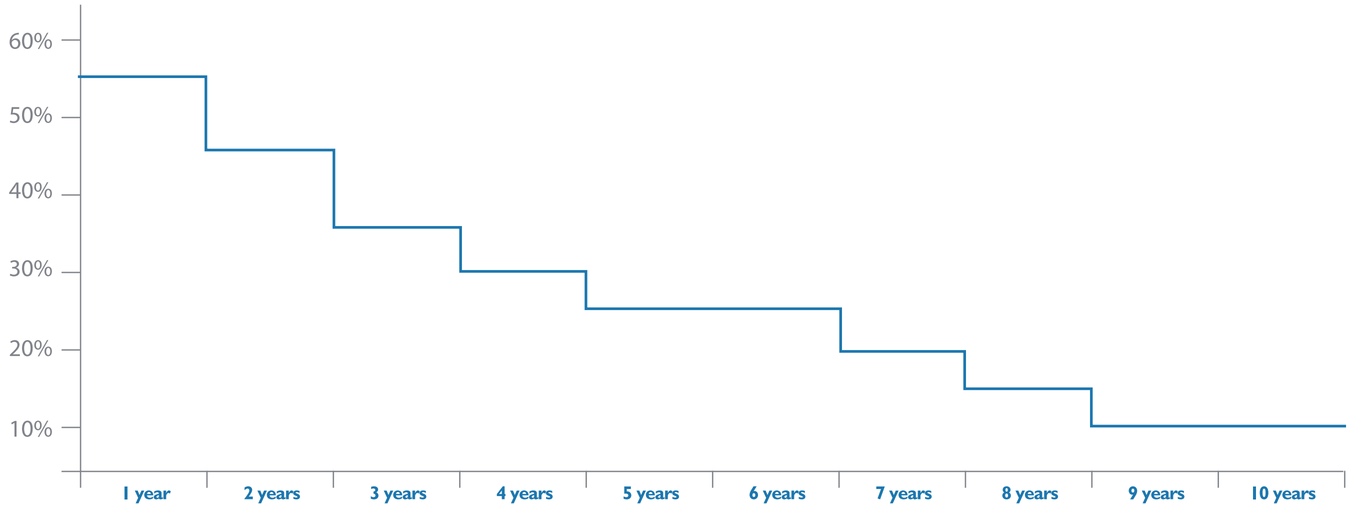
Liquidity risk stems from a mismatch between the duration of assets and liabilities. As a corporate and investment bank, for Natixis, this risk mainly results from mismatching positions concerning transactions with contractual maturities.

As with mismatching of structural interest rate risk, mismatching of liquidity risk resulting from financing activities within the parent company is centralized within the Treasury department. Specific credit institution subsidiaries benefit from autonomous management of their mismatching, which remains of secondary importance relative to the Treasury department.

The corporate and investment banking division's capital markets activities, which are generally subject to short holding periods and higher portfolio rotation rates than for financing activities, maintain autonomous management of their refinancing and refinancing their net requirements with the Treasury department.

Monitoring system

The liquidity risk monitoring system is based on calculating static liquidity gaps(1). For the operational management of liquidity in the short term, gaps are produced each day on a three-month horizon rather than on a daily horizon, and for all transactions. Dynamic gaps taking account of the renewal of assets and liabilities have also been established over short-term horizons in order to allow for the operational steering of the transition of certain maturities, particularly at the end of the year. As regards the medium-term mismatching of transactions relating to financing activities with more stable positions, gaps are produced monthly rather than yearly until the transactions are extinct. Management of liquidity mismatching by the Treasury department concerning the portfolio of loans of receivables it refinances is subject to minimum mismatching ratios(2) validated by the ALM Committee and reviewed periodically during committee meetings. These minimum ratios in 2008 are as follows:



For subsidiaries with managerial autonomy of their mismatching in strong currencies, the ALM Committee has not formally approved any limits, it being understood that positions remain of secondary importance relative to treasury positions and that these subsidiaries should at least comply with their regulatory liquidity ratio of less than one month.

For non-transferable foreign currency transactions, managed chiefly in Moscow and Shanghai, the ALM Committee has ratified specific mismatching ratios taking account of the local absence of debt markets of more than one year.

Lastly, in accordance with supervisory authority recommendations, this system was enhanced in early 2008 with the carrying out of stress tests to test Natixis's ability to cope with a crisis situation. The general principle is based on the generation of adverse scenarios - systemic crises and specific crises - over a given horizon, materialized by shocks relating to the liquidity gap, and then implementing measures to reduce liquidity outflows rapidly (mobilization of available securities and loans eligible for central bank refinancing, suspension of trading activities using up liquidity in the short term). A formal business continuity plan in the event of a liquidity crisis has also been set out in collaboration with the central bodies and ratified by the ALM Committee.

Management of the crisis in 2008

Like most financial institutions, as a corporate and investment bank without stable and durable customer deposits, Natixis was affected in 2008 by difficulties in the interbank markets and stricter refinancing conditions. Against this exceptional backdrop, Natixis rapidly implemented a strategy to secure its balance sheet in the short term. The measures taken by the Treasury Committee and ratified by the ALM Committee aimed initially to increase gradually the internal cost of short-term liquidity charged to capital markets activities by the Treasury Department, in order to make certain liquidity-intensive strategies less attractive, and then reducing drawings of short-term liquidity by capital markets activities from the Treasury Department. In parallel, the base of assets that can be used as collateral eligible for central bank refinancing was centralized within the Treasury Department in order to optimize its refinancing.

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(1) These are defined for each class of maturity, such as the ratio of residual resources by residual uses. A negative gap in the 12-month class reflects a provisional refinancing requirement at this date.

(2) The mismatching ratios are defined for each class of maturity, such as the ratio of residual resources by residual uses. According to these limits, 25% of banking portfolio assets with residual maturity of five years or more must be refinanced by liabilities with more than five years remaining to maturity.

From mid-March, the Treasury Department was instructed to maintain a liquidity advance to cope with any external shocks, consisting of maintaining a long liquidity position on an overnight basis and over 10 days.

This strategy, which involved extending refinancing maturities, could not be continued after the collapse of Lehman Brothers in September. This event led to problems in the refinancing markets, characterized by a sharp increase in investors' risk aversion towards banks, outflows of capital from money market funds - which traditionally supply liquidity for banks – and the near impossibility for all banks to access long-term treasury financing. Due to this extreme situation, the Treasury Department launched the crisis plan ratified by the ALM Committee as a preventive measure and informed the central bodies thereof. This plan resulted in particular in the closer monitoring and supervision of liquidity consumption and asset reductions. Following the measures taken by the public authorities and central banks in October, Natixis used all of the additional measures intended to restore market confidence such as extending the eligibility rules of assets provided as collateral for central bank refinancing, ECB fixed-rate forward auctions and facilities in US dollars, facilities offered by the US Federal Reserve (CPFF program), France's SFEF program (Société de Financement de l'Économie Française) and perpetual super-subordinated bond issues within the framework of measures implemented by the French government to reinforce capital via the SPPE (Société de Prise de Participation de l'État).

Thanks to the significant asset reductions made by Natixis in the second half of the year, the implementation of measures taken by the authorities and central bodies' unfailing support measures in the fourth quarter within the framework of the liquidity and solvency guarantee granted to Natixis, leveraged positions were much lower than expected at the end of the year and the bank enjoyed favorable conditions at the end of the year.

As regards the liquidity risk resulting from the financial crisis, the Group highlights that it was able throughout 2008 to ensure its overnight and forward financing, mainly by drawing on loans from the ECB and using loans from its two main shareholders. It does not expect to have any difficulty in respecting its financial obligations in the future.

Structural exchange rate risk

Natixis's structural exchange rate risk relates primarily to the US dollar. This is due to net international investment refinanced by the buying of foreign currency, and the portion of income and expenses (exceptional or recurring) in other currencies.

Given the presence of risk-weighted assets in currencies other than the euro, the ALM Committee approved maintaining refinancing for the first component by buying currencies for long-term investments in order to immunize the bank's solvency ratio against fluctuations in the euro against the US dollar.

For the second component, a share of gross operating income in US dollars planned within the framework of the budgetary procedure is subject to hedging in order to neutralize the effects of an adverse change in the euro/US dollar exchange rate over the year relative to the average expected exchange rate.

2.5 Operational risk

2.5.1 Key principles

Operational risk management within the Banque Populaire Group is based on a manual of procedures and methods approved by the Board of Directors of Banque Fédérale des Banques Populaires in November 2005, updated each year by Banque Fédérale des Banques Populaires and validated by the Group Standards and Methods Committee.

The manual covers the organization and principles of operational risk management, the risk mapping methodologies, and methods for collecting and tracking loss and incident data. The manual is used by all Group banks and is completed by a full reporting system so that Banque Fédérale des Banques Populaires can oversee operational risks on a consolidated basis.

The Banque Fédérale des Banques Populaires Group's operational risks relate primarily to Natixis, detailed analysis of which is provided below.

2.5.2 Management of operational risks at Natixis

Organization

Since February 2008, the Operational Risk unit has been organized as seven control divisions corresponding to Natixis's business line areas and activities:

- Corporate and investment banking (CIB), Capital markets;
- CIB Financing;
- Support functions, comprising: IT systems, Finance, Procurement, Human Resources;
- Services grouping together business lines serving commercial networks: Natixis Assurances, Natixis Paiements, Natixis Interépargne, Natixis Intertitres, Cie Européenne de Garanties et Cautions, EuroTitres, Natixis Financement, Natixis Lease, Natixis Algérie, CACEIS;
- Private equity and private banking: BPSD, Cie 1818, NPBI and NPE;
- Asset management: NGAM and subsidiaries;
- Receivables management: factoring and reinsurance activities (COFACE and Natixis Factor).

The five main control divisions are directly integrated into the Operational Risk department. They currently comprise *operational risk managers*, five of whom are based outside France (London, Asia, Americas) and at subsidiaries, with strong management ties on a functional level.

The asset management and receivables management units report functionally to the Operational Risk department.

Two "reporting" and "methods and data" units are also responsible for the department's cross-functional duties, such as defining measures, policies, management of reference frameworks of guidelines and reporting.

This mechanism ensures the whole of the group is covered by a matrix-type organization structured around the two themes of activity and location.

This system is complemented within the business lines by a network of *operational risk correspondents*, with over 150 people within the Group excluding asset management, COFACE and CACEIS. These correspondents are responsible of reporting incidents to the operational risk department and producing data on operational risk, covering incidents, changes in environment and progress made in plans of action.

Steering Committees

The system is overseen by **Natixis's Operational Risks Committee**.

Natixis's Operational Risks Committee is responsible for determining operational risk policy. It is an operational extension of the executive body and has decision-making powers for matters relating to operational risk. It meets once every quarter under the chairmanship of a member of the Management Board.

Control of Natixis's operational risks comprises the following aspects in particular:

- validation of standards and methods, measures, operational risk limitation procedures;
- limits applied to risks:
  - review of the most serious incidents,
  - decisions and monitoring of plans of action,
  - defining limits and monitoring Natixis's main indicators.

The Business Line Operational Risks Committee is an offshoot of Natixis's Operational Risks Committee providing closer coverage of business line exposure to operational risks. The Committee is chaired by the head of the business line and the Operational Risk department is represented by the head of the department or the head of operational risk for the unit to which the business line reports.

The chairman of the Business Line Committee has the power to decide on the management of operational risks relating to his business line, in particular the implementation of plans of action. However, the Operational Risk department, which safeguards the policy defined by Natixis, can oppose a decision (or non-decision) and take the matter to a higher committee.

At present, 67 business line committees meet at least once a quarter in the presence of the Operational Risk department.

Business line	Number of business line committees
CIB	43
Europe	25
Asia	9
Americas	9
Support	10
Private equity and private banking	4
Service	6
Receivables Management	4
TOTAL	**67**

Managing operational risks

The work conducted in 2008 concerned four main areas:

- roll-out of the OSIRISK recording and measurement tool throughout Natixis (excluding receivables management);
- recording of losses and analysis thereof;
- implementation of plans of action covering established risks (incidents) and large risks;
- quantification of Natixis's large risks.

1. Roll-out of the recording and measurement tool: OSIRISK

OSIRISK is Natixis's target tool for measuring, controlling and managing operational risks. It was rolled out to the whole of Natixis excluding receivables management during 2008, incorporating historical data. At end-December 2008, the following progress had been made.

2. Recording of incidents and analysis

Losses are recorded from the first euro and over time. The concept of a serious incident is defined on a uniform basis within the Group(3). All serious incidents are reported over time to the Operational Risk department and to the head of risk management. This resulted in an enquiry by the department, leading to a report containing a factual description and proposed plans of action. This report is discussed by the various members of the relevant Operational Risk Committee. The chairman of the Committee ratifies the plans of action to be implemented. Incidents representing an amount of more than €1 million are reported immediately to both central bodies.

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(3) An incident is deemed to be serious when:

- it has or is estimated to have a financial impact of over €50,000;

- it has or estimated to have a major impact on the Group's image; this concerns in particular incidents reflected by the uncontrolled dissemination outside the Group of incorrect information or information that could damage the bank's reputation;

- it is the reason for a failure in producing data used for steering the bank's activities; false data, delays or lack of production over a number of days or recurring frequently;

- it is caused by an "internal fraud" or "external fraud" event;

- the Operational Risk department believes the incident to be serious;

- it concerns a near miss catastrophe.

Since April 2008, the department has published reports on Natixis's operational risk on a monthly basis, stating the number and amount of operating losses incurred by Natixis - overall and by division - for the past month and the current year. It also provides detailed analysis of serious incidents for each division.

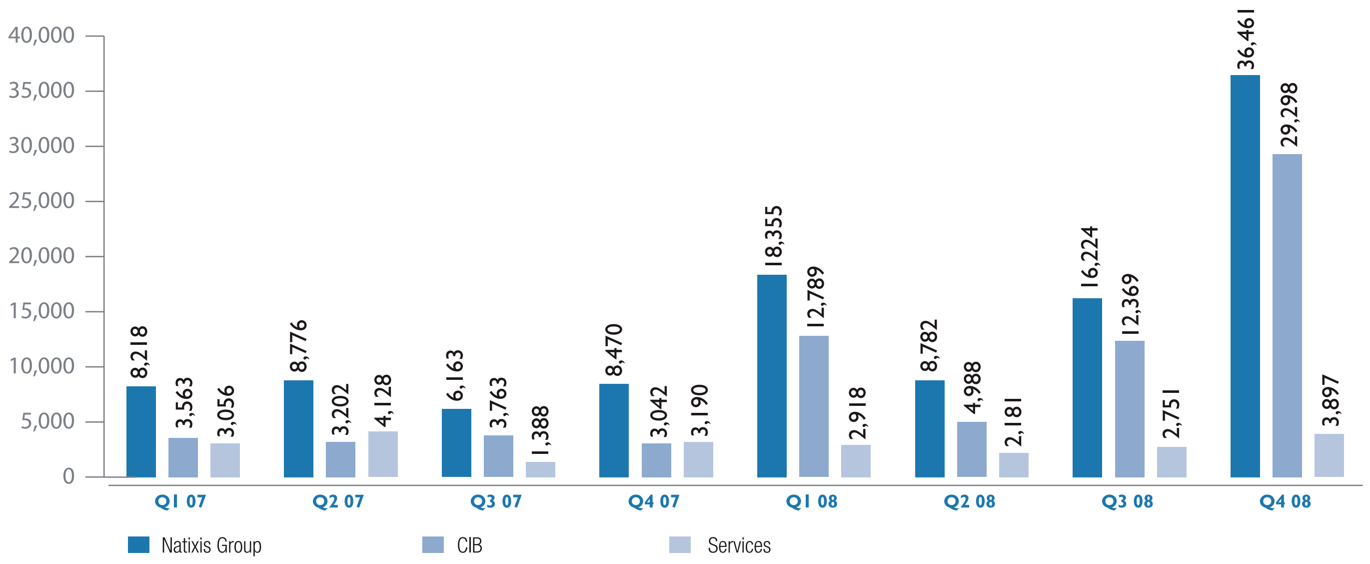
In 2008, Natixis recorded a reduction in the number of incidents but a sharp rise in the most serious incidents and the amount of losses, particularly relating to the corporate and investment banking division. This is due to:

- the higher quality of recorded data relating to the roll-out of the OSIRISK tool;
- the reduction in incidents relating to recurring activities (fewer transactions, fewer customer flows);
- the increase in losses relating to market volatility. Incidents for which losses are directly a delta price – for example forgetting the purchase of an order - are subject to a sharp increase in costs;
- the change in operating methods relating to the credit crunch. Processes relating to the activation of our guarantees, cautions, recovery and break clauses are in great demand compared with previous years;
- an increase in fraud.

	At 12/31/2007		At 12/31/2008		% change 2008 vs. 2007	% change 2008 vs. 2007
Division	**Number**	**Amount** *(in k€)*	**Number**	**Amount** *(in k€)*	**(volume)** *(%)*	**(value)** *(%)*
Private equity and Private banking	965	963	703	1,246	(27)	29
Receivables management	150	1,096	145	1,874	(3)	71
Services	3,486	11,696	3,445	11,747	(1)	0
Asset management	897	4,069	688	5,145	(23)	26
CIB - Corporate & institutional relations	598	1,571	436	1,709	(27)	9
CIB - Debt & finance	289	901	79	7,266	(73)	706
CIB - Capital markets	6,794	11,017	5,006	50,469	(26)	358
Support functions	121	315	115	366	(5)	16
TOTAL*	**13,300**	**31,628**	**10,617**	**79,822**	**(20)**	**152**

* *Excluding third-party management.*

CHANGE IN OPERATIONAL RISK LOSSES *(in € thousands)* **– 01/01/2007 TO 12/31/2008**



REVIEW OF PLANS OF ACTION IN 2008

Division	Number of plans of action completed in 2008	Number of plans of action in progress	Number of new plans of action in 2008
Asset management	N/A	N/A	N/A
CIB - Capital markets	216	339	82
CIB - Finance	27	38	50
Private equity and private banking	24	54	59
Receivables management	168	96	N/A
Services (excl. CACEIS)	134	99	78
Support functions	84	77	63
TOTAL	**653**	**703**	**332**

3. Main plans of action

For each operating entity, Natixis has plans of action to reduce its exposure to operational risks (see table above). Major efforts have been undertaken to implement plans of action with a structural impact on the bank. In addition to the business continuity plan, four major plans of action are monitored by Natixis's Operational Risk Committee:

- inflows/outflows task force, standardizing processes for inflows and outflows of staff (internal and external);
- projects relating to back office suspense items and reducing the number thereof and resolving them within a shorter space of time;
- unifying Natixis third party reference frameworks, particularly in New York;
- anti-fraud task force created in the wake of the Kerviel scandal.

4. Natixis's large risks

The Operational Risk department has mapped the risk situations considered the most critical in order to classify them in terms of cost, to identify preventive plans of action to reduce their exposure and to prioritize them.

A total of 120 large risks considered to be major risks have been identified in conjunction with the business line on the basis of interviews and risk mapping. Each risk situation has been analyzed and a fault tree has been created:

- modeling of the risk situation using a chain of causes and effects;
- for the initial causes – referred to as Loss-Generating Events – a law of probability based on frequency is determined;
- for each effect - referred to as process faults - a law of probability based on severity is determined.

This method can be used to calculate the operational VaR of each risk situation as well as the entity's overall exposure, and to prepare studies of the sensitivity and effectiveness of plans of action.

Natixis's chosen regulatory approach

The control system complies with the standard method used in all of Natixis's operating divisions, apart from certain receivables management activities – which will be brought into line with the Group's other entities in 2009 - and Natixis Algérie, which is treated using the basic method.

2.6 Insurance and risk coverage

Insurance and risk coverage are centered on Natixis.

Natixis sub-group

The insurance unit, attached to the Corporate Secretary's office, is charged with analyzing insurable operational risks and implementing adequate insurance coverage (self-insurance/transfer insurance).

The main risks analyzed concern:

- internal and external fraud;
- reduction in the value of property;
- liability risk (the company's civil operating liability and professional liability, and also the civil liability of directors and corporate officers);
- damage to operational assets (buildings and contents, hardware and computerized data) as well as the loss of banking business following such damage.

Natixis's Overall Banking, Operational and Professional, and Managers' Civil Liability programs, acting both on its own behalf and on that of all of its subsidiaries, were renewed on July 1, 2008.

All of the Group's companies are therefore covered by:

- a "combined" overall banking (securities and fraud), operational and professional civil liability insurance program providing coverage of up to €125 million per claim and/or year of insurance;
- a directors/corporate officers civil liability insurance program providing coverage of up to €100 million per claim and/or year of insurance.

The geographic scope of coverage is worldwide, except for professional civil liability, where the guarantee does not cover permanent establishments in the USA (this coverage is purchased locally by subsidiaries or branches).

At January 1, 2008, the combining of insurance cover with companies transferred to Natixis by the Caisse d'Epargne Group continued in the area of property and casualty insurance. Coverage of most of the Group's operating properties in France and their contents, IT risks and resulting losses in banking activities is now centralized (main cover in place for rebuilding and/or replacement value, up to a maximum of €200 million per claim).

All the policies mentioned above are purchased from insurers recognized by the market as solvent.

All the insurance policies mentioned are purchased with claims excesses (accepted level of withholding) appropriate to Natixis's capacities.

Total premiums relating to insurance cover amounted to €6.3 million over the full year in 2008.

2.7 Legal risks

Legal risks relate primarily to Natixis, which is involved in the following legal and arbitration proceedings:

Jerry Jones et al. versus Harris Associates L.P.

In August 2004, three shareholders acting in the name of and on behalf of three investment funds (Oakmark Fund, Oakmark Equity and Income Fund and Oakmark Global Fund) filed a complaint against Harris Associates L.P., a 100% subsidiary of Natixis Global Asset Management, before the United States District Court for the Northern District of Illinois. The plaintiffs alleged that Harris Associates L.P. billed services to these three funds at an excessively high rate in light of applicable regulations. These proceedings are among numerous legal claims initiated in recent years against investment advisors. Harris Associates and the plaintiffs filed a motion for summary judgments.

On February 27, 2007, the judge accepted all aspects of the request of Harris Associates and rejected that of the plaintiffs. The plaintiffs appealed against this decision on March 20, 2007. Both parties filed written arguments and appeared before the Court of Appeal on September 10, 2007.

On May 19, 2008, a trial bench at the Court of Appeals for the Seventh Circuit confirmed the District Court's ruling in favor of Harris Associates L.P.

On June 2, 2008, the plaintiffs requested a review of their appeal by the entire Court of Appeal. On August 8, 2008, the Court of Appeals rejected the plaintiffs' request for a review of their appeal.

On November 3, 2008, the plaintiffs filed an appeal with the United States Supreme Court for the decision to reject the appeal to be revoked.

The appeal was accepted by the Supreme Court on March 9, 2009. The plea is planned for October 2009. A decision is expected in late 2009 or early 2010.

Class actions in the United States relating to Municipal Guaranteed Investment Contracts

Since March 13, 2008, Natixis and Natixis Funding have been named among the defendants in a number of class actions filed by and in the name of a number of states, counties and municipalities issuing bonds with the courts of New York, Washington D.C. and California. The actions concern alleged collusion between suppliers and brokers of municipal derivatives in price fixing and bid-rigging between 1992 and 2006. The various plaintiffs have also named some 30-plus other US and European banks and brokers as defendants. The plaintiffs are seeking the recognition of a collective organization comprising all government entities on a local, municipal and state level, independent government agencies and private entities that have bought municipal derivatives from the defendants or defendant brokers between 1992 and the present day, and the payment of damages and interest for alleged anti-competitive behavior. These class actions have been filed in respect of certain federal antitrust laws that allow for rulings requiring the payment of triple damages and interest, as well as repayment of legal fees in certain cases. These actions have been consolidated in the United States District Court for the Southern District of New York under the name of In Re: Municipal Derivatives Antitrust Litigation.

Two other lawsuits have also been filed with the State Court of California, one by the City of Los Angeles and another by the City of Stockton. These lawsuits have also been consolidated in the United States District Court for the Southern District of New York.

These various requests for damages and interest are the result of investigations currently being conducted in the United States by the US Internal Revenue Service (the "IRS"), the antitrust division of the Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC"). Although the IRS's investigation did not conclude that there was any guilt or responsibility on the part of Natixis Funding or Natixis, the DOJ's investigations cover a large proportion of the "Muni GIC" transactions conducted by Natixis Funding since 1998. In addition, the SEC is looking to determine whether there was any failure to meet information requirements. A number of other defendant banks and financial syndicates have received letters from the DOJ designating them as targets of current investigations. These letters do not constitute formal accusations but tell the recipient that the DOJ considers it to be particularly and directly concerned by the investigations. Although an employee of Natixis Funding has received a letter, neither Natixis nor Natixis Funding has received any such letter.

A consortium of state attorneys general headed by the New York State Attorney General and the Attorney General for the State of Connecticut (CTAG) has instigated an enquiry into the activities of the defendants in the municipal derivatives market. On June 26, 2008, Natixis Funding Corporation received a summons from the CTAG to produce documents relating to the sale of guaranteed investment contracts ("GIC") and other municipal derivatives. The other defendants named in private lawsuits have also received similar summons. Natixis Funding has provided the CTAG with a list of GIC transactions and a list of swap contracts at July 24, 2008. To date, the CTAG has not taken any other measures.

Litigation concerning swap deals with public housing companies

By means of a ruling dated March 27, 2008, the Toulouse Commercial Court has pronounced the cancellation of two swap deals of a notional amount of €7.5 million and €12.5 million with Société Patrimoine Languedocienne (SPL), a public housing public limited company ("SA"), and recognized the collective liability of Caisse d'Epargne Midi Pyrénées (CEMP) and Natixis in the implementation of these swap contracts. The Court has appointed an expert to assess the damage caused, which is subject to a provisional payment. Natixis has appealed against this ruling.

Madoff affair

Natixis has valued its maximum net exposure at €473 million. The effective impact of its exposure will depend on both the extent of recovery of assets invested with Bernard L. Madoff Investment Securities and the outcome of the measures taken by the bank, primarily legal. Natixis intends to exercise its rights by taking any legal action open to it both in France and abroad and has appointed law firms to assist it in these efforts.

CIC/Crédit Mutuel

On September 11, 2008, CIC and Crédit Mutuel issued a summons against the Lagardère Group and Natixis with a view to obtaining cancellation from the Paris Commercial Court of contracts under which they bought EADS shares from the Natixis group on a forward basis.

On the basis of a non-public report by the Autorité des Marchés Financiers, the plaintiffs allege that Lagardère SCA breached stock market law with the issue of bonds convertible into EADS shares subscribed by Natixis in April 2006.

No claims have been formulated against Natixis in the CIC Group's summons, concerning both the conclusion and execution of contracts. The legal argument put forward by the Crédit Mutuel group to question the validity of its purchases of EADS shares seems unfounded.

Natixis is nevertheless monitoring the proceedings closely and intends to exercise its rights to ensure that they does not result in any damages. All of the bonds have been redeemed to date.

Coordinated filing of complaints by ADAM

Complaints have been filed by Natixis shareholders coordinated by the French minority shareholders association, ADAM.

There are no other administrative, legal or arbitration proceedings pending likely to have a material impact on the financial statements of Natixis.

2.8 Insurance risks

The insurance risks set out below relate primarily to products distributed by the Natixis sub-group via the Banque Populaire banks' network of 3,391 branches:

- concerning Natixis Assurances savings products; and,
- Coface products for receivables management.

BRED Banque Populaire also distributes insurance products via two subsidiaries, Prépar-Vie et Prépar-IARD.

2.8.1 Natixis Assurances

As Natixis Assurances essentially markets savings products, the main risks resulting from insurance policies are of a financial nature:

Risk of no longer being able to meet the minimum contractual rate of return in the event of a decline in interest rates

To deal with this risk, ABP-Vie has only marketed policies without guaranteed minimum rates of return for the last few years. 90% of policies have no guaranteed minimum rate. The average guaranteed minimum rate is 0.76%.

Risk of policy surrenders in the event of an increase in interest rates

Natixis Assurances has identified the segment of the insured population that presents a high risk of policy surrender, based on the key criteria of age, fiscal seniority and amount of capital. As a result of this initiative, Natixis Assurances has limited the scope to be covered by Caps to about a quarter of its fixed-income assets. It has also bought variable-rate bonds with a minimum rate.

The liability adequacy test carried out in accordance with IFRS 4 for the financial statements to December 31, 2008 showed that insurance liabilities evaluated under local standards were greater than the fair value of these liabilities after taking into account the surrender option incorporated into policies.

Financial risk in the event of an increase in interest rates

The sensitivity of net equity to variations in interest rates is lessened by the classification of about €6.4 billion of fixed income securities in the held-to-maturity category.

Market risks

Natixis Assurances has to deal with variations in the value of its financial assets. The management of financial risks involves defining a strategic asset allocation that takes into account liability commitments, regulatory constraints (particularly in terms of non-concentration) and commercial requirements.

Natixis Insurance also reinsures 100% of the minimum guaranteed return on unit-linked policies.

Credit risk

Counterparty risk is monitored and managed in compliance with standards and Natixis's internal limits, as determined by the Credit Risk Committee, as well as with the regulatory constraints imposed on insurance companies. As a result, more than 92% of the fixed income portfolio is invested in securities with ratings exceeding A-.

Personal risk insurance business

Mortality and morbidity risks are limited by use of a pricing structure tailored to the population insured and the coverage provided, the use of experience tables and by the upstream practice of medical selection of new policyholders.

Natixis Assurances employs reinsurance to limit its exposure to capital dispersion risks related to payouts on death benefit policies, policies covering accidents of life and loss of autonomy, and to the frequency of claims for temporary cessation of work, invalidity and loss of autonomy. An epidemic/pandemic reinsurance treaty was also put in place in order to limit exposure to the increase in deaths that might result from such an event.

The annual reinsurance plan seeks to diversify reinsurers and to ensure Natixis only deals with parties having a high-quality rating. No reinsurance treaty is concluded or renewed with non-investment grade parties. In practice, the rating of the reinsurers with which Natixis Assurances deals is between BBB and AA. However, some reinsurers may not be rated if their shareholding structure is deemed to be of sufficient quality.

Concentration of risks

The nature of insured risks combined with reinsurance coverage does not result in any particular exposure to concentration of insurance risks.

2.8.2 Coface

By virtue of its activities, Coface is exposed to two main types of risk. The first is the technical risk constituted by the risk of losses on Coface's portfolio of insurance policies. The second is the financial risk related to the risk of loss arising from adverse movements in interest rates, exchange rates or the market value of securities or real-estate investments. Coface has implemented sophisticated tools designed to control these risks rigorously and to ensure they remain within prudent limits.

Technical risk

The risk in this area concerns the risk of loss generated by the portfolio of insurance policies.

A distinction is traditionally made between frequency risk and peak risk:

Frequency risk represents the risk of a sudden and significant increase in missed payments from a multitude of debtors. This risk is measured for each entity by monitoring the loss ratio (ratio between claims and premiums) by business sector (domestic credit), by country (export credit), and by product line (sureties, single risks). The loss ratios for the various underwriting centers are also monitored at Group level, as are the amounts and monthly numbers concerning missed payments.

Peak risk represents the risk of abnormally high losses recorded for the same debtor or group of debtors, or of an accumulation of losses for the same country.

As well as monthly monitoring at individual underwriting-center level, a system exists at the Group level, based on the following components:

- centralized declarations of threatened losses liable to exceed a certain amount (currently €1 million for the two main underwriting centers Coface SA and Coface Kredit and €0.5 million for all the others). This involves the intervention of a specialist recovery subsidiary (Coface Recovery Business Intelligence);
- the Large Risks Committee, which sets the maximum outstanding risk accepted by Coface on the Group's 400 largest risks (severity greater than €35 million or a maximum loss in a stress test scenario of €15 million) and allocates ceilings by emerging country;
- a corporate and country risk rating system;
- a statistical mechanism for evaluating "severities" (maximum losses that may be recorded in case of loss) by debtor, group of debtors or emerging country.

In the context of the financial crisis, vulnerable risks were listed on the basis of Coface ratings and proposals from underwriting centers for specific risks such as highly-leveraged buyouts. All significant risks rated BB- and below are subject to centralized monitoring both for inventory and monthly flows. For frequency risks, populations at risk are identified via a scoring procedure, while more restrictive quotation matrices were implemented in the first half of 2008. Further measures to firm up the lowest ratings are to be announced.

Diversification of the credit risk portfolio

Coface maintains a diversified credit risk portfolio, in order to minimize the risk that a default by a debtor, a slowdown in a particular sector of activity or an adverse event in a given country might exert a disproportionate impact on its overall claims expense. Furthermore, the fact that the great majority of Coface's risks are short-term allows it to reduce the risk covered for a debtor or a group of debtors relatively quickly after recognizing a decrease in their solvency.

3. *Financial stability forum recommendations concerning financial transparency*

Due to the scope of consolidation of the Banque Fédérale des Banques Populaires Group, Natixis, its 35.78% owned subsidiary, is subject to specific disclosure requirements pursuant to the FSF recommendations. The Natixis disclosures below have been made on a 100% basis (before proportionality rules).

Information provided in respect of FSF recommendations concerns only the Natixis sub-group.

I. Natixis

Collateralized debt obligations (CDOs)

Non-hedged ABS CDOs exposed to the US residential market

NET CDO EXPOSURE

- Discount rate on non-diversified CDOs: 90%.
- Discount rate on diversified CDOs: 19%.

									TOTAL	
in € millions									Diversified CDOs	Non-diversified CDOs
Net exposure (at 09/30/2008)	18	16	31	302	467	373	68	20	1,142	153
GROSS NOMINAL EXPOSURE (AT 12/31/2008)	**208**	**194**	**275**	**379**	**567**	**415**	**157**	**113**	**1,361**	**947**
QUALITATIVE DATA										
Type of tranche	Super-senior	Mezzanine	Super-senior	Super-senior	Super-senior	Super-senior	Super-senior	Super-senior		
Accounting portfolio	Trading	Trading	Trading	Trading	Trading	Fair value option	Trading	Trading		
Type of underlying assets	Mezzanine	Mezzanine	Mezzanine	High Grade	High Grade	High Grade	Mezzanine	Mezzanine		
Attachment point	28.0%	15 CDOs Ave:28% Min:10%	60.3%	0%	20.0%	13.8%	46.7%	77.7%		
UNDERLYING ASSETS										
% of subprime assets	89.3%	61.4%	53.2%	19.1%	8.3%	7.5%	68.2%	84.6%		
≤2005	19.6%	35.4%	43.4%	16.0%	7.0%	5.7%	60.0%	15.7%		
2006 & 2007	69.7%	26.0%	9.8%	3.1%	1.3%	1.8%	8.2%	68.9%		
% of Alt A assets	2.8%	7.9%	3.9%	0.6%	1.1%	1.4%	0.5%	4.1%		
% of prime assets	2.2%	11.2%	7.2%	4.4%	1.5%	2.4%	11.7%	2.8%		
IMPAIRMENT										
Cumulative impairment losses and depreciation (at 12/31/2008)	(196)	(187)	(262)	(81)	(124)	(52)	(102)	(101)		
o/w change in value in Q4-08	*(5)*	*(6)*	*(13)*	*5*	*(24)*	*(10)*	*(14)*	*(9)*		
% total CDO discounts (at 09/30/2008)										
NET EXPOSURE (AT 12/31/2008)	**12**	**7**	**13**	**298**	**443**	**363**	**55**	**12**	**1,104**	**99**

Valuation and sensitivity assumptions

Methodology used

Conservative definition of the "subprime" category (FICO score of 660).

LOSS RATES USED FOR THE VALUATION OF SUBPRIME ASSETS

	Before 2005	2005	2006	2007
at September 30, 2008	7.5%	11%	25%	30%
at December 31, 2008	7.5%	11%	25%	30%

Alt-A: 55% correlation (loss rate assumptions used for subprime).

Allocation to transactions included in collateral rated CCC+ or less, 97% loss.

Valuation of non-subprime underlying assets based on a discount scale integrating transaction type, rating and vintage.

SENSITIVITY ANALYSIS OF FAIR VALUE OF CDOS

A 10% increase in loss rates(1) would have an impact of:

in € millions	Potential impact on NBI
Change in cumulative loss rates	(30)(2)

DISCOUNT RATE ON SUBPRIME ASSETS INCLUDED IN ABS CDOS(3)

		2006 & 2007 production	
	2005 production	A and above	BBB and below
Natixis	(72)%	(92)%	(97)%
ABX		(94)%	(97)%

(1) i.e. 33% for 2007, 27.5% for 2006, 12.1% for 2005 and 8.3% for years prior to 2005.
(2) Including change in cumulative loss rates on CIFG ABS CDOs under commutation agreement.
(3) Excluding positions under commutation agreement.

Exposure to other CDOs (not exposed to US residential market)

Value adjustments

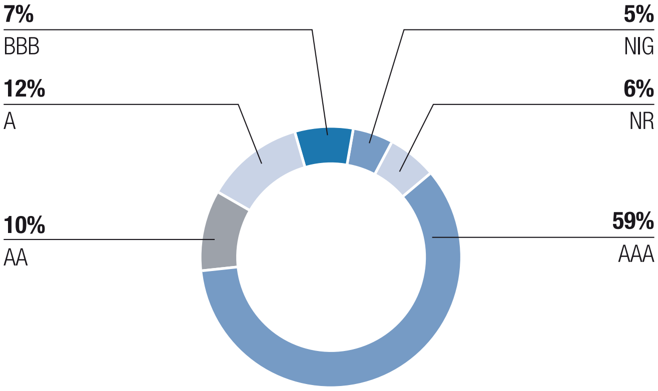
- €121 million in Q4-08 in financial assets at fair value through profit or loss.

- €35 million in Q4-08 in available-for-sale assets.

Residual exposure: €3,543 million of which 67% CLO.

Breakdown of exposure by rating

82% A or higher, 59% AAA.



Required protection

With monoline insurers

in € millions	Gross notional amount of hedged instruments	Exposure before value adjustments and hedging
CDO protection(1) (US residential market) with subprime underlying assets	1,393	757
CDO protection with non-subprime underlying assets	149	21
CLO protection	5,683	210
RMBS protection	927	164
CMBS protection	3,987	800
Other risks	6,220(2)	1,240
TOTAL		**3,190**

(1) CDO: collateralized debt obligation/CLO: collateralized loan obligation/RMBS: residential mortgage-backed security. CMBS: commercial mortgage-backed security.

(2) O/w underlying assets:

- *Project finance: 25%;*
- *Corporate (bespoke CDOs): 26%;*
- *TruPs CDOs: 12%;*
- *Diversified ABS: 22%.*

With CDPCs

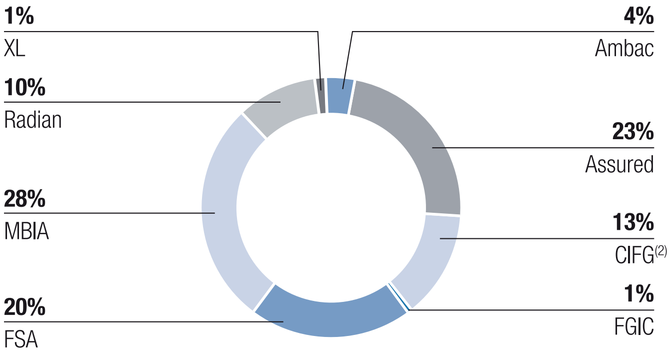
- Exposure before value adjustments: €2.6 billion at December 31, 2008 (gross notional amount of €9.7 billion) reduced to €2.1 billion at end-January 2009.
- Value adjustments of €271 million, including €144 million in the fourth quarter of 2008.

Monoline insurers

RESIDUAL EXPOSURE TO COUNTERPARTY RISK RELATING TO MONOLINE INSURERS

in € millions	09/30/2008	Total	Excluding CIFG deals under commutation agreement
Exposure before value adjustments	2,779	3,190	2,825
Value adjustments	(1,414)	(1,528)	(1,162)
Collective provisions	(300)	(300)	(300)
RESIDUAL EXPOSURE TO COUNTERPARTY RISK RELATING TO MONOLINE INSURERS	**1,064**	**1,363**	**1,363**
Discount rate	62%	57%	52%

BREAKDOWN OF RESIDUAL EXPOSURE BY COUNTERPARTY(1)



DETAILS OF CIFG POSITIONS UNDER COMMUTATION AGREEMENT:

in € millions	Notional amount	Value adjustments(3)
CDOs including subprime underlying assets	581	(340)
CDOs with non-subprime underlying assets	149	(21)
CMBSs	300	(5)
TOTAL	**1,030**	**(365)**

(1) Not including the collective provision of €300 million, i.e. residual exposure of €1,662 million.
(2) Portion not under commutation agreement.
(3) Impairment in value of non-hedged underlying assets.

Valuation and sensitivity assumptions

Fair value of protection before value adjustments

- The economic exposure of ABS CDOs containing subprime assets was determined using the method described in the "Valuation and sensitivity assumptions" section.
- The economic exposure of other types of assets was determined using either the mark-to-market method or the mark-to-model method.

Value adjustment

Three groups of monoline insurers are identified according to their credit quality. They are then assigned separate probabilities of default (PD).

	PD	Monoline insurer
Group 1	15%	FSA, Assured Guaranty
Group 2	50%	CIFG, MBIA, AMBAC, RADIAN
Group 3	100%	FGIC, XL

Regardless of the Group, recovery in the event of default (R) is set at 10%.

The specific provision is defined as the mark-to-market (or mark-to-model) amount multiplied by the expected loss (expected loss = PD x (1-R)) for each monoline insurer.

Sensitivity of value adjustments made relating to monoline exposures:

A 10% increase in probabilities of default of monoline insurers (i.e. PD = 16.5% for Group 1 and 50% for Group 2) and a 10% increase in loss rates for ABS CDOs containing subprime assets would lead to an additional value adjustment of -€96 million.

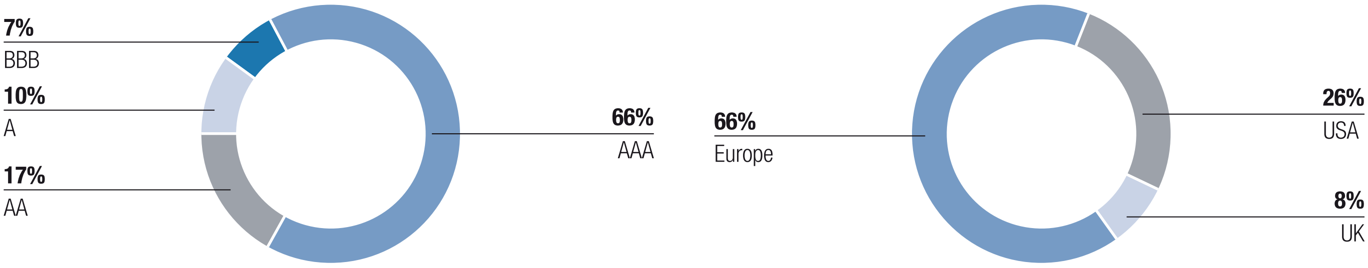
Commercial mortgage-backed securities (CMBS)

Non-hedged CMBS

	Net exposure at 09/30/2008	Reclassification IAS 39	Impairment losses/ Depreciation Q4-08	Other changes Q4-08	Net exposure at 12/31/2008	Gross exposure at 12/31/2008
Trading portfolio	770	(9)	(55)	(20)	687	796
Fair value option portfolio	52		(5)	(3)	44	54
AFS portfolio	377	(150)	(16)	(11)	199	258
Loans and receivables portfolio	-	159	-	(2)	157	157(1)
TOTAL	**1,199**	**-**	**(76)**	**(36)**	**1,087**	**1,265**

(1) Gross exposures are stated at the entry value at October 1, 2008 (fair value at September 30, 2008) for reclassified portfolios.

BREAKDOWN OF NET EXPOSURE AT DECEMBER 31, 2008



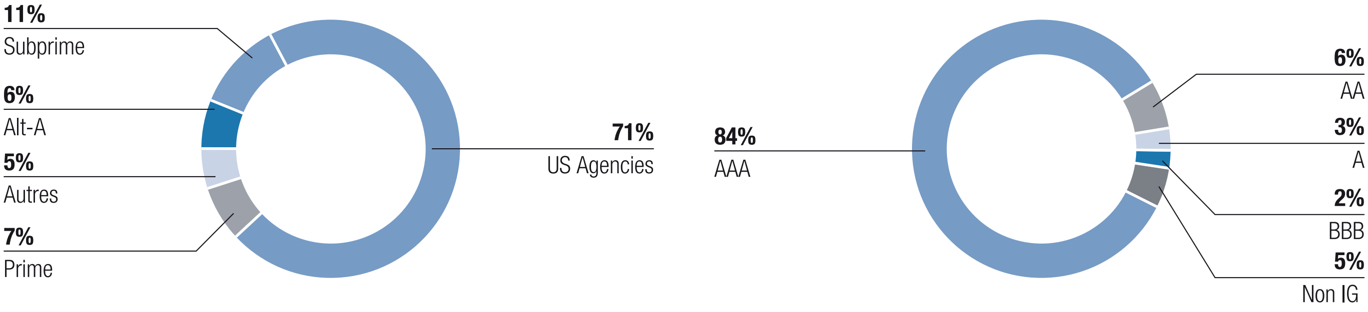
Residential mortgage-backed securities (RMBS)

Non-hedged US RMBS

	Net exposure at 09/30/2008	Reclassification IAS 39	Impairment losses/ Depreciation Q4-08	Other changes Q4-08	Net exposure at 12/31/2008	Gross exposure at 12/31/2008
Trading portfolio	1,064	(1,137)	-	173	100	103
Loans and receivables portfolio	32	1,725	(15)	(234)	1,508	1,523(1)
Fair value option portfolio	6	-	-	(1)	5	5
AFS portfolio	670	(588)	6	(28)	59	68
SUB-TOTAL	**1,772**	**-**	**(9)**	**(91)**	**1,672**	**1,699**
US Trading agencies	4,288	(4,122)	-	(166)	-	-
US agencies (loans and receivables)	-	4,122	-	(112)	4,011	4,011
TOTAL	**6,060**	**-**	**-**	**(369)**	**5,632**	**5,710**

(1) Gross exposures are stated at the entry value at October 1, 2008 (fair value at September 30, 2008) for reclassified portfolios.

BREAKDOWN OF RMBS IN NET EXPOSURE AT DECEMBER 31, 2008



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RMBS UK non-hedged

	Net exposure at 09/30/2008	Reclassification IAS 39	Impairment losses/ depreciation Q4-08	Other changes Q4-08	Net exposure at 12/31/2008	Gross exposure at 12/31/2008	AAA	AA	A	BBB	Non-IG
Trading portfolio	358	(367)	3	48	41	61	-	53%	8%	40%	-
Fair value option portfolio	13	-	-	14	28	28	100%	-	-	-	-
AFS portfolio	225	(283)	7	194	143	184	20%	1%	2%	2%	27%
L&R portfolio	3	650	-	(65)	588	588[2]	88%	7%	5%	-	-
TOTAL	**599**	**-**	**9**	**191**[1]	**799**	**861**	**72%**	**8%**	**4%**	**3%**	**5%**

Non-hedged Spanish RMBS

	Net exposure at 09/30/2008	Reclassification IAS 39	Impairment losses/ depreciation Q4-08	Other changes Q4-08	Net exposure at 12/31/2008	Gross exposure at 12/31/2008	AAA	AA	A	BBB	Non-IG
Trading portfolio	315	(344)	(20)	78	29	63	-	-	60%	12%	28%
Fair value option portfolio	-	-	-	-	-	-	-	-	-	-	-
AFS portfolio	180	(325)	(3)	166	18	28	-	-	-	21%	-
L&R portfolio	-	670	-	(19)	650	650[2]	89%	11%	-	-	-
TOTAL	**495**	**-**	**(23)**	**225**[1]	**696**	**741**	**83%**	**10%**	**2%**	**1%**	**1%**

(1) Portfolios not reported at September 30, 2008.
(2) Gross exposures are stated at the entry value at October 1, 2008 (fair value at September 30, 2008) for reclassified portfolios.

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Securitization and conduits

- **Proprietary securitization: €204 million**

Conduits sponsored by Natixis

	Elixir	Direct Funding	Versailles
Issuing country	**France**	**France**	**United States**
AMOUNT OF ASSETS FINANCED *(in € millions)*	**216**	**954**	**3,229**
LIQUIDITY LINES GRANTED *(in € millions)*	**220**	**-**	**3,294**
BREAKDOWN BY TYPE OF ASSET			
Car loans			23%
Commercial loans	100%	39%	3%
Corporate loans			
Consumer finance		3%	21%
Equipment loans		7%	12%
RMBS US			
Non-US RMBS		52%	
CLOs			
CDOs			27%
Subscribed loans and student loans			15%
ASSET MATURITY (WEIGHTED AVERAGE) *(in %)*			
0-6 months	14%	7%	3%
6-12 months		14%	73%
Over 12 months	86%	73%	24%
BREAKDOWN OF ASSETS BY COUNTRY OF ORIGIN *(in %)*			
United States			100%
United Kingdom			
France	83%	27%	
Other	17%	73%	
BREAKDOWN OF ASSETS BY RATING			
AAA		42%	66%
AA			22%
A			11%
BBB			
Non-investment grade			
Non rated (implied investment grade)	100%	58%	

Products co-sponsored by Natixis

Amount of assets financed: €2,833 million.

Liquidity lines granted: €2,833 million.

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Liquidity lines granted to conduits sponsored by third parties: €*1,416 million*

Leveraged buy-outs (LBOs)

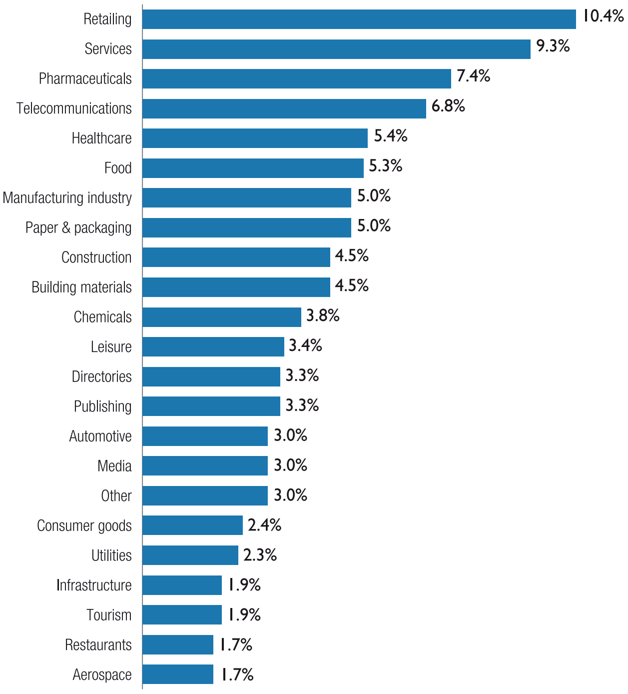
EXPOSURE RELATING TO LEVERAGED TRANSACTIONS

in € millions		09/30/2008	12/31/2008
Final shares (loans and receivables)	Number of cases	391	376
	Commitments (booked)	5,823	5,864
Shares for sale (loans and receivables)	Number of cases	71	64
	Commitments (booked)	527	366
SUB-TOTAL		**6,350**	**6,230**
Shares for sale (loans at fair value)	Number of cases	12	6
	Commitments (booked)	50	8
TOTAL		**6,400**	**6,238**

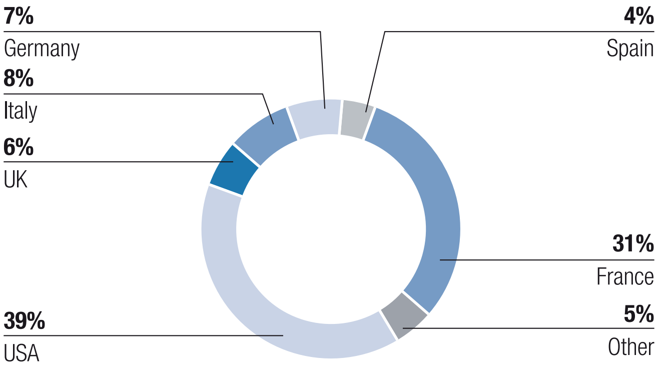
- Average outstandings on final shares: €16 million.
- Senior shares: 97.5%.
- Collective provision: €254 million.

BREAKDOWN OF FINAL SHARES OF LEVERAGED TRANSACTIONS

Industry



Region



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2. Excluding Natixis

CDOs

Non-hedged ABS CDOs exposed to the US residential market

- The Banque Populaire banks do not have any exposure to ABS CDOs exposed to the US residential market.

Exposure to other CDOs (not exposed to US residential market)

- Residual exposure: €437 million of which Corporate Investment Grade 65.7% and CLOs 27.9%.

TYPE OF UNDERLYING ASSETS AT 12/31/2008 (%)

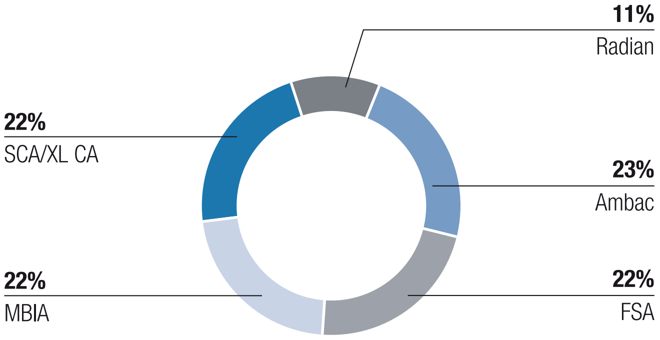
Leveraged loans	27.9%
HY corporate bonds	3.8%
IG corporate bonds	65.7%
SME loans	0.0%
CDO-squared euro-mezzanine tranches	2.6%

Monolines

RESIDUAL EXPOSURE TO COUNTERPARTY RISK RELATING TO MONOLINE INSURERS

in € millions	09/30/2008	Total
Residual exposure to counterparty risk relating to monoline insurers	50	**50**

BREAKDOWN OF RESIDUAL EXPOSURE BY COUNTERPARTY

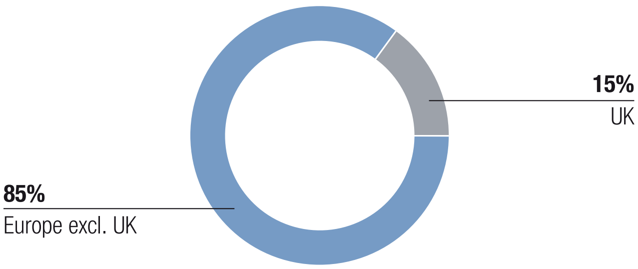


CMBSs

Non-hedged CMBS

	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**135**	**146**

BREAKDOWN OF NET EXPOSURE AT 12/21/2008



RMBS

Non-hedged US RMBS

in € millions	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**5**	**0.4**

Non-hedged UK RMBS

in € millions	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**215**	**225**

Non-hedged Spanish RMBS

in € millions	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**164**	**189**

Securitization and conduits

Liquidity lines granted to conduits sponsored by third parties

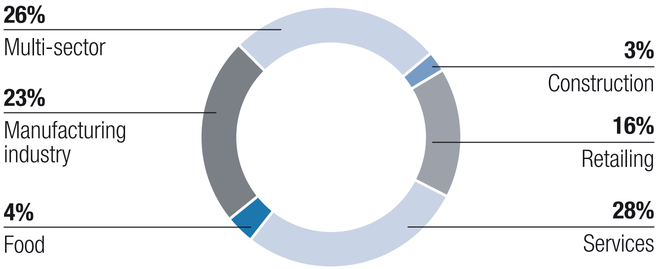
€19 million of French conduits (ABCP conduits)

LBO financing

EXPOSURE RELATING TO LEVERAGED TRANSACTIONS

in € millions		09/30/2008	12/31/2008
FINAL SHARES	**COMMITMENTS (BOOKED)**	**965**	**1,240**

BREAKDOWN OF FINAL SHARES OF LEVERAGED TRANSACTIONS



4. *Compensation of corporate officers and Board members*

Related parties are companies consolidated in the Banques Populaires Group (regardless of consolidation method), as well as the corporate officers and Board members of Banque Fédérale des Banques Populaires (BFBP), the Banque Populaire Group's parent company.

4.1.1 Compensation, benefits, loans, and Director's fees paid to Banque Fédérale des Banques Populaires (BFBP) corporate officers

4.1.1.1 Compensation, stock options, and performance shares paid to each corporate officer (Table 1)

Compensation for the year		2008	2007
Philippe DUPONT BFBP Chairman and Chief Executive Officer, and Chairman of the Natixis Management Board	For services at BFBP	€301,721	€410,642
	For services at Natixis	€350,000	€350,000
	TOTAL	**€651,721**	**€760,642**

Value of stock options received during the year (under IFRS 2)		2008 (1)	2007
Philippe DUPONT	For services at BFBP	N/A (1)	€324,765
	For services at Natixis	€0	€881,505
	TOTAL	**N/A (1)**	**€1,206,270**

(1) Philippe Dupont has renounced any stock options as compensation for his services at BFBP in 2008.

The value of stock options calculated under IFRS 2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options granted as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		2008	2007
Philippe DUPONT	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**NONE**	**NONE**

Compensation for the year		2008	2007
Bruno METTLING BFBP Deputy Chief Executive Officer	For services at BFBP	€345,525	€500,806
	For services at Natixis	€23,000	€26,600
	TOTAL	**€368,525**	**€527,406**

Value of stock options received during the year		2008 (1)	2007
Bruno METTLING	For services at BFBP	N/A (1)	€324,765
	For services at Natixis	€0	€0
	TOTAL	**N/A (1)**	**€324,765**

(1) Bruno Mettling has renounced any stock options as compensation for his services at BFBP in 2008.

The value of stock options calculated under IFRS 2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options given as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		2008	2007
Bruno METTLING	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**NONE**	**NONE**

The gross compensation paid to BFBP corporate officers includes a fixed portion and a variable portion. These portions are set in accordance with the Banque Populaire Group's executive compensation policy.

4.1.1.2 Summary of compensation paid to each corporate officer (Table 2)

	2008		2007	
Philippe Dupont	Amount due(5)	Amount paid(6)	Amount due(5)	Amount paid(6)
Fixed compensation(1)	**€595,000**	**€595,000**	**€595,000**	**€595,000**
For services at BFBP	€245,000	€245,000	€245,000	€245,000
For services at Natixis	€350,000	€350,000	€350,000	€350,000
Variable compensation(1)(2)	**€0**	**€110,000**	**€110,000**	**€110,000**
For services at BFBP	€0	€110,000	€110,000	€110,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation(1)(4)	**€0**	**€0**	**€0**	**€0**
Director's fees(7)	**€11,484**	**€11,040**	**€11,040**	**€11,285**
For services at BFBP subsidiaries	€0	€0	€0	€586
For services at BFBP	€11,484	€11,040	€11,040	€10,699
Benefits(3)	**€45,237**	**€45,237**	**€44,602**	**€44,602**
For services at BFBP	€45,237	€45,237	€44,602	€44,602
For services at Natixis	€0	€0	€0	€0
TOTAL	**€651,721**	**€761,277**	**€760,642**	**€760,887**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.

(3) Corporate car and housing for Philippe Dupont.

(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

	2008		2007	
Bruno Mettling	Amount due(5)	Amount paid(6)	Amount due(5)	Amount paid(6)
Fixed compensation(1)	**€290,000**	**€290,000**	**€290,510**	**€290,510**
For services at BFBP	€290,000	€290,000	€290,510	€290,510
For services at Natixis	€0	€0	€0	€0
Variable compensation(1)(2)	**€0**	**€130,000**	**€130,000**	**€130,000**
For services at BFBP	€0	€130,000	€130,000	€130,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation(1)(4)	**€0**	**€0**	**€0**	**€0**
Director's fees(7)	**€32,792**	**€62,163**	**€61,163**	**€62,600**
For services at BFBP subsidiaries	€9,792	€34,563	€34,563	€20,000
For services at BFBP	€23,000	€27,600	€26,600	€42,600
Benefits(3)	**€45,733**	**€45,733**	**€45,733**	**€45,733**
For services at BFBP	€45,733	€45,733	€45,733	€45,733
For services at Natixis	€0	€0	€0	€0
TOTAL	**€368,525**	**€527,896**	**€527,406**	**€528,843**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.

(3) Corporate car and housing expense reimbursement for Bruno Mettling.

(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

Neither Philippe Dupont, Michel Goudard, nor Bruno Mettling currently receives any allowances or benefits from companies controlled by BFBP.

4.1.2 Director’s fees and other compensation paid to BFBP Board members

4.1.2.1 Director’s fees and Other compensation paid to non-executive Board members (Table 3)

	Amount due in 2008 and paid 2009[1]		Amount due in 2007 and paid 2008[1]	
	Director’s fees	Other compensation	Director’s fees	Other compensation
Thierry Cahn	€8,820	-	-	-
Jean Clochet	€41,523	-	€40,036	-
Pierre Delourmel	€17,468	-	€8,832	-
Pierre Desvergnes	€18,168	-	€12,436	-
Jean-Claude Detilleux	€13,284	-	€12,840	-
Michel Dolige	€16,690	-	€11,124	-
Bernard Fleury	€18,540	-	€15,624	-
Stève Gentili	€36,175	-	€44,001	-
Yves Gevin	€16,525	-	€18,738	-
Jacques Hausler	€21,885	-	€17,005	-
Marc Jardin	€18,540	-	€13,824	-
Bernard Jeannin	€35,003	-	€41,652	-
Yvan de La Porte du Theil	€53,350	-	€58,862	-
François Moutte	€8,352	-	€5,520	-
Christian Du Payrat	€17,934	-	€13,536	-
Philippe Queuille	€5,500	-	-	-
Jean-Louis Tourret	€29,005	-	€47,090	-
Gonzague de Villèle	€5,532	-	-	-
TOTAL	**€382,294**		**€361,120**	

(1) Fees paid as compensation for positions held on the Board of Directors and Board Committees of BFBP and the companies it controls.

4.1.3 Stock options

No options on BFBP shares have been granted to date. However, corporate officers have been granted options on Natixis shares as compensation for their services at BFBP and the companies it controls.

4.1.3.1 Stock options granted by the Group and all Group companies to each corporate officer during the year (Table 4)

			Value of options recognized in the consolidated financial statements		**Number of options granted during the year(1)**			
	Plan date and No.	**Type of option (purchase or subscription)**	**For services at BFBP**	**For services at Natixis**	**For services at BFBP**	**For services at Natixis**	**Strike price**	**Exercise period**
Philippe Dupont	Jan. 21, 2008 Natixis Plan 2	Subscription	N/A(2)	€0	N/A(2)	€0	€8.27	Jan. 21, 2012 Jan. 21, 2015
Bruno Mettling	Jan. 21, 2008 Natixis Plan 2	Subscription	N/A(2)	-	N/A(2)	-	€8.27	Jan. 21, 2012 Jan. 21, 2015

(1) After adjusting for the share issue in September 2008.

(2) Philippe Dupont and Bruno Mettling have renounced any stock options as compensation for their services at BFBP in 2008.

4.1.3.2 Stock options exercised by each corporate officer during the year (Table 5)

	Plan date and No.	**Number of options exercised during the year**	**Strike price**
Philippe Dupont	N/A	**None**	
Bruno METTLING	N/A	**None**	

4.1.3.3 Performance shares granted to each corporate officer (Table 6)

	Plan date and No.	**Number of shares granted during the year**	**Value of shares recognized in the consolidated financial statements**	**Acquisition date**	**Vesting date**	**Performance criteria**
Performance shares granted during the year by the AGM of the Group and all Group companies to each corporate officer	N/A	**None**				

	Plan date and No.	**Number of shares vested during the year**	**Vesting terms**
Vested performance shares owned by each corporate officer (Table 7)	N/A	**None**	

The number of Natixis stock options allocated to the Banque Populaire Group is determined by the Natixis Management Board and AGM.

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4.1.3.4 Stock option grants since 2002 (Table 8)

STOCK OPTION DETAILS

	2002	2003	2004	2005	2007	2008
Natixis AGM date	05/31/2001	05/31/2001	05/27/2004	05/19/2005	11/17/2006	05/24/2007
Natixis Management Board decision date	09/10/2002	09/10/2003	11/17/2004	11/15/2005	01/29/2007	01/21/2008
Number of stock options granted on the Natixis Management Board decision date to Banque Populaire Group employees, with the number granted to specific individuals listed below*	2,630,474	2,648,800	2,771,230	3,187,800	4,142,600	3,726,800
Corporate officers and Board members						
Corporate officers						
Philippe Dupont	169,400	184,800	192,500	215,600	400,400	N/A
For services at Banque Populaire Group	84,700	92,400	92,400	107,800	107,800	N/A
For services at Natixis	84,700	92,400	100,100	107,800	292,600	0
Bruno Mettling	-	-	-	77,000	107,800	N/A
Non-executive Board members						
Jean Clochet	-	-	-	15,400	20,020	N/A
Steve Gentili	10,780	10,780	10,780	15,400	20,020	N/A
Yvan de La Porte du Theil	43,120	43,120	43,120	47,740	61,600	N/A
Bernard Jeannin	43,120	43,120	43,120	47,740	61,600	N/A
Thierry Cahn	7,700	10,780	10,780	15,400	20,020	N/A
Pierre Delourmel	-	10,780	10,780	15,400	20,020	N/A
Pierre Desvergnes	-	-	-	-	-	-
Jean-Claude Detilleux	0	38,500	38,500	43,120	58,520	-
Michel Dolige	10,780	10,780	10,780	15,400	20,020	N/A
Bernard Fleury	9,240	9,240	9,240	13,860	20,020	N/A
Yves Gevin	43,120	43,120	43,120	47,740	61,600	N/A
Jacques Hausler	43,120	43,120	43,120	47,740	61,600	N/A
Marc Jardin	10,780	10,780	10,780	15,400	20,020	N/A
François Moutte	38,500	38,500	38,500	47,740	61,600	N/A
Christian Du Payrat	15,400	38,500	38,500	43,120	58,520	N/A
Philippe Queuille	43,120	43,120	43,120	47,740	61,600	N/A
Jean-Louis Tourret	7,700	9,240	9,240	13,860	18,480	N/A
Gonzague de Villele	15,400	13,860	18,480	43,120	58,520	N/A
Exercise period start date	09/10/2006	09/10/2007	11/17/2008	11/15/2009	01/29/2011	01/21/2012
Expiration date	09/09/2009	09/09/2010	11/16/2011	11/14/2012	01/28/2014	01/20/2015
Adjusted strike price (in euros)**	4.71	5.41	5.79	7.74	14.38	8.27
Exercise terms if there are several tranches	N/A	N/A	N/A	N/A	N/A	N/A
Number of stock options exercised by Banque Populaire Group employees at 12/31/2008 (after accounting for employee mobility)	2,009,407	589,897	107,030	21,560	-	-
Cumulative number of stock options cancelled or expired (after accounting for employee mobility)	46,970	31,108	18,480	3,850	-	868,560
Cumulative number of unexercised stock options held by Banque Populaire Group employees (after accounting for employee mobility)	635,466	2,063,985	2,677,752	3,179,330	4,107,334	2,846,690

* *After adjusting for the Natixis share issue in September 2008.*

** *Equal to the average Natixis share price over the 20 stock market trading days preceding the date of the Management Board's decision.*

Table 9. Stock options granted to and exercised by the ten employees who are not corporate officers receiving the highest number of options	Total stock options granted/exercised	Average weighted strike price	Plan 1	Plan 2
Stock options granted to these employees during the year by the Group and all Group companies in the stock option scope	337,260(1)	€8.27	01/21/2008	-
Number of these stock options exercised during the year	-	-	-	-

(1) After adjusting for the Natixis share issue in September 2008.

4.1.4 Post-employment benefits granted to corporate officers

Philippe Dupont and Bruno Mettling receive retirement benefits under the French social security system, ARRCO, AGIRC, and a supplemental retirement plan. Post-employment benefits for BFBP's other corporate officers are described on the Group's investor relations website, *www.ir.banquepopulaire.fr* (in French), under *"Rémunérations Différées des Dirigeants Sociaux."*

	Employment contract(1)		Supplementary retirement plan		Benefits due if the employee changes or leaves his or her position		Allowances related to a non-competition clause	
Corporate officer (Table 10)	Yes	No	Yes(2)	No	Yes(3)	No	Yes	No
Philippe Dupont								
Chairman and Chief Executive Officer								
		X	X		X			X
Date appointed: August 8, 1999								
Term expiration date: May 2011								
Bruno Mettling								
Deputy Chief Executive Officer								
	X		X		X			X
Date appointed: July 1, 2006								
Term expiration date: March 2, 2009								

(1) Bruno Mettling's employment contract was suspended when he was appointed a corporate officer on July 1, 2006.

(2) Philippe Dupont, Bruno Mettling, and all Banque Populaire Group executives receive retirement benefits under a supplementary retirement plan in accordance with the Group's bylaws. The total retirement benefit paid to a Banque Populaire Group executive cannot exceed 70% (or 60% after the executive turns 70) of his or her salary, capped at €370,000. The percentage is 50% for executives appointed after July 1, 2004, such as Bruno Mettling.

(3) For more information, see the Group's investor relations website, www.ir.banquepopulaire.fr (in French), in the section "Rémunérations Différées des Dirigeants Sociaux."

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5. *Outlook and recent events*

5.1 Outlook

5.1.1 Commercial action

As head of the network, one of the functions of its role as central body, Banque Fédérale des Banques Populaires draws up a commercial action plan each year, which is put forward to the Banque Populaire banks. These commercial developments are put together in a Commercial and Communications Action Plan.

The 2009 plan is the first illustration of the new strategic plan for between now and 2012. In addition to efforts to win and ensure the loyalty of customers, it requires particular attention to be paid to aspects of commercial productivity and profitability.

The plan serves to achieve targets via certain fundamental points:

- winning new customers;
- short-term financing and winning payment flows that act as guarantees in all markets, a real partnership with our customers, a source of additional revenue, control of risks and the interest of the work we do;
- the general approach, which is reflected primarily in bancassurance, dual professional/private relationships, including real estate activities in a portfolio-based approach, contacts with buyers and sellers when selling an asset or a company.

The plan relates to all customer segments:

Personal customers

At the start of 2009, the general adoption of Livret A savings accounts is one of the key events of the start of the year. This is considered a "target market" product. The range of secured investments is enhanced by the inclusion of a new guaranteed capital product.

The second key event of 2009 relates to bancassurance: property and casualty insurance and personal risk insurance. The "budJ" payment card for "young" customers can also be used for electronic banking. The introduction of payments in three installments is the flagship initiative for this range in 2009.

Furthermore, within the framework of efforts to win new customers, the aim is to step up the support provided on entering into a new banking relationship with an account agreement comprising a package of everyday banking products.

Small businesses

Commercial actions consist of two stages: the first focuses on small business savings and the second on short and medium-term loans. Over the course of this year, this approach will be complemented by the development and securing of payment flows.

The new "Ambitions 2012" plan sets out the main guidelines:

- winning customers: maintaining a leading position in winning "business start-up" customers, with a focus on established small businesses;
- dual relationships and private savings: detecting opportunities at an early stage and simplifying the range of savings products.

Corporate and institutional clients

For 2009, the outlook is based on three main aspects:

- strengthening the presence of the Banque Populaire banks among SMEs with revenues of over 30 million;
- increasing domestic and international payment flows through short-term loans and increasing take-up of products and services dedicated to payment flows;
- building dual relationships by acting as the bank of companies and their owners.

Private banking and real estate activities

Two priorities have been defined for 2009:

- promoting the comprehensive and original range of products and services dedicated to private banking customers, by drawing on an Asset Management Products and Services Agreement;
- increasing revenues generated by private banking, savings and real estate activities.

5.1.2 Natixis

2009 will be characterized by the application of the plan to overhaul the corporate and investment banking division (CIB).

The aim of the actions contained in this plan is to create a reduced and more tightly controlled risk profile, thanks to the reabsorption of the highest risk assets and the implementation of a specific team for segregating these assets, a very significant reduction in unprofitable areas and stepping up cost cuts.

This transformation plan will radically change the division's structure and activities. The following measures have been implemented:

- discontinuation of proprietary investment activities concerning credit and structured credit products. These proprietary investment activities – representing risk-weighted assets of 19 billion – have been discontinued with the creation of a specific segregation structure to optimize management on a run-off basis. This structure is already effective;
- discontinuation of the most complex capital market activities: equity hybrid derivatives, interest rate hybrid derivatives, fund derivatives. The equities unit will be cut back and its risk profile reduced, and it will operate at lower cost. Simple derivatives held in France will be merged with brokerage activities;
- refocusing on long-standing customers, prioritizing customer transactions (large corporates in France and selectively in Southern Europe, corporate midcaps in France, institutional investors in Europe and structured finance customers internationally);
- optimizing the bank's international presence: major cutbacks in Asia (discontinuation of the majority of capital market activities, maintaining only straightforward customer support services) and in the United States (discontinuation of equity derivatives and corporate vanilla bond activities), closure of marginal offices (particularly in South America, abandonment of development projects (in India and Korea);
- increased risk discipline in all activities.

The transformation of the CIB division will result in a 40% reduction in headcount in the most complex capital market activities (i.e. 15% of employees, reducing the total number of employees to 4,860 at end-2009) and a 10% reduction in direct fixed costs relating to this business line.

Following this restructuring, the CIB division will continue to be one of the core activities of Natixis and its two shareholder networks, the Banque Populaire banks and the Caisse d'Epargne banks.

It serves corporate clients, in particular French companies, and meets their needs in the following areas:

- domestic financing activities;
- risk management (interest rates, forex, commodities, etc.);
- treasury management (cash management, investments);
- project finance and support.

It also serves the Group's other business lines by offering products, services and its expertise in terms of:

- non-complex structured products (guaranteed capital) supporting asset management, private banking and network activities;
- access to institutional investors (covered bonds, bonds, securitization);
- equity research expertise;
- economic research expertise.

5.2 Recent events

5.2.1 CIFG

On January 21, 2009, the New York State Insurance Department announced the signature of the CIFG commutation agreement. This agreement concerns around $12 billion of "problem" CDS exposure.

The announcement was supported by a joint press release from the Banque Populaire Group and the Caisse d'Epargne Group dated January 22, 2009 (available in the regulated information section of the investor relations website: *www.ir.banquepopulaire.fr*).

As a result of this commutation agreement, the main counterparties holding these assets have waivered their guarantee with the credit enhancer in exchange for the payment of a dividend and CIFG shares.

This has a slight positive effect on the financial statements of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, which now jointly own around 10% of CIFG's share capital.

This stake is housed within an *ad hoc* company created at the end of 2008 called "twin participations", of which Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne each own 50%.

The deal should help to restore CIFG's financial position.

5.2.2 Approval of merger principles between the Banque Populaire Group and the Caisse d'Epargne Group

Banque Fédérale des Banques Populaires' (BFBP) Board of Directors and Caisse Nationale des Caisses d'Epargne's (CNCE) Supervisory Board met on February 24, and February 26, 2009, and approved the merger principles regarding the two central bodies that will lead to the creation of France's second largest banking group.

The new group will be supported by two complementary autonomous networks and two distinct brands. The new entity will consist of around 34 million customers, over 7 million member-stakeholders and a deeply rooted network, thanks to 7,700 branches, and almost 110,000 employees. The new group will have Tier 1 capital of €38 billion and 22% of French bank total deposits standing firmly as a first-rate entity funding the economy.

The retail banking business will be the focus of the new group, essentially concentrating on the domestic market.

The merger plan is based on the creation of a new central body, common to the Banque Populaire bank and Caisses d'Epargne et de Prévoyance networks. The central body will be held equally between the two groups and include their main retail banking subsidiaries and production entities (Natixis, Société Marseillaise de Crédit, SIBP (excluding VBI), Financière Océor, GCE Assurances, BCP France, BCP Luxembourg, DV Holding and the indirect 17.7% stake in CNP). The technical and human capabilities of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne required to perform the duties of a central body will also be included in this new entity.

The subsidiaries of the real estate division of the two groups (Crédit Foncier de France, Nexity, FONCIA, MeilleurTaux) as well as the other interests of the two central bodies (notably Banca Carige, Banque Palatine, DZ Bank and MaBanque) will be kept initially by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

The French State, who had favorably welcomed the merger plan, has wished to support the establishment of the new group by proposing an equity contribution in line with its policy of supporting major French banking groups. In this way, the government has stated that it intends to subscribe to preference shares without voting rights and undated super-subordinated notes (TSSDI) issued by the new central body, for a maximum amount of €5 billion. The government support will enable the new group to benefit from a robust and durable capital structure. The preference shares will be convertible into ordinary shares, under certain conditions, leading the State to hold up to a 20% stake in the new central body.

The merger will also facilitate combining Natixis's ownership structure, whose governance will be simplified. In this respect, at the Annual Shareholders' Meeting called to approve the 2008 financial statements, the transformation of Natixis into a Company with the separation of roles between Chairman and chief executive with a Board of Directors will be proposed.

The new central body will be a French public limited company ("*société anonyme*") governed by a Management and Supervisory Board. In addition to two employee representatives, the Supervisory Board will include eighteen members: seven members will represent the Banque Populaire Group, seven members will represent the Caisse d'Epargne Group and four members will be appointed by the French State including two members nominated as independent directors.

The first chairmanship of the Supervisory Board will be occupied by a member from the Banque Populaire Group until the start of the calendar year following the second year after they have commenced their duties. To this end, the Banque Fédérale des Banques Populaires Board of Directors has decided to propose Mr Philippe Dupont to occupy the position of first Chairman of the Supervisory Board of the new central body. At the end of the term of office of Mr Philippe Dupont, the position of Chairman of the Supervisory Board of the new central body will be subject to alternation between the two groups every two years. The appointment of Mr Yves Hubert, currently Chairman of Caisse Nationale des Caisses d'Epargne's Supervisory Board, will be proposed for the position of first Vice-Chairman of the new central body.

Mr François Pérol has been nominated as the Chairman of the Management Board of the new central body. Mr François Pérol has also been appointed to Natixis's Supervisory Board and will be the Chairman.

Mr Dominique Ferrero, in his capacity as Chairman of the Management Board, will be responsible for the general management of Natixis.

To speed up the merger momentum, and to facilitate the best possible coordination of the work leading to its effective creation, Mr François Pérol has been appointed as of March 2, 2009 Chairman of Caisse Nationale des Caisses d'Epargne's Management Board and Chief Executive Officer of Banque Fédérale des Banques Populaires.

5.2.3 Changes to Banque Fédérale des Banques Populaires' governance

The approval of the proposed merger between the two central bodies has led to a change in the governance of Banque Fédérale des Banques Populaires.

Its Board of Directors, which met on February 25, 2009, chaired by Mr Philippe Dupont, decided to separate the roles of Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires.

During the Board meeting, Mr François Pérol was appointed Chief Executive Officer and Mr Yvan de La Porte du Theil was appointed Deputy Chief Executive Officer.

The top management of Banque Fédérale des Banques Populaires is now therefore as follows:

- Mr Philippe Dupont, Chairman of the Board of Directors;
- Mr François Pérol, Chief Executive Officer;
- Mr Yvan de La Porte du Theil, Deputy Chief Executive Officer;
- Mr Philippe Queuille, Assistant Chief Operating Officer.

The press releases relating to these events are available in the regulated information section of the investor relations website, *www.ir.banquepopulaire.fr*.

5.2.4 Reply of March 16, 2009 to the Amnesty International press release dated March 11, 2009 in which it denounces Banque Populaire and its subsidiary Natixis concerning their policy relating to cluster bombs

The response to Amnesty International from Mr François Pérol, Chief Executive Officer of Banque Fédérale des Banques Populaires, was worded as follows:

"We would like first of all to remind you of the Banque Populaire Group's commitment to corporate social responsibility. In this respect, it is therefore particularly sensitive to your renewed interpretations relating to the financing of the production of anti-personnel landmines and cluster bombs.

I therefore have no choice but to react to your press release of March 11 denouncing "Banque Populaire and its subsidiary Natixis for its policy relating to cluster bombs". This press release implicates the Banque Populaire banks and I think that it is vital to remind you of how the banks are organized in order to give a precise answer to your question.

The Banque Populaire banks are cooperative regional banks dedicated to financing the local economy through deposits, loans and investments. Although they belong to the same group as Natixis, they are fully autonomous legal entities.

Banque Fédérale des Banques Populaires, the central body of the Banque Populaire network, owns 36% of Natixis. It is therefore not a majority shareholder of Natixis and as such is not in a position to determine policy in this area on its own.

However, as a shareholder of Natixis, I have sent a letter demanding that not only a policy be set out to withdraw from such activities but also that a process be initiated, if necessary, to withdraw from any investment in companies involved directly in the trade of cluster bombs and anti-personnel landmines either on a proprietary basis or for third parties. Amnesty International will be able to follow up the development of this policy with Natixis's staff directly.

I would like to confirm that the Banque Populaire banks are not involved directly or indirectly in the financing of cluster bombs and anti-personnel landmines on a proprietary basis. With this letter, I would like to make our position public in the form of a declaration of the principle of not investing in and not financing companies directly linked to the production and trade of cluster bombs and anti-personnel landmines as stated in the Oslo Convention of December 3, 2008, signed by France.

As regards mandated investment management, I have asked the Banque Populaire banks to make information relating to our policy in this respect available to our clients and prospects. It goes without saying that should we discover that the Banque Populaire banks are unwittingly involved in such financing activities, I shall immediately take the measures necessary to end this involvement.

In order to ensure transparency, information about these commitments will be published on our website and in our next registration document."

The contents of the letter sent to Natixis as mentioned in the reply to Amnesty International are as follows:

"Mr Chairman,

On March 11, Amnesty International France issued a press release denouncing "Banque Populaire and its subsidiary Natixis, which have not adopted a public policy of not investing in and not financing companies linked to the production and trade of cluster bombs".

I have sent a letter in reply to Amnesty International France concerning the position and commitment of the Banque Populaire banks, namely:

- the Banque Populaire banks are not involved, directly or indirectly, in the financing of cluster bombs and anti-personnel mines on a proprietary basis;
- we are committed to making our position public in the form of a declaration of the principle of not investing in and not financing companies directly linked to the production and trade of cluster bombs and anti-personnel landmines as stated in the Oslo Convention of December 3, 2008;
- as regards mandated investment management, the Banque Populaire banks have been asked to make information relating to our policy in this respect available to our clients and prospects;
- information about these commitments will be published on our website and in our next registration document.

In addition to the position of the Banque Populaire banks, I have informed Amnesty International that as a shareholder of Natixis, it is my duty to ask you to reflect these efforts by implementing not only a policy to withdraw from such activities but also initiating a process, if necessary, to withdraw from any investment in companies involved directly in the trade of cluster bombs and anti-personnel landmines either on a proprietary basis or for third parties.

I have asked Amnesty International France to follow up commitments concerning you in this matter directly with you, as Banque Fédérale des Banques Populaires is not a majority shareholder of Natixis."

5.2.5 Negotiation Agreement signed between the Banque Populaire Group and the Caisse d'Epargne Group

On March 16, 2009, the Board of Directors of Banque Fédérale des Banques Populaires (BFBP) and the Supervisory Board of Caisse Nationale des Caisses d'Epargne's (CNCE) approved the signature of the negotiation agreement setting out the discussion principles guiding their merger with a view to establishing the second largest French banking network. In this respect, the senior executives of the groups have been given the mandate to continue discussions and negotiate the terms of the final agreements.

Following the announcement of February 26, 2009, the negotiation agreement confirms and states all the negotiation principles registered at this stage, relating notably, to the structure of the transaction, its scope, the valuation of the entities transferred to the new central body, corporate governance and the internal financing mechanisms of the future group.

The negotiation agreement, signed in the presence of the French State, also describes the conditions of the State's equity contribution to the future central body of the two groups of around €5 billion. This amount will be broken down as follows: €3 billion in preference shares convertible into ordinary shares under certain conditions starting from the fifth anniversary of their date of issue, resulting in the State holding a maximum of 20% of the new central body's ordinary shares, and €2 billion of undated super-subordinated notes.

As the discussion principles guiding the merger of the two groups have now been registered between the two parties, the employee representative bodies will be informed and consulted on this project. According to the legal and regulatory requirements in force, the conclusion of any final agreement will only take place following the consultation procedure of the employee representative bodies.

The parties concerned confirmed that their work continues and that they expect to obtain the required authorizations with the intention of signing the final agreements before the end of the first half of 2009.

The press release relating to the above event is available in the regulated information section of the investor relations website, *www.ir.banquepopulaire.fr.*

8.1.2 Consolidated financial statements

1. *Consolidated balance sheet – Assets*

in € millions	*Notes*	**12/31/2008**	**12/31/2007**	**12/31/2006**
Cash and balances with central banks and post offices		779	804	533
Assets at fair value through profit and loss	*IV.1.2*	118,486	72,562	61,018
Derivative hedging instruments	*IV.2*	266	293	283
Available-for-sale financial assets	*IV.3*	12,683	14,118	13,297
Loans and advances to banks	*IV.4.3*	60,660	52,917	51,118
Loans and advances to customers	*IV.4.3*	44,932	40,373	32,959
Interest rate hedging reserve				
Held-to-maturity financial assets	*IV.5*	2,249	2,198	2,371
Current income tax assets		179	191	109
Deferred income tax assets	*IV.7*	991	523	169
Other assets	*IV.8*	12,747	11,825	6,942
Non-current assets held for sale				
Investments in associates	*IV.9*	3,701	3,560	3,028
Investment real estate	*IV.10*	367	346	398
Property, plant and equipment	*IV.11.1*	534	423	316
Intangible assets	*IV.11.1*	918	359	152
Goodwill	*IV.12*	3,714	3,465	1,913
TOTAL ASSETS		**263,206**	**203,957**	**174,606**

2. *Consolidated balance sheet – Liabilities*

in € millions	*Notes*	**12/31/2008**	**12/31/2007**	**12/31/2006**
Due to central banks and post offices		298	487	228
Financial liabilities at fair value through profit and loss	*IV.1.3*	106,632	57,478	46,027
Derivative hedging instruments	*IV.2*	98	1,251	143
Deposits from banks	*IV.13.1*	56,098	61,068	59,098
Customer deposits	*IV.13.2*	25,382	22,056	17,650
Debt securities in issue	*IV.14*	26,251	22,936	19,428
Interest rate hedging reserve		146	43	12
Current income tax liabilities		166	240	132
Deferred income tax liabilities	*IV.7*	414	114	186
Other liabilities	*IV.8*	18,398	10,353	6,501
Liabilities associated with non-current assets held for sale				
Insurance companies’ technical reserves	*IV.15*	12,007	11,905	10,690
Provisions	*IV.16.2*	608	264	219
Subordinated debt	*IV.17*	6,806	6,185	5,623
Equity attributable to equity holders of the parent		9,572	9,242	8,347
• Share capital and reserves		6,960	5,246	3,973
• Retained earnings		4,188	3,515	1,689
• Unrealized or deferred gains or losses		(437)	340	530
• Net income (loss) for the year		(1,139)	141	2,155
Minority interests		330	335	322
TOTAL LIABILITIES AND EQUITY		**263,206**	**203,957**	**174,606**

2. *Consolidated income statement*

in € millions	*Notes*	**12/31/2008**	**12/31/2007**	**12/31/2006** *Proforma* [1]	**12/31/2006**
Interest and similar income	*V.1*	7,272	7,187	5,440	7,009
Interest expense	*V.1*	(6,430)	(6,657)	(4,985)	(6,072)
Fee and commission income	*V.2*	1,555	1,570	1,461	1,540
Fee and commission expense	*V.2*	(502)	(536)	(532)	(734)
Net gains or losses on financial instruments at fair value through profit and loss	*V.3*	(976)	(307)	730	562
Net gains or losses on available-for-sale financial assets	*V.4*	(162)	148	126	184
Income from other activities	*V.5*	2,578	2,854	2,377	5,941
Expenses from other activities	*V.5*	(1,322)	(2,184)	(1,882)	(4,675)
Net banking income		**2,013**	**2,075**	**2,735**	**3,755**
Operating expenses	*V.6*	(2,484)	(2,299)	(1,853)	(2,495)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets		(141)	(81)	(71)	(101)
Gross operating income		**(612)**	**(305)**	**811**	**1,159**
Impairment charges and other credit provisions	*V.7*	(675)	(98)	(21)	(81)
Net operating income		**(1,287)**	**(403)**	**790**	**1,078**
Share of results of associates	*V.8*	168	225	242	37
Gains or losses on other assets	*V.9*	146	195	1	1,538
Change in value of goodwill	*V.10*	(324)		(1)	
Income before income taxes		**(1,297)**	**17**	**1,032**	**2,653**
Income taxes	*V.11*	193	174	(274)	(312)
NET INCOME		**(1,104)**	**191**	**758**	**2,340**
Minority interests		(36)	(50)	(40)	(186)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(1,140)**	**141**	**718**	**2,155**

(1) The method of preparing the 2006 pro forma financial statements is described in note XI.1. A reconciliation of published and pro forma results is provided in note XI.2.

3. *Statement of changes in equity at december 31, 2008*

	Share capital and reserves			
in € millions	Share capital	Reserves	Elimination of treasury shares	Retained earnings
EQUITY AT JANUARY 1, 2006 (EU IFRSs)	**949**	**1,304**	**0**	**2,216**
Movements related to relations with shareholders				
Capital increase	(40)	1,757		
Share-based payment plans[1]				2
Dividend				(110)
Unrealized gains or losses in 2006				
Impact of change in value of financial instruments				0
Impact of exchange rate differences				
Impact of acquisitions and disposals on minority interests				
Change in consolidation method of former Natexis Banques Populaires subgroup[2]				
Other changes in scope of consolidation				
Net income at December 31, 2006[2]				
Other changes[8]				
Change in consolidation method of former Natexis Banques Populaires subgroup[2]				
Contribution of Caisses d'Epargne Group subsidiaries to Natixis[3]				(376)
Winding up of employee stock ownership plan (Alizé Levier)[4]				(41)
Other changes	(0)	2		(2)
EQUITY AT DECEMBER 31, 2006 (EU IFRSs)	**909**	**3,063**	**0**	**1,689**
Appropriation of 2006 net income		9		2,146
EQUITY AT JANUARY 1, 2007 (EU IFRSs)	**909**	**3,073**	**0**	**3,835**
Movements related to relations with shareholders				
Capital increase[5]	116	870		
Share-based payment plans[1]				4
Interim and final dividends[6]				(307)
Unrealized gains or losses in 2007				
Impact of change in value of financial instruments				
Impact of exchange rate differences				
Impact of acquisitions and disposals on minority interests				
2007 net income				
Changes in methods and other changes[7]	**278**			**(20)**
Other	**0**	**(0)**		**2**

Unrealized gains or losses							
		Change in value of financial instruments net of deferred tax					
Exchange differences	Revaluation	Available-for-sale assets	Hedging instruments	Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total equity
39	**0**	**217**	**(32)**	**0**	**4,693**	**1,494**	**6,187**
					1,718		1,718
					2	0	3
					(110)	(54)	(164)
							0
		37	21		58	(31)	27
(40)					(40)	(25)	(65)
					0	(1,248)	(1,248)
						6	6
				2,155	**2,155**	**182**	**2,336**
					0		0
		(115)	27		(88)		(88)
89		288			0		0
					(41)		(41)
0		1		0	1	0	1
88	**0**	**427**	**15**	**2,155**	**8,347**	**322**	**8,670**
				(2,155)	0		
88	**0**	**427**	**15**	**0**	**8,347**	**322**	**8,670**
					986		986
					4	0	5
					(307)	(27)	(333)
							0
		(113)	23		(90)	(0)	(90)
(102)					(102)	(10)	(112)
						(3)	**(3)**
				142	**142**	**52**	**194**
					259		**259**
1		**0**		**0**	**4**	**0**	**4**

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	Share capital and reserves			
in € millions	**Share capital**	**Reserves**	**Elimination of treasury shares**	**Retained earnings**
EQUITY AT DECEMBER 31, 2007 (EU IFRSs)	**1,304**	**3,942**	**0**	**3,515**
Appropriation of 2007 net income		(517)		659
EQUITY AT JANUARY 1, 2008 (EU IFRSs)	**1,304**	**3,425**	**0**	**4,174**
Movements related to relations with shareholders				
Capital increase through contribution in cash(8)				
Cash	184	1,096		
By conversion of interim dividends into shares	54	164		
By conversion of final dividends into shares*	20	68		
Interim and final dividends(9)				
Dividend for the year				(218)
Interim dividends				(88)
Neutralization of share attributable to CCI Banques Populaires				21
Issue of deeply subordinated securities to SPPE(10)		950		
Share-based payment plans(1)		1		
Unrealized gains or losses in 2008				
Impact of change in value of financial instruments				
Impact of exchange rate differences				
Impact of acquisitions and disposals on minority interests				
Net income at December 2007				
Other	**(0)**	**(2)**		**(5)**
EQUITY AT DECEMBER 31, 2008 (EU IFRSs)	**1,561**	**5,702**	**0**	**3,884**

Comments:

(1) Share-based payment plans:

Under IFRS 2, employee stock option plans are treated as a cost to the company. The corresponding expense is equal to the value of the options granted in return for services rendered by employees. The impact on reserves, corresponding to the expense in the income statement, is €1m in 2008, €4m in 2007 and €2m in 2006.

(2) Impact of the formation of Natixis during 2006: Change in consolidation method of the former Natexis Banques Populaires subgroup:

The Group's percentage holding in Natexis Banques Populaires was reduced as a result of the sale of 34.4% of Natexis Banques Populaires shares to the Caisse d'Epargne Group and the sale of 11.6% of Natixis shares on the market. Accordingly, Natixis is now proportionally consolidated rather than fully consolidated, with the following impact on total shareholders' equity:

- *€1,600m dilution impact on the income and retained earnings of Natixis Banques Populaires at November 17, 2006, which was offset in the 2006 income statement under the line item "gains and losses on non-current assets"*
- *€88m decrease in unrealized losses (net of deferred taxes) including a decrease of €115m on available-for-sale assets and an increase of €27m on hedging instruments.*
- *€1,248m decrease in reserves attributable to minority interests.*

(3) Natixis transaction: capital contribution of the Caisse d'Epargne Group's specialized subsidiaries and the banking networks of Banque Populaire and Caisses d'Epargne to Natixis:

The transfer of the Caisse d'Epargne Group's corporate and investment banking subsidiaries and the Banque Populaire and Caisses d'Epargne banking networks to Natixis upon its formation on November 17, 2006 had no impact on equity after recognition of goodwill, except for the reclassification of €376 million (net of deferred tax) from retained earnings to unrealized gains.

(4) Winding up of employee stock ownership plan (Alizé Levier):

On May 31, 2001, Natexis Banques Populaires initiated a capital increase reserved for employees of the Banque Populaire Group as part of the implementation of a Group employee savings plan under the Act of February 19, 2001. A corporate mutual fund (FCPE Alizé Levier) had been set up to hold the shares acquired by the employees participating in the offering. Based on the characteristics of the operation, the Group consolidated the FCPE Alizé Levier mutual fund. On July 1, 2006, when the operation was wound up, the balance of the Natexis Banques Populaires shares held by FCPE Alizé Levier was returned to Banque Fédérale des Banques Populaires at the fund's net asset value (based on the Natexis Banques Populaires share price in the first half of 2006). The transaction did not change the Group's percentage interest or percentage control in Natexis Banques Populaires and was treated as an internal reclassification of securities. Accordingly, the €40.7 million decrease in net assets representing the share of the net capital gain due to employees was maintained in the Group's consolidated financial statements at December 31, 2006.

(5) Capital increase in 2007:

On July 2, 2007, Banque Fédérale des Banques Populaires launched a capital increase, issuing 7,758,842 new shares with par value of €15 each. The issued share capital totaled €116m and the share premium was €869m. All of these shares were taken up by Banques Populaires banks and increased Banque Fédérale des Banques Populaires' share capital to €1,304m consisting of 86,921,037 shares with par value of €15 each.

(6) Interim and final dividends: In 2007, Banque Fédérale des Banques Populaires paid €166 million in dividends in respect of 2006 and an interim dividend of €164 million in respect of 2007, making a total of €331 million of which €329 million was paid to the Banque Populaire banks. Since the Banque Populaire banks are accounted for under the equity method through the ownership of Natixis (via the cooperative certificates of investment or CCIs), the dividend must be adjusted in proportion to Banque Fédérale des Banques Populaires' ownership of the Banque Populaire banks (6.9%), leading to a reduction of €23 million. After this adjustment, interim and final dividends totaled €307 million.

Unrealized gains or losses							
		Change in value of financial instruments net of deferred tax					
Exchange differences	Revaluation	Available-for-sale assets	Hedging instruments	Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total equity
(13)	**0**	**315**	**38**	**142**	**9,243**	**335**	**9,578**
				(142)	0		
(13)	**0**	**315**	**38**	**0**	**9,243**	**335**	**9,578**
					1,280		1,280
					218		218
					88		88
					(218)	(52)	(270)
					(88)		(88)
					21		21
					950		950
					1	0	2
							0
		(579)	(204)		(783)	(3)	(787)
					0	1	1
						13	**13**
				(1,139)	**(1,139)**	**37**	**(1,102)**
(0)		**6**		**0**	**(2)**	**0**	**86**
(13)	**0**	**(258)**	**(166)**	**(1,139)**	**9,571**	**330**	**9,901**

(7) Changes in accounting methods and other changes:

- *Consolidated reserves: The adjustment concerns the booking of provisions for two commitments relating to employee benefits, the plan for Chairmen of Banque Populaire banks and the income guarantee for Chief Executive Officers of the Banque Populaire banks. In view of the contractual terms of the two plans, future commitments shall be borne by Banque Fédérale des Banques Populaires. Liabilities taken on prior to 2007 have been fully provisioned in the accounts of Banque Fédérale des Banques Populaires through a €31 million charge to opening equity at the start of 2007 (€20 million after deferred tax) ;*
- *Capital and similar reserves: In 2006, after the Banque Populaire banks were included in Banque Fédérale des Banques Populaires' consolidated financial statements through its ownership of Natixis (via the cooperative certificates of investment or CCIs), the value of Banque Fédérale des Banques Populaires' capital and related reserves was neutralized to the extent of the shares owned by the Banque Populaire banks after application of Banque Fédérale des Banques Populaires' ownership of the Banque Populaire banks (6.9%). Since the Banque Populaire banks are accounted for under the equity method, the value of Banque Fédérale des Banques Populaires' capital and related reserves must be maintained at its value in the parent-company financial statements. As a result, the €278 million adjustment in 2006 is neutralized in the opening equity figure for 2007.*

(8) Capital increase in 2008: Banque Fédérale increased its share capital by 17,165,652 shares with par value of €15 each. The issued share capital totaled €257m and the share premium was €1,326m. During 2008, there were several capital increases taking place through the conversion of dividends to shares and in return for cash contributions.

- *An increase through the conversion of dividends to shares resulted in 3,605,048 new shares representing €54m of share capital and €164m of share premium;*
- *A cash capital increase took place on July 1, 2008, resulting in 12,248,804 new shares. The issued share capital totaled €184m and the share premium was €1,096m;*
- *Two increases through the conversion of dividends to shares took place in September (creation of 649,041 new shares, with share capital of €9m and a share premium of €34m), and December (creation of 662,759 new shares with share capital of €9m and a share premium of €34m). These increases were fully subscribed by the Banque Populaire banks.*

They raised the share capital of Banque Fédérale des Banques Populaires to €1,561m, made up of 104,086,689 shares.

(9) Interim and final dividends: Banque Fédérale des Banques Populaires paid out a dividend of €218m in respect of 2007 as well as two interim dividends totaling €88m, or €306m altogether, to the Banque Populaire banks. Since the Banque Populaire banks are accounted for under the equity method through the ownership of Natixis (via the cooperative certificates of investment or CCIs), the dividend must be adjusted in proportion to Banque Fédérale des Banques Populaires' ownership of the Banque Populaire banks (6.93%), leading to a reduction of €21 million. After this adjustment, interim and final dividends totaled €285 million.

(10) Deeply subordinated debt issue: On December 11, 2008, Banque Fédérale issued €950m of deeply subordinated notes to SPPE (Société de Prise de Participation de l'Etat). In accordance with IAS 32, by virtue of the indeterminate term of these notes and the discretionary nature of interest payments on them, these notes are classified as equity (reserves associated with capital).

4. *Consolidated cash flow statement*

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in € millions	**12/31/2008**	12/31/2007	12/31/2006
Income before income taxes	**(1,297)**	**17**	**2,653**
+/- Net charge to depreciation and amortization of property, plant and equipment and intangible assets	119	82	103
+/- Impairment of goodwill and other non-current assets	221	89	(54)
+/- Net charge to other provisions (including insurance reserves)	693	1,153	3
+/- Share of results of associates	(169)	(225)	(36)
+/- Net loss/(gain) on investing activities	(313)	(207)	(384)
+/- Net loss/(gain) on financing activities	0	0	0
+/- Other movements	737	338	(266)
= Total non-cash items included in pre-tax income and other adjustments	**1,288**	**1,231**	**2,291**
+/- Decrease/(increase) in interbank and money market items	(8,650)	(1,395)	8,830
+/- Decrease/(increase) in customer items	(1,623)	(3,372)	(7,568)
+/- Decrease/(increase) in other financial assets or liabilities	(7,817)	3,167	(4,159)
+/- Decrease/(increase) in non-financial assets or liabilities	6,025	(20,962)	(2,982)
- Income taxes paid	204	(361)	(318)
= Net decrease/(increase) in operating assets and liabilities	**(11,861)**	**(22,924)**	**(6,197)**
TOTAL NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES (A)	**(11,871)**	**(21,677)**	**(1,254)**
+/- Decrease/(increase) in financial assets and investments in associates	778	18,924	(1,276)
+/- Decrease/(increase) in investment real estate	(221)	13	(90)
+/- Decrease/(increase) in property, plant and equipment and intangible assets	(738)	(214)	(101)
	(181)		
TOTAL NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES (B)	**1,245**	**18,723**	**(1,467)**
+/- Cash received from/(paid to) shareholders	15,713	934	1,556
+/- Other cash provided/(used) by financing activities	16,958	4,430	(257)
	(490)		
TOTAL NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES (C)	**4,416**	**5,364**	**1,299**
Effect of exchange rate changes on cash and cash equivalents (D)	**(11,871)**	**(41)**	**(37)**
Net increase/(decrease) in cash and cash equivalents (A + B+ C + D)	**(181)**	**2,369**	**(1,460)**
Net cash provided/(used) by operating activities (A)	16,958	(21,677)	(1,254)
Net cash provided/(used) by investing activities (B)	(490)	18,723	(1,467)
Net cash provided/(used) by financing activities (C)	(5,614)	5,364	1,299
Effect of exchange rate changes on cash and cash equivalents (D)	272	(41)	(37)
Opening cash and cash equivalents	**(5,614)**	**(7,983)**	**(6,523)**
Cash, central banks, post offices (assets and liabilities)	272	299	945
Interbank balances	(5,887)	(8,282)	(7,468)
Closing cash and cash equivalents	**(1,198)**	**(5,614)**	**(7,983)**
Cash, central banks, post offices (assets and liabilities)	480	272	299
Interbank balances	(1,678)	(5,887)	(8,282)
Change in cash and cash equivalents	**4,416**	**2,369**	**(1,460)**

8.1.3 Notes to the consolidated financial statements

Sommaire

Note I Basis of presentation

Although the Group is under no obligation to adopt IFRSs as it is not publicly traded, the Board of Directors of Banque Fédérale des Banques Populaires decided that the consolidated financial statements of Banque Populaire Group and of Banque Fédérale des Banques Populaires Group would be prepared in accordance with IFRSs from January 1, 2005. This decision was made to facilitate transparency and comparability with other major banking institutions. The consolidated financial statements include a balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

The consolidated financial statements of the Group for the year ended December 31, 2008 were authorized for issue by the Board of Directors on February 25, 2009. The consolidated financial statements were prepared in accordance with IFRSs (International Financial Reporting Standards) as adopted by the European Union and applicable at that date. These include IFRSs 1–8 and IASs (International Accounting Standards) 1–41, along with interpretations including IFRIC 8, IFRIC 9 (separation of embedded derivatives at initiation), IFRIC 10 (no release of impairment losses recorded on goodwill and available-for-sale assets) and IFRIC 11 (group and treasury share transactions).

Standards and amendments applicable since January 1, 2008

Of the standards and amendments applicable for the first time at January 1, 2008, only the amendments to IAS 39 and IFRS 7 titled "Reclassifications of Financial Assets", published on October 13, 2008 and adopted by the European Commission on October 15, 2008, have had a significant impact on the 2008 financial statements.

These amendments permit, under certain conditions:

- reclassification of financial assets (other than derivatives) outside the category of "Financial instruments at fair value through profit and loss – held for trading";
- reclassification of financial assets in the category "Available-for-sale financial assets" to the categories "Loans and receivables" or "Held-to-maturity assets"

For assets meeting the definition of "Loans and receivables" at the date of reclassification, transfer is conditional on the entity having the intention and ability to hold the financial asset for the foreseeable future or until maturity. Thus, if the asset had been classified initially in the category "Financial instruments at fair value through profit and loss – held for trading", it must no longer be held for the purpose of selling it in the near term. If the instrument is a hybrid initially recognized as held for trading and including an embedded derivative, an analysis must be made on the basis of conditions at the time of the original transaction to determine whether the derivative must be separated at the transfer date.

The Group has applied the possibilities opened by these amendments *(see note IV.6).*

In addition, the Group has taken into account:

- regarding measurement of financial instruments on its books at December 31, 2008, the recommendation published on October 15, 2008 by the AMF, the Conseil National de la Comptabilité, the European Commission, the Commission Bancaire and the Autorité de Contrôle des Insurance et des Mutuelles, as well as the guide published by the IASB on October 31, 2008, "Measuring and disclosing the fair value of financial instruments in markets that are no longer active". Both of these documents emphasize the importance of using judgment to determine the fair value of financial instruments in an illiquid market;
  - regarding disclosure of risk exposures, the French authorities' interpretation of the recommendations of the Financial Stability Forum. Information on exposures presented according to the format proposed by the Commission Bancaire in a document published on May 29, 2008 *("Note de présentation relative à la déclinaison française des recommandations formulées par le Forum de Stabilité Financière en matière de transparence financière")* has been included in the Management Report,
  - regarding accounting for insurance contracts and investment contracts with a discretionary participation clause, the CNC recommendation of December 2008.

Standards and amendments adopted by the European Union as of December 31, 2008 but not applied early to the 2008 financial statements

The Banque Fédérale des Banques Populaires Group has elected not to make early application of the following standards and amendments adopted by the European Union:

- IFRS 8, "Operating Segments", adopted by the European Commission on November 21, 2007 and required to be applied from January 1, 2009. This standard replaces IAS 14, "Segment Reporting". It alters the presentation of segment information by favoring a managerial approach to defining business segments;
- The amendment to IAS 1, "Presentation of Financial Statements", published by the IASB on September 6, 2007 and adopted by the European Commission on December 17, 2008. This amendment, required to be applied to financial years beginning on or after January 1, 2009, replaces the current IAS 1 standard and is intended to make it easier for users to analyze and compare information provided in the financial statements. The amended standard bears exclusively on aspects of presentation and content of the financial statements and will therefore have no impact, when it is applied from January 1, 2009, on the level of net income or equity;
- The amendment to IFRS 2, "Share-based Payment", published by the IASB on January 17, 2008 and adopted by the European Commission on December 16, 2008. This amendment clarifies that vesting conditions are service and performance conditions only and that all cancellations should receive the same accounting treatment. It is applicable retrospectively to financial years beginning on or after January 1, 2009. It is unlikely to have an impact on the accounting for the Group's share-based payment plans;
- The amendment to IAS 23, published by the IASB on March 29, 2007 and adopted by the European Commission on December 10, 2008. The amended version of IAS 23, required to be applied to financial years beginning on or after January 1, 2009, eliminates the possibility of immediate recognition in expense of borrowing costs directly attributable to the acquisition, construction or production of an eligible asset. This amendment will have no significant impact on the Group's financial statements;
- IFRIC 11, "Group and Treasury Share Transactions", adopted by the European Union on June 2, 2007 and applicable from January 1, 2009, is unlikely to have any impact on the Group's financial statements;
- IFRIC 13, "Customary Loyalty Programmes", adopted by the European Commission on December 16, 2008 and applicable to financial

years beginning after January 1, 2009, is not relevant to the Group's activities.

IFRIC 14, "The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction", was published by the IASB on July 5, 2007 and adopted by the European Commission on December 16, 2008. Because the Group faces no such minimum financing requirements, this interpretation is unlikely to have an impact on its consolidated financial statements.

Note II Consolidation methods and principles

II.1 *The role of Banque Fédérale des Banques Populaires*

Since its reincorporation as a *"société anonyme"* pursuant to Article 27 of act no. 2001-4200 of May 16, 2001, Banque Fédérale des Banques Populaires has fully and actively exercised the two key roles assigned to it:

II.1.1 Role of central body of the Banque Populaire Group

In accordance with the 1947 Act on cooperative groups, and with Article 8 of the May 16, 2001 act, the role of central body forms the core of the Banque Populaire Group's organization. Banque Fédérale des Banques Populaires is responsible for:

- organizing the liquidity and capital adequacy of the network as a whole;
- defining the policy and future strategy of the Banque Populaire Group;
- negotiating national and international agreements on behalf of the network;
- more generally, exercising administrative, technical and financial control over the organization and management of the Banque Populaire banks and their direct or indirect subsidiaries in order to maintain a cohesive network and ensure its proper functioning and development.

In 2003, the role of central body was extended to Crédit Maritime Mutuel, pursuant to Article 93 of the Financial Security Act (act no. 2003-706) of August 1, 2003.

II.1.1.1 Role of banking holding company and bank

Banque Fédérale des Banques Populaires is the holding company for its directly-owned subsidiaries. As a fully-fledged bank, Banque Fédérale des Banques Populaires centralizes the Banque Populaire banks' cash surpluses and ensures their refinancing. This function is substantially delegated to Natixis under a cash pooling agreement.

II.1.1.2 Role as core shareholder of Natixis

Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne are bound by a shareholders' agreement. The two groups have agreed to maintain strictly equal percentage holdings in Natixis for a period of ten years, renewable for successive terms of five years. During this period, the two groups undertake not to enter into any concert arrangement regarding Natixis shares with third parties. The shareholders' agreement gives both groups an equal number of seats on Natixis' Supervisory Board and requires them to consult and agree on how they will vote on certain strategic decisions.

II.1.2 Liquidity and capital adequacy – internal guarantee mechanisms

The system guaranteeing the liquidity and capital adequacy of the Banque Populaire network has been organized under a framework decision by Banque Fédérale des Banques Populaires, in its capacity as central body in accordance with Articles L. 511-30, L. 511-31 and L. 512-12 of the French Monetary and Financial Code to which the Articles of association of the Banque Populaire banks make explicit reference (Article 1).

The Banque Populaire network comprises the Banque Populaire banks, the exclusive mutual guarantee companies and Banque Fédérale des Banques Populaires.

The system works by pooling the capital of all banks in the network.

Banque Fédérale des Banques Populaires is able to put the system into effect by calling upon the Banque Populaire banks to contribute capital, within the limits of their own resources. As a last resort, Banque Fédérale des Banques Populaires will make its own capital available to meet the liquidity and capital adequacy requirements of the Banque Populaire banks.

Banque Fédérale des Banques Populaires also benefits from the guarantee system. The Banque Populaire banks are required to provide it with financial support, particularly to enable it, as required, to assume its obligations as central body for banks that are affiliated to Banque Fédérale des Banques Populaires but that do not form part of the Banque Populaire network.

The capital pool is organized in two tiers. The first tier consists of the "federal solidarity fund" set aside by Banque Fédérale des Banques Populaires as a component of its fund for general banking risks. The second tier is the "regional solidarity fund" set aside by each Banque Populaire bank as a component of their funds for general banking risks. Each year, the Banque Populaire banks transfer an amount to this regional fund equal to 10% of their net income before transfers to the fund for general banking risks and tax, after deduction of tax on the amount of the transfer. Withdrawals from these funds by the Banque Populaire banks must be authorized by Banque Fédérale des Banques Populaires.

A collective agreement has also been signed, whereby each Banque Populaire bank guarantees the liquidity and capital adequacy of the mutual guarantee companies whose corporate purpose is limited to guaranteeing the activities of the Banque Populaire banks.

In the context of the affiliation of Crédit Maritime Mutuel, for which Banque Fédérale des Banques Populaires is the central body, in accordance with Article L. 512-69 of the French Monetary and Financial Code, the Banque Populaire network's guarantee system also guarantees the liquidity and capital adequacy of Crédit Maritime Mutuel.

The members of the network also contribute, along with all French credit institutions, to the Fonds de Garantie des Dépôts (deposit guarantee fund) set up in application of the Depositors' Protection Act.

In the separate financial statements of each entity, the Federal Solidarity Fund and Regional Solidarity Funds are recognized by Banque Fédérale des Banques Populaires and the Banque Populaire banks respectively as a specific component of the Fund for General Banking Risks. Under IAS 30 and IAS 37, these funds do not meet the criteria for recognition as a liability and accordingly they were reclassified as equity in the consolidated financial statements on January 1, 2004. Similarly, transfers in and out of the funds have been eliminated in the income statement.

On Monday, April 2, 2007, Philippe Dupont, Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires, and Charles Milhaud, Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne, signed the agreement which affiliated Natixis to Caisse Nationale des Caisses d'Epargne and Banque Fédérale des Banques Populaires in their capacity as central body. The agreement, which was approved by the CECEI (Comité des établissements de crédit et des entreprises d'investissement) during its meeting of March 30, 2007, constitutes an extension to the creation of Natixis on November 17, 2006, in accordance with the commitments made.

This dual affiliation is in accordance with Article L. 511.31 of the French Monetary and Financial Code. It enables Natixis to benefit from the respective guarantee and solidarity systems of the Banque Populaire Group and the Caisse d'Epargne Group. Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne will, as required by banking law and regulations, fulfill their duty as lead shareholders of Natixis at the request of the Commission Bancaire. They have jointly and irrevocably undertaken, even in the event of disagreement between them, to comply promptly with recommendations or instructions given by the Commission Bancaire to provide, on an equal basis and jointly and severally if necessary, any funds that Natixis might require to comply with the provisions of banking law and regulations and its commitments to the banking authorities.

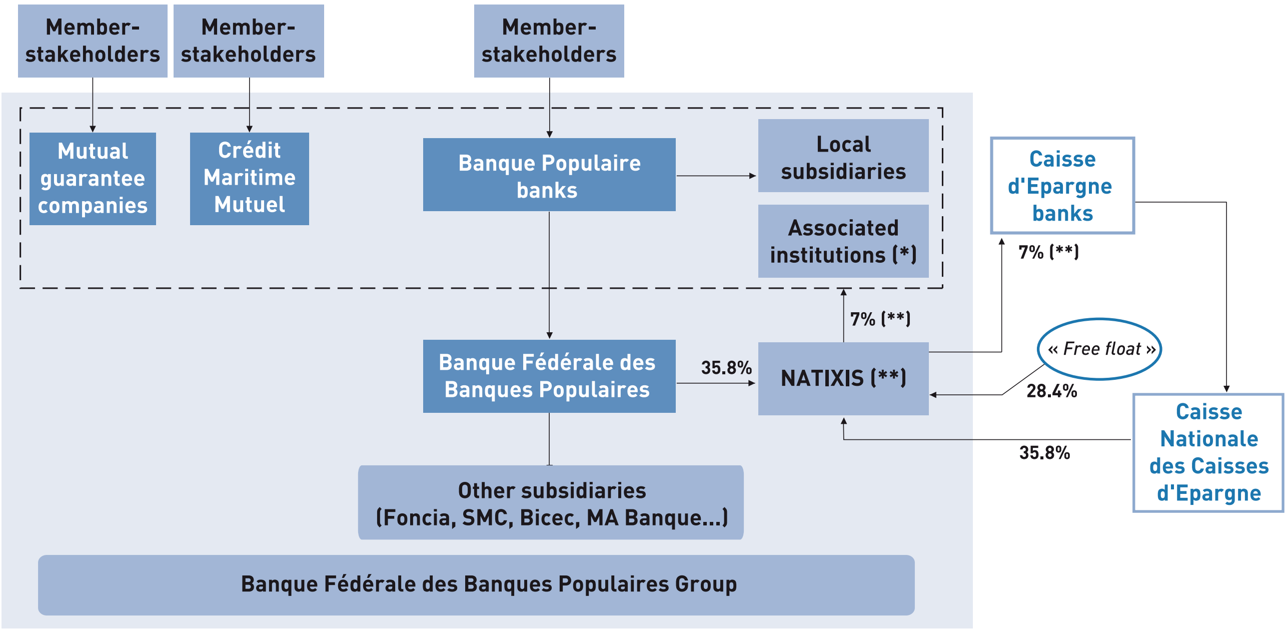
If Banque Fédérale des Banques Populaires and/or Caisse Nationale des Caisses d'Epargne were required to provide Natixis with funds that would put them in the position of requiring financial support themselves, the guarantee and solidarity mechanisms internal to each of the Banque Populaire and Caisse d'Epargne groups will come into play in accordance with Article L. 511-31 of the French Monetary and Financial Code.

II.1.3 Simplified structure of the Banque Fédérale des Banques Populaires Group

The Group's consolidating entity is Banque Fédérale des Banques Populaires.

The Banque Fédérale des Banques Populaires Group also includes:

- Natixis, which is consolidated in proportion to the Group's percentage holding of it, and the Banque Populaire and Caisses d'Epargne banks, which are 20%-owned by Natixis through cooperative certificates of investment and are accounted for using the equity method to the extent of the Group's percentage holding, i.e. 7%;
- FONCIA, France's leading provider of residential real-estate services;
- Société Marseillaise de Crédit, acquired from HSBC France on July 2, 2008.



(*) Credit institutions "associated" with Crédit Coopératif via an association agreement.
(**) The Banque Populaire and Caisse d'Epargne banks, which are 20% owned by Natixis through cooperative certificates of investment, are accounted for using the equity method to the extent of the Group's percentage holding, i.e. 7%.

II.2 *Scope of consolidation and consolidation methods*

II.2.1 Control by the Banque Fédérale des Banques Populaires Group

The scope of consolidation includes all significant entities over which the consolidating entity exercises control or influences its management. IFRSs specify three types of control: sole control, joint control and significant influence. The type of control exercised by the consolidating entity is not based solely on the percentage of voting rights it holds, but includes an economic and legal analysis of relations between the consolidating entity and its subsidiaries.

Under IAS 27, **sole control** is presumed to exist when the parent either has:

- ownership, directly or indirectly through subsidiaries, of more than half of the voting rights of an entity; or
- power to direct the financial and operating policies of the entity under a statute or an agreement; or
- power to appoint or remove the majority of the members of the Board of Directors or equivalent governing body and control of the entity is by that board or body.

For entities that are 40-50% owned, IAS 27 requires control to be demonstrated for the entity to be fully consolidated.

According to IAS 31, **joint control** is the contractually agreed sharing of control over an economic activity between a limited number of shareholders or investors, where no shareholder is able to impose its decisions on the others, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

According to IAS 28, **significant influence** is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies. Significant influence is presumed to exist when the consolidating entity directly or indirectly owns at least 20% of the voting rights.

In order to present a true and fair picture of the Banque Fédérale des Banques Populaires Group's consolidated operations, only those subsidiaries providing a material contribution are consolidated. Materiality is not determined with respect to numerical thresholds, but based on the principle of ascending materiality. In other words, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels. Conversely, any entity considered to be material within a given scope of consolidation is also considered to be material at all lower consolidation levels and must therefore be consolidated by them where sole control is exercised.

II.2.2 Consolidation methods

The Banque Fédérale des Banques Populaires Group's consolidated financial statements include the financial statements of the parent company, controlled entities and entities over which the Group has significant influence.

II.2.2.1 Full consolidation

Entities over which the Group has sole control are fully consolidated.

II.2.2.2 Proportional consolidation

Entities over which the Group has joint control are proportionally consolidated. IAS 31 also permits jointly controlled companies (joint ventures) to be accounted for using the equity method.

The Group has not applied this option. Since the creation of Natixis on November 17, 2006, Natixis and all subsidiaries controlled by it have been proportionally consolidated as Natixis is jointly controlled through the contractually agreed sharing of control by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

II.2.2.3 Equity method

Companies over which the Group has significant influence are accounted for using the equity method.

The transfer of cooperative certificates of investment in the Caisse d'Epargne and Banque Populaire banks to the new Natixis group gives Natixis significant de jure and de facto influence over the Caisse d'Epargne and Banque Populaire banks. These entities are accordingly accounted for using the equity method in the Group's financial statements through its holding in Natixis, in proportion to the Group's percentage interest in Natixis.

II.2.3 Potential voting rights

IAS 27 requires the consolidating entity to consider the existence and effect of instruments such as call options and potential voting rights when assessing whether it exercises control or significant influence. However, potential voting rights are not taken into account for the purpose of calculating the percentage holding.

A review of potential voting rights held by the Banque Fédérale des Banques Populaires Group did not lead to any changes in the scope of consolidation in 2007 and 2008.

II.2.4 Private equity

IAS 27 requires the consolidation of all subsidiaries regardless of the activity of the parent company. It therefore applies to private equity companies in the same way as other companies.

Accordingly, a private equity company is required to consolidate all investments in which it holds more than 50%, provided they are material.

However, IAS 28 and 31 recognize the specific nature of the private equity business. Private equity investments between 20% and 50% do not have to be accounted for using the equity method if they are designated at inception as at fair value through profit and loss in accordance with IAS 39. These standards accept that for this type of investment:

- fair value provides a better level of information than full consolidation or equity accounting;
- measurement at fair value is a well-established practice among private equity companies;
- percentage holdings may vary and the application of IAS 28 would therefore lead to frequent deconsolidations and reconsolidations which would affect the quality of the information provided.

The Banque Fédérale des Banques Populaires Group's private-equity subsidiaries have chosen to measure the holdings concerned in this way, considering that this valuation method provides investors with more relevant information.

A review of investments held by the Group's private equity companies did not lead to the consolidation of any majority investments, as none is material.

II.2.5 Exclusion from the scope of consolidation

Only entities acquired with the intention of reselling them within twelve months of their acquisition, where an active plan to seek a purchaser has been established, are excluded from the scope of consolidation. None of the Banque Fédérale des Banques Populaires Group's entities meet this criterion.

II.3 *Securitization and special-purpose entities*

II.3.1 Consolidation of special-purpose entities

Special-purpose entities (SPEs) created to manage a specific operation or group of similar operations are fully consolidated if they are controlled in substance by the Banque Fédérale des Banques Populaires Group, even where there is no equity relationship.

The main criteria for assessing the existence of control as defined by SIC 12 are as follows:

- **Activities:** in substance, the activities of the SPE are being conducted on behalf of the Group, which directly or indirectly created the SPE according to its specific business needs.
- **Decision-making:** the Group has the decision-making powers to control or to obtain control of the SPE or its assets, including certain decision-making powers arising after the formation of the SPE, or the Group has delegated these decision-making powers by setting up an "autopilot" mechanism.
- **Benefits:** in substance, the Group has rights to obtain a majority of the benefits of the SPE's activities distributed in the form of future net cash flows, earnings, net assets or other economic benefits, or rights to majority residual interests.
- **Risks:** in substance, the Group retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

Entities carrying out their activities as part of a trustee relationship, involving management on behalf of a third party and in the interest of the other stakeholder, are excluded from the scope. SIC 12 does not apply to entities created to manage post-employment benefits and long-term employee benefits, which are covered by IAS 19 "Employee benefits". As a result, employee pension funds and supplementary health insurance plans are excluded from the scope of consolidation.

II.3.2 Types of special-purpose entities with which the Natixis sub-group is in relation

In the course of its activities, the Natixis sub-group is in relation with numerous special-purpose entities, for which at acts as: lender, investor, guarantor, manager, sponsor or arranger.

The characteristics of these entities and their consolidation status is analyzed below, by business line and broad type of structure:

II.3.2.1 Special-purpose entities in asset management (mutual funds, CDOs, real-estate funds)

Mutual funds

The analysis varies according to whether Natixis has guaranteed the fund or not:

- **Non-guaranteed mutual funds:**

The management role of the asset management company does not transfer most of the risks and benefits of a fund to the Natixis Global Asset Management sub-group. The asset management company does not guarantee and does not bear risks relating to the fund's assets, and any performance-sharing agreement with the asset management company relate to only a minority of the gains. Fees paid to Natixis Global Asset Management for fund management services are marginal compared with the performance generated for investors.

The "risks" and "benefits" criteria of SIC 12 must therefore be assessed with respect to any stake owned in the fund by the asset management company or by any other Natixis group entity. Since Natixis Global Asset Management and no other group entity owns a significant stake in the mutual funds, the Natixis group bears neither the majority of the benefits or risks of these non-guaranteed mutual funds. At December 31, 2008, only the NBP Invest fund was consolidated, since Natixis owned 100% of the fund and the fund was material with respect to Natixis' consolidated financial statements.

- **Guaranteed mutual funds:**

Natixis grants a capital and/or performance guarantee to certain mutual funds. An analysis of the risks taken by Natixis through these guarantees shows that the risk is under control, because of management principles and control procedures, the composition of the fund (money-market assets), rigorous counterparty risk management or the systematic reversal of swaps in the market (where Natixis is the counterparty of the performance swap taken out by the fund). As a result, these mutual funds are not consolidated.

CDO-type structures

Natixis Global Asset Management operates as portfolio manager for these funds. Its role is strictly limited by the management agreement, and it never has de facto control over any CDO. Neither NGAM nor any other Natixis group entity owns a material interest in these funds. Natixis does not therefore bear the majority of risks or benefits. As a result, none of these funds was consolidated at December 31, 2008.

Real-estate funds

Most of these funds were set up by Natixis Global Asset Management, but NGAM may only manage portfolios of real-estate assets under a management contract granted by a third party. Its role is strictly limited by the management agreement, and it never has de facto control over any real-estate fund.

The management commission received is not sufficient to enable it to benefit from the majority of cash flows from any fund. If an outperformance commission exists, it generally takes the form of a liquidating dividend, which is first received by fund unit-holders. Whether or not NGAM bears "the majority of the risks" and "the majority of the benefits" is therefore analyzed with respect to the group's percentage interest in these funds.

On that basis, one real-estate fund managed by Natixis Global Asset Management was consolidated at December 31, 2008: EPI SLP.

US funds managed by the Natixis Global Asset Management Corp. sub-group

Several funds managed by asset management companies in the Natixis Global Asset Management Corp. are consolidated because the sub-group owns a majority stake in them:

- LS Consumer Discretionary LLC;
- Loomis Sayles Energy LLC;
- Loomis Sayles Trust Company LLC;
- Loomis Sayles International Bond Fund;
- Loomis Sayles Multi-Strategy Fund LP;
- Loomis Sayles Alpha LLC;
- Vaughan Nelson Value opportunities fund;
- LS Energy Hedge Fund II LP;
- Natixis Global Growth Fund;
- ASG Quasar Fund;
- ASG Laser Fund,;
- ASG Global Alternatives Fund;
- Natixis Oakmark Global LC.

II.3.2.2 Special-purpose entities in the Life Insurance business (Natixis Assurances sub-group)

The Natixis Assurances sub-group's stakes in mutual funds and non-trading property companies are purchased with respect to non-unit-linked or unit-linked insurance policies.

- Non-unit-linked policies pay out a minimum guaranteed return and most of the surpluses generated by the insurance company's general fund. The difference between the return on the fund and the minimum guaranteed return is borne by the insurer, which bears the risk. For these funds, the risk and benefit criteria are met if the insurer owns a majority stake. At December 31, 2008, the Natixis Assurances sub-group owned at majority stake in four funds that were material with respect to the consolidated financial statements, and that are therefore consolidated:
  - ABP Actions,
  - ABP Croissance rendement,
  - ABP Midcap,
  - Fructifoncier.
- In unit-linked policies, the policyholder selects the investments in which the insurer invests on his/her behalf. The value of the insurer's stake in these funds is reflected in the insurance policy. The return on these policies is not guaranteed. The risks and benefits relating to these investments are borne by policyholders. As a result, the funds are not consolidated.

II.3.2.3 Special-purpose entities in the credit insurance business (Coface sub-group)

The Coface sub-group's credit insurance operations consist of insuring receivables securitized by a third party and sold to investors via a special-purpose entity over and above a certain level of loss. In that type of structure, the Coface sub-group plays no role in determining the activity of the special-purpose entity or in managing its operations. The premium received for the insurance has a minor impact on the overall flows generated by the structure, most of which flow to investors.

For risk analysis purposes, policies sold by German subsidiary Coface Kredit and those sold in France by Coface must be distinguished:

- in the German contracts, the credit insurer only bears the risk beyond a deductible amount known as the "Aggregate First Loss". This contractually defines the amount of the first loss that is not covered by the credit insurer. The guarantee provided by Coface Kredit through these policies is similar to that provided by a catastrophe insurance policy. Analyzing each structure, we see that the "first loss" is always greater than the "expected loss", i.e. the average loss expected during the year. The criterion requiring the majority of risks to be borne is therefore deemed not to be met. As a result, special-purpose entities involved in these structures are not consolidated;
- French policies sold by Coface rarely feature non-guaranteed "first loss" clauses. However, the policies only insure a small portion of the receivables held by each entity. In addition, the type of portfolio risk guaranteed by Coface by comparison with that borne by other entities (other insurers, sponsors, ceding insurers) does not transfer the majority of the structure's risks to Coface. As a result, these entities are not consolidated.

II.3.2.4 Entities in the private equity business

In its private equity activities, the Natixis Private Equity sub-group invests in the equity of unlisted companies through venture capital funds (FCPRs), venture capital investment companies (SICARs) and limited partnerships. All SIC 12 criteria (activity, decision-making power, majority of the benefits and majority of the risks) are assessed with respect to Natixis Private Equity's stake in each invested tranche, and to any guarantees provided to these vehicles.

On this basis, four subsidiaries were consolidated at December 31, 2008:

- Dahlia A SICAR SCA (venture capital investment company);
- IXEN (venture capital fund);
- IXEN II (venture capital fund);
- IXEN III (venture capital fund).

Natexis Investment Corp., a wholly-owned subsidiary of Natixis, owns stakes in private equity funds. These funds are not consolidated because the percentage interest in each is very small (usually less than 1%), and so the SIC 12 criteria (activity, decision-making power, majority of benefits and risks) are not met.

II.3.2.5 Special-purpose entities in the Structured Financing business (Corporate and Investment Banking segment)

Continuous activities:

Excluding financial engineering

In project financing (industrial or infrastructure projects), equipment financing (aircraft, ships or land-based transport), real-estate financing, LBO financing and commodity financing, Natixis may set up a special-purpose entity to house a specific financing transaction on behalf of a client.

These entities do not meet any of the SIC 12 criteria because:

- the SPE's activities are conducted on behalf of the client;
- Natixis rarely has an ownership interest in these entities, and when it does, its stake is generally a minority one. Most of these structures operate on autopilot, and Natixis has not set the autopilot mechanism to its benefit;

- Natixis only operates as a lender to these structures. The loans are usually syndicated, and risks are split between lenders in proportion to the amounts lent.

There are few structures in which Natixis is the sole lender or in which it owns a majority stake, and these structures are not material with respect to Natixis' consolidated financial statements.

As a result, Natixis did not consolidate any of these entities at December 31, 2008.

Financial engineering activities

Special-purpose entities may be used to hold securities on behalf of a client.

Such entities include Akhdar Investment Group and Gulf Capital Luxembourg, which were previously included in the scope of consolidation due to Natixis' majority stakes in them. At December 31, 2008, these entities were in liquidation, and were therefore excluded from the scope of consolidation.

As regards other special-purpose entities, Natixis does not own a majority of their capital. In addition, the risks and benefits criteria are not met, because the risk is borne either by the equity investor or by a third party that guarantees the value of the entity's assets with respect to Natixis.

Special-purpose entities are used to transform a debt instrument (asset) into a more equity-like instrument (liability), for example through the issue of preferred shares. There were four entities that were material with respect to the consolidated whole and controlled by Natixis that were consolidated at December 31, 2008:

- Natexis Banque Populaire Preferred Capital 1;
- Natexis Banque Populaire Preferred Capital 2;
- Natexis Banque Populaire Preferred Capital 3;
- Garbo Invest.

AMBS LLC was removed from the scope of consolidation on December 31, 2008, since preferred shares were fully redeemed during the year.

Compartmentalized activities

Securitization conduits generally take the form of a special-purpose entity in which assets or derivatives representing credit risks are compartmentalized.

These entities are used to diversify underlying credit risks and to divide them up, so that they can be acquired by investors seeking a certain level of return, depending on the level of risk accepted.

Conduits' assets and liabilities are rated by rating agencies, which continuously check that the risk borne by each tranche tallies with the rating given.

Investors may be seeking a relatively short-term investment, in which case the assets owned by the conduit (i.e. asset-backed commercial paper or ABCP) are transformed into commercial paper with a maturity shorter than that of a fund.

Natixis operates mainly in structures involving a securitization vehicle, and its role includes:

- structuring securitization transactions;
- originating securities or loans held as assets awaiting securitization;
- acting as an intermediary for credit risk between the market and the securitization entity;

  Natixis also sponsors three ABCP conduits: Direct Funding, Elixir and Versailles.

Because of the compartmentalization of risk and their role in spreading credit risk among investors other than Natixis, securitization conduits are not generally available for consolidation under IFRSs.

- these activities are mainly carried out on behalf of investors outside the Natixis group to enable them to invest in diversified portfolios.
- any asset management is carried out by a third-party structure. Natixis does not exert decision-making or management power within these entities.
- Natixis never bears the majority of the benefits, which flow mostly to external investors.
- Natixis only owns the most senior tranches of these structures, and does not bear the majority of the risks.

At December 31, 2008, a review of whether securitization structures were available for consolidation concluded that three entities, whose underlying portfolio consisted of subprime mortgage-backed CDOs and ABSs, were available for consolidation.

Defaults in 2008 affected some or all of the subordinated tranches of these structures, owned by external investors.

As a result, these structures are impliedly and de facto consolidated, since Natixis remains their main investor and since the risks on the underlying assets are measured by valuing the units owned, which are included in Natixis' "Trading instruments at fair value through profit and loss" portfolio.

II.3.2.6 Other real-estate funds

Natixis Immo Developpement invests in real-estate assets in partnership with other investors, using two types of structure:

- joint ventures, which are not consolidated, since each participant recognizes its rights in the joint venture's assets, liabilities and earnings;
- other structures in which a separate legal entity acquires the assets (SCI, SAS, SNC, etc.). Natixis Immo Développement does not own any equity interest in structures that would have a significant impact on the Natixis group's consolidated financial statements. As a result, none of these entities was consolidated at December 31, 2008.

Natixis controls some vehicles whose purpose is to own or lease a real-estate asset in order to re-let it or to provide it to other group subsidiaries or third parties. These vehicles are consolidated if Natixis owns a majority stake in them and if they are material with respect to the Natixis group's consolidated financial statements. Three special-purpose entities met these criteria and were consolidated at December 31, 2008:

- Natixis Immo Exploitation;
- SCI Altaïr 1;
- SCI Altaïr 2.

The Natixis Lease sub-group owns a number of special purpose entities that hold real-estate assets. Four of them are controlled by the group (ownership percentage over 50%) and were material at December 31, 2008. They were therefore included in Natixis' scope of consolidation at that date.

- SCI Valmy Coupole;
- Fructibail Invest;

- OPCI Natixis Lease Investissement;
- SASU Immobilière Natixis Bail, owned by OPCI Natixis Lease Investissement.

Natixis Garanties owns three SCIs (non-trading property companies), which own the business line's operating premises. All three were included in Natixis' scope of consolidation at December 31, 2008. There were as follows:

- SCI Champs-Elysées;
- SCI La Boetie;
- SCI SACCEF.

II.4 Presentation of the financial statements and year end

II.4.1 Consolidated financial statements

The consolidated financial statements are presented in the format set out in CNC recommendation 2004-R03 of October 27, 2004, relating to IFRS financial statement presentation.

All figures are expressed in millions of euros unless otherwise stated.

II.4.2 Year end

The consolidated financial statements are based on the separate financial statements of Banque Fédérale des Banques Populaires Group companies as of December 31, 2008.

II.5 Institutional activities conducted by Natixis and its Coface subsidiary

Natixis

In accordance with the amended Finance Act for 2005 (act no. 2005-1720 of December 30, 2005, Article 116) and with the agreement signed by Natixis and the French State on December 28, 2006, Natixis manages certain public procedures on behalf of the French State. These transactions are recognized separately in the financial statements and some of them may be guaranteed by the State. The State and other related creditors have a specific right over the assets and liabilities allocated to these institutional activities.

The bank's sources of funds, uses of funds and commitments with respect to its institutional activities are identified on the balance sheet under each item concerned by procedures whose management has been entrusted to Natixis by the State.

The amount of fees received and financing outstanding in connection with institutional activities is not material, and the introduction of the amortized cost method did not result in any adjustment to these outstanding amounts. Activities other than financing where Natixis acts as intermediary on behalf of the State have been accounted for using French GAAP in the IFRS financial statements.

Coface

Revenue from the management of public procedures consists of remuneration paid by the French State. This remuneration is paid under a "financial agreement" signed by the French State and Coface.

A new financial agreement was signed on June 9, 2008, covering the four-year period from 2007 to 2010. It sets remuneration paid to Coface retroactively with respect to 2007.

Premiums paid by clients, claims settled and recoveries made under these guarantees belong to the French State, and so do not appear in the group's consolidated financial statements. Expenses relating to the management of public procedures mainly consist of the cost of delivering State guarantees, managing claims and recovering overdue amounts covered by these guarantees.

II.6 - Foreign currency translation

The consolidated financial statements are expressed in euros.

The balance sheets of foreign subsidiaries and branches whose functional currency is not the euro are translated into euro at year-end exchange rates. Income and expenses on the income statement are translated at the average exchange rate for the period.

Exchange differences arise from a difference in:

- the valuation of net income for the year at the average rate and closing rate;
- the impact on equity (excluding net income for the year) of any difference between the historic rate and the year-end rate.

They are recognized in equity under the line item "unrealized or deferred gains or losses – exchange differences" and in minority interests for the non-Group share.

II.7 Non-current assets held for sale

The assets and liabilities of subsidiaries which the Group intends to sell within a period of twelve months and for which it has initiated an active plan to locate a buyer are identified separately in the balance sheet as non-current assets held for sale and liabilities associated with non-current assets held for sale.

II.8 Elimination of intragroup transactions

Material intragroup receivables, payables and off-balance sheet commitments and intragroup income and expenses between fully consolidated companies are eliminated in full on consolidation. For proportionally consolidated companies, these items are eliminated to the extent of the group's percentage holding.

Intragroup dividends, impairment provisions for consolidated investments and capital gains on intragroup disposals are eliminated in full.

II.9 Insurance business

The following rules apply to fully consolidated insurance companies:

- income and expenses are classified by nature in accordance with banking accounting principles and not by function;
- balance sheet items are included under the corresponding line items of the financial statements presented in the banking format.

Insurance company investments are classified in the balance sheet under the various categories of financial asset defined in IAS 39.

Contracts managed by the Group's insurance subsidiaries meet the definition of insurance contracts or investment contracts with a discretionary participation feature provided in IFRS 4. Accordingly, these contracts give rise to the recognition of technical reserves, which are measured in accordance with French GAAP pending publication of an IFRS on the technical liabilities of insurance companies.

Mathematical reserves for savings policies correspond to the surrender value of the policies.

Technical reserves for personal risk policies are calculated using mortality tables and regulatory discount rates, and BCAC tables for incapacity and invalidity risks.

Loss reserves for personal risk policies correspond to the estimated cost of losses and are not discounted.

In accordance with IFRS 4, a liability adequacy test is carried out to check that insurance liabilities, as shown by the consolidated financial statements, are sufficient to cover future cash flows estimated on the given date. The test is based on stochastic modeling of discounted future cash flows.

Insurance and investment contracts with a discretionary participation feature (life insurance) give rise to the recognition of a deferred participation liability or receivable to offset the difference in value between assets and liabilities, in accordance with IFRS 4 (shadow accounting).

The deferred participation liability or receivable is equal to the portion of unrealized gains or losses on investments due to policyholders under the general terms and conditions of their insurance policies or resulting from consolidation adjustments. The amount is calculated on the basis of the average rate of distribution to policyholders stated in the individual financial statements (average contractual distribution rate for each product weighted by the value of investments on the calculation date).

The main sources of deferred participation liabilities or receivables are as follows:

- adjustments to "Available-for-sale financial assets" and "Assets at fair value through profit and loss";
- adjustments of real-estate investments made by insurance policies;
- the adjustment in the consolidated financial statements of the capitalization reserve and the provision for liquidity risk.

The change in deferred participation liabilities or receivables is recognized directly in equity for changes in value of available-for-sale assets and in income for changes in assets at fair value through profit or loss and for changes in the fair value of investment real estate backing insurance policies.

Given recent heavy losses in financial markets, the application of shadow accounting has caused the recognition of a deferred participation receivable, which corresponds to the possible charging of unrealized losses to future returns allocated to technical liabilities.

In accordance with the recommendation issued by the Conseil National de la Comptabilité on December 19, 2008, the amount of the deferred participation receivable was recorded in its recoverable amount under assets (in the "Other assets" item of the consolidated financial statements), with a balancing entry in shareholders' equity or income, depending on the type of assets to which the losses relate. Deferred participation receivables mainly arise from Assurances Banque Populaire Vie and the investment vehicles owned by it, and mainly relate to life insurance business within the scope of Natixis Assurances. The recoverability test was carried out on the same scope. In addition, in the absence of any significant compartment (since PERP outstandings represent less than 1% of ABP Vie's total), the test was carried out on a global basis on liabilities represented by the company's general fund.

Whether or not the deferred participation receivable is recoverable depends on the companies' intention and ability to control the future returns of policies on the basis of resources. Resources depend upon:

- performance in equity and bond markets;
- net new money inflows, which result from the commercial appeal of policies and the propensity of policyholders to surrender their policies;
- own reserves and resources available within companies to hold assets over a period compatible with movements in liabilities and market cycles.

As a result, the analysis of whether or not the deferred benefit receivable is recoverable forms part of a process including:

- assessing the likelihood of realizing the unrealized loss at period-end and therefore, indirectly, the ability to hold assets showing unrealized losses, depending on scenarios concerning money inflows and outflows (on a going concern basis);
- a liability adequacy test carried out in accordance with IFRS 4: the test compares all future cash flows relating to the policies, projected over 15 years, with the carrying value of liabilities in the financial statements, including participation liabilities. Any shortfall arising from this comparison is charged to income.

This process involves the modeling of future flows arising from stochastic scenarios, which reflect the regulatory and contractual terms of contracts. Liabilities are pooled by category of minimum guaranteed return, age and participation conditions. Stochastic economic scenarios are also developed on the basis of historical probabilities (equity prices, dividends, short- and long-term interest rates, inflation).

In particular, in the Natixis sub-group, where most of the Group's insurance activities are located, five tests were carried out with different sets of assumptions:

- recoverability test based on money inflows over four consecutive years;
- a test based on a structural surrender schedule resulting from historical surrender rates;
- a test based on the dynamic surrender model provided by the *Autorité de Contrôle des Assurances et des Mutuelles* (ACAM) as part of the Solvency II project's QIS 4 (Quantitative Impact Studies) test, replacing the economic cycle model;
- a combination of the ACAM dynamic surrender model and the structural surrender schedule used in the second test;
- a combination of the ACAM dynamic surrender model and inflows over a 4-year period.

  These tests and scenarios show that whether or not the deferred participation receivable is recoverable depends on:

- the surrender model used, which strongly influences the net inflow figure and the amount of cash to be invested or divested;
- market assumptions (long-term interest rates, movements in equity indexes, real-estate prices etc.), which determine movements in the competitive rate of policyholder returns, compared with the estimated future rate of return for the asset portfolio.

However, on average, the results generated by stochastic scenarios do not suggest that the deferred participation receivable is not recoverable.

II.10 *Treatment of acquisitions and goodwill*

IFRS 3 on business combinations requires all identifiable assets, liabilities and contingent liabilities acquired to be measured at their fair value on the acquisition date. Any adjustment to the initial value of these items or to the cost of the combination may take place within twelve months of the acquisition date.

On the first-time adoption of IFRSs, the Banque Fédérale des Banques Populaires Group used the option allowed by IFRS 1 (First-time adoption of IFRSs) not to adjust retrospectively business combinations prior to January 1, 2004 in accordance with IFRS 3 (Business Combinations).

Goodwill is the surplus of the cost of the business combination over the buyer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition.

Goodwill undergoes impairment testing at least once per year, and more frequently if objective indications of impairment appear. This impairment test involves comparing the net carrying value of the CGU or group of CGUs including the goodwill, with its recoverable value.

If recoverable value is lower than carrying value, irreversible impairment is recorded in consolidated income for the period and charged first against the goodwill allocated to the CGU or group of CGUs, and then to the other identifiable assets of the CGU or group of CGUs.

Negative goodwill is recognized immediately in the income statement under "Changes in value of goodwill".

II.11 *Use of estimates in the preparation of the financial statements*

In preparing its financial statements, the Banque Fédérale des Banques Populaires Group is required to make various assumptions and estimates based on information available at that date and likely in some cases to require expert judgment. These sources of uncertainty may affect the calculation of income and expenses on the income statement, the measurement of assets and liabilities on the balance sheet and/or certain disclosures in the notes to the financial statements.

Accounting estimates based on assumptions are principally used to value the following assets and liabilities:

- **Financial instruments recognized at fair value:** The fair value of hybrid market instruments not traded on an active market is calculated using valuation techniques. Values may be adjusted to take account, depending on the instruments concerned and the associated risks, of the bid/ask price of the net position, modeling risk, counterparty risks and parameter risks. Fair values recognized in this way may differ from the prices at which these transactions would take place in the event of an actual sale in the market.
- **Loan impairment:** On the balance-sheet date, the Group assesses whether there is objective evidence of loan impairment on an individual basis or on a collective basis by group of risks. To detect evidence of loan impairment, the group analyzes movements in a number of objective criteria, but also uses the judgment of its experts. Similarly, the Group may use its expert judgment to position future debt collection flows in time (when calculating individual impairment amounts) or to adjust expected losses resulting from the Basel II approach to calculating collective provisions.
- **Unlisted equity instruments included in "available-for-sale assets"** consist mainly of non-consolidated equity securities. The fair value of unlisted equity securities is obtained mainly by applying the P/E (price/earnings ratio) and DCF (discounted cash flow) valuation methods. The use of these methods involves first making certain choices and assumptions, particularly as regards projecting expected future flows and the discount rate.
- **Impairment of available-for-sale assets.**
- **Impairment of certain income hedges based on derivative financial instruments and measurement of the effectiveness of hedging strategies.**
- **Valuation of CGUs:** All goodwill is allocated to a CGU so that it may be tested for impairment. The tests consist of comparing the carrying value of each CGU (including goodwill) with its recoverable value (the higher of market value and value in use). Recoverable value is calculated by discounting annual free cash flows to infinity. The use of this method involves:
  - estimating future cash flows. To carry out this estimate, the Group uses forecasts included in its business lines' medium-term plans,
  - projecting third-year cash flows in perpetuity at a rate reflecting the expected annual growth rate,
  - discounting the cash flows using a projected average annual perpetual rate of return on listed stocks in the sector concerned.
- **Fair value of loans and advances recognized at amortized cost:** The fair value of unrated loans is determined using the discounted future cash flow technique. The discount rate is based on an assessment of the rates used by the bank during the financial year for all loans with similar risk characteristics. Loans were classified into groups with similar risk characteristics based on statistical research that helped to identify factors influencing the level of credit spreads.
- **Employee benefits:** The Banque Fédérale des Banques Populaires Group commissions independent actuaries to calculate its principal employee benefits. The discount rates, future salary growth rates and the rates of return on plan assets are based on market rates observed at the balance sheet date. When applied to long-term obligations, these rates imply a source of uncertainty in the valuation.
- **Liabilities related to insurance policies.**

  Technical reserves relating to insurance policies are based on assumptions and estimates that may result in subsequent adjustments in amounts recognized:
  - in personal risk insurance, loss reserves rely mainly on models based on observed loss experience,
  - in life insurance, technical reserves are based on assumptions concerning the economic and financial environment, experience tables (mortality, morbidity) and behavioral models (policyholder behavior regarding surrender),
  - for credit insurance, loss reserves also include an amount to cover the estimated total cost of reported claims not settled at the period end. In addition to claims payable, there is a reserve for unknown claims, calculated on a statistical basis and involving an estimate of the final amount of claims that will be paid out after the risk has been extinguished and all recovery action has been taken. Recovery reserves, which represent estimates of expected recoveries, are calculated by applying a final recovery rate to all subscription years not yet liquidated.
- **Other provisions:** The provisions set aside in the consolidated balance sheet, other than those for financial instruments, employee

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benefits and insurance policies, primarily consist of provisions for litigation, fines, penalties and tax risks. A provision is set aside where it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event and where the amount of the obligation can be measured reliably. To calculate this amount, management is obliged to assess the likelihood of the risk occurring. The amount of the provision is discounted where the impact is material.

Note III Scope of consolidation

III.1 *Changes in scope of consolidation during 2008*

The main changes in 2008 in the Group's three business segments were the following:

- in the segment "Federal activities and other", by the acquisition of Société Marseillaise de Crédit from HSBC France and the deconsolidation of CIFG;
- in corporate and investment banking, services and project finance, represented by Natixis, reduction in the risk profile of the Corporate and Investment Banking (CIB) division and acceleration of the Natixis restructuring process set in motion after the merger in November 2006.

Changes in 2007 are listed by business sector, in line with the segment reporting presentation.

III.1.1 Federal activities and other

III.1.1.1 Acquisition of Société Marseillaise de Crédit

III.1.1.1.1 Corporate transactions

On July 2, 2008, the Banque Populaire Group acquired seven regional banks from HSBC France, at a price of €2.1 billion: **Société Marseillaise de Crédit**, Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy, de Parseval, Banque Pelletier and Crédit Commercial du Sud-Ouest. These banks conduct retail banking operations in customer segments very similar to those of the Banque Populaire banks.

Banque Fédérale des Banques Populaires owns 100% of **Société Marseillaise de Crédit**, which it has consolidated from the second half of 2008.

Banque Fédérale des Banques Populaires owns 49% of the other Regional Banks. However, it has undertaken to sell a 51% stake in the other six banks to the Banque Populaire banks in 2009. Given that these six Regional Banks are only temporarily owned by Banque Fédérale des Banques Populaires, they are not included in its scope of consolidation.

III.1.1.1.2 Contributions of Société Marseillaise de Crédit to the Group's consolidated financial statements

For full-year 2008, Société Marseillaise de Crédit generated net banking income of €193 million and net income €60 million in its individual financial statements, compared with €201 million and €55 million in 2007.

The contribution of Société Marseillaise de Crédit to Group earnings relates only to six months of 2008, given that the date of acquisition was July 2, 2008, but it benefited from a favorable interest-rate effect on financial instruments in the second half: under IFRS, the contribution to net banking income was €143 million, and the contribution to net income attributable to equity holders of the parent was €57 million.

Given the limited impact of its contributions to items in the Group's income statement and the acquisition date, no proforma financial statements have been prepared for purposes of comparison:

in € millions	12/31/2008	12/31/2007	Var. (%)
Net banking income	**193**	**201**	**- 4 %**
General expenses	(131)	(127)	3 %
Gross operating income	**62**	**74**	**- 16 %**
Impairment and provisions	(2)	6	ns
Operating income	**60**	**80**	**- 25 %**
NET INCOME	**60**	**55**	**8 %**

III.1.1.1.3 Treatment of the acquisition

When the Group acquired Société Marseillaise de Crédit, it measured its assets, liabilities and contingent liabilities at their fair value. Given the value of its adjusted shareholders' equity and the purchase price for Banque Fédérale des Banques Populaires (€1,118 million), goodwill totaling €797 million was recorded on the consolidated balance sheet.

As permitted under IFRS 3, Business Combinations, the Group will be able to make adjustments to this initial measurement within twelve months from the acquisition date.

III.1.1.2 Deconsolidation of CIFG

On December 20, 2007, Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE) decided to acquire all of the share capital of CIFG, Natixis's wholly owned credit enhancement subsidiary, and to provide it with the financial resources needed at that time to maintain its AAA rating from the credit rating agencies.

Considering how the market for credit enhancement has evolved since that date, the two shareholders decided to reviser their strategy:

- any prospect of additional support on top of the support already provided has been ruled out;
- a new management team has been appointed within the entity, mainly to conduct negotiations with its main creditors;
- and a commutation process (cancellation of commitments towards counterparties in exchange for a cash payment and/or conversion into capital) was initiated with creditors in the first half of 2008, under the oversight of the supervisory authorities.

On January 22, 2009, CIFG announced the signature of a commutation agreement with counterparties holding 98% of its outstanding exposure to certain derivative products backed by certain assets, primarily real estate assets, representing around $12 billion.

Under the terms of this agreement, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne reduce their respective equity interests in CIFG, and the main counterparties renounce their pecuniary rights under financial guarantees (credit default swaps and insurance policies) issued by CIFG in exchange for cash payments and equity interests in CIFG.

As a result, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne jointly and directly hold an equity interest in CIFG of just over 10%, leading to the deconsolidation of CIFG from the Banque Populaire Group.

Because Banque Fédérale des Banques Populaires had recognized a provision in its 2007 statutory company accounts covering its entire holding of CIFG securities (€443 million), deconsolidation of CIFG has no material effect on the Group's 2008 consolidated financial statements.

III.1.1.3 Other changes

During 2008, Banque Fédérale des Banques Populaires formed **Banques Populaires Covered Bonds** in order to provide assured refinancing of Banque Populaire banks' real estate loans and also to broaden the Group's palette of refinancing sources.

Wholly owned by Banque Fédérale des Banques Populaires, Banques Populaires Covered Bonds is a company with supervisory and Management Boards and share capital of €40 million. It has been set up to issue bonds backed by a portfolio of high-quality real estate loans solidly secured by mortgages, moneylender liens, credit insurance written by mutual guarantee companies, and the like.

Having made its first issue in early 2008, the Company entered the scope of consolidation in 2008.

III.1.2 Investment banking and project finance (Natixis subgroup)

III.1.2.1 Significant events

Against a backdrop of a worsening financial crisis that propagated across further asset classes as well as a deteriorating economic climate, especially following the bank failures in the third quarter, the Natixis subgroup:

- redefined its business plan with the aim of rebalancing its business model in favor of recurring business, cutting its cost base, strengthening its capital structure and reducing the risk profile of the Corporate and Investment Banking (CIB) division. These strategic reorientations are being implemented via the CIB transformation plan approved by Natixis's supervisory board on December 18, 2008. The transformation plan calls for:
  - shutting down the proprietary credit and structured credit investment activities as well as the most complex of the capital market activities. These decisions were accompanied by the creation of a special segregation structure within CIB, now in effect, to optimize management of the assets in run-off,
  - refocusing the business on Natixis's historical clients by giving priority to operations for corporate and institutional clients,
  - a tighter international presence, with sharp reductions in Asia (shutdown of capital market activities) and in the United States (shutdown of equity derivatives activities),
  - enhancing risk discipline across all activities,
  - reducing the CIB division's workforce by 15% and its direct fixed costs by 10%;
- undertaken a cost reduction programmed to be completed in 2009. This initiative, which resulted in a set of rationalization projects launched during the second quarter of 2008, is part of a 2008-2009 expense reduction plan covering the workforce, external service providers and general operating expenses. As regards employees, a workforce adaptation plan was opened to Natixis SA employees in September 2008. The impacts of this plan have been estimated, and provisions for them have been recognized in Natixis's 2008 financial statements in the amount of 144 million (52 million for the Group's proportionate share);
- completed a capital increase in September 2008 for €3,7 billion, subscribed in the amount of €2,5 billion by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne by netting against the previously granted shareholder loan.

In addition to these strategic reorientations and other adaptations undertaken in response to the financial crisis, Natixis forged ahead with the process of integrating the various entities transferred to it on November 17, 2006.

The main corporate transactions during 2008 were the following:

- Reorganization of the securities services business via:
  - transfer to CACEIS of the institutional custody, fund administration and issuer services activities previously performed within Natixis and its Natixis Investor Servicing subsidiary,

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– a business combination between Gestitres and Natixis for retail investor custody platforms;

- merger of CEGI, SACCEF and SOCAMAB to create Compagnie Européenne de Garanties et Cautions, a multiline financial guarantee platform;
- transfer of the activities of Natixis Altaïr relating to operation of the shared data center to its Natixis Altaïr IT Shared Services subsidiary and merger of the remaining Natixis Altaïr activities (technical architecture, support functions, etc.) into Natixis's Information Systems department. From a legal standpoint, this merger was accomplished as a universal transfer of assets and liabilities;
- regrouping of management information software development for the consumer credit business within Natixis Consumer IT, a wholly owned subsidiary of Natixis Consumer Finance.

In addition, in late November 2008 Banque Privée Saint Dominique and Compagnie 1818 – Banquiers Privés unveiled a proposed combination aimed at putting together a private bank that would develop the following activities:

- wealth management for direct clients;
- creation of products and services for high-net-worth clients of Caisse d'Epargne and Banque Populaire banks;
- marketing of products and services to independent wealth management advisers.

III.1.2.2 Increase in the Group's ownership percentage of Natixis

The Group's percentage interest in Natixis rose from 34.66% at December 31, 2007 to 35.78% at December 31, 2008, an increase of 1.12 percentage points.

The increase was due primarily to Natixis's distribution during the second quarter of 2008 of a dividend that the two central bodies, Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE), received entirely in the form of Natixis shares. Some shares were also purchased on the market, as shown in the table below:

	12/31/2007		Change			12/31/2008	
Détenteurs	**Number**	**%**	**Share dividends**	**Capital increase**	**Other (exercise of options, purchase of own shares, etc.)**	**Number**	**%**
CNCE	421,036,427	34.66%	20,198,975	573,606,033	21,089,295	1,035,930,730	35.78%
BFBP	421,036,427	34.66%	20,198,975	573,606,033	21,089,295	1,035,930,730	35.78%
Other	372,743,269	30.68%	1,944,552	496,517,931	(47,643,161)	823,562,591	28.44%
TOTAL EXCL. OWN SHARES	**1,214,816,123**	**100%**	**42,342,502**	**1,643,729,997**	**(5,464,571)**	**2,895,424,051**	**100%**
Own shares	7,226,571	-	-	-	5,487,071	12,713,642	-
TOTAL	**1,222,042,694**	**100%**	**42,342,502**	**1,643,729,997**	**22,500**	**2,908,137,693**	**100%**

The increase over the period in the percentage of ownership is reflected in an increase in net supplementary reserves attributable to the Group, which was immediately taken to income in the line item "Gains or losses on other assets" in the amount of €100 million.

III.1.2.3 Change in scope of consolidation by segment

Unless otherwise stated, all impacts (in terms of percentages or amounts) are expressed in this section after taking into account the Group's 35.78% stake in Natixis and its subsidiaries.

III.1.2.3.1 Receivables management

Companies entering the scope of consolidation

The new companies formed in this segment in 2008 include:

- Poland Factoring, whose business is factoring;
- Natixis Factor Portugal, whose business is factoring;
- Coface Factoring Lithuania, a branch of Coface Poland Factoring, whose business is insurance;
- Coface Bulgaria, a branch of Coface Austria, whose business is insurance;
- Coface Latvia (Insurance), a branch of Coface Austria, whose business is insurance;
- Coface Ecuador, a branch of Coface SA, whose business is insurance;
- Coface Australia, a branch of Coface SA, whose business is insurance;
- Coface Taiwan, a branch of Coface SA, whose business is insurance.

Other changes in scope of consolidation include:

- Coface Finans A/S Danmark, in which a 26.83% interest was acquired, generating goodwill of €5.5 million;
- Coface Poland CMS, whose business is provision of financial data, is added back because the thresholds of significance were exceeded.

Changes of percentage of interest and internal restructurings

- Buyout of 6.99% of minority interests in Business Data Information;
- disposal of 9.26% of VR Factorem, entailing recognition of a gain of €4.29 million as well as change in method of accounting (from proportionate consolidation to equity method);
- merger of de Kompass France into Kompass International and of Viscontea Immobiliare into Coface Assicurazioni Spa.

III.1.2.3.2 Corporate and investment banking

Companies entering the scope of consolidation

- First inclusion of Natixis Australia Ltd during the fourth quarter of 2008;

- formation of a special-purpose entity, CM Reo Holdings Trust, as part of the Real Estate Property Program (REPP);
- formation of two Emerging Markets Global Strategies special-purpose entities for the purpose of creating an indexing value for an issue of ELNs made by NCM on behalf of a client;
- formation of NH Philadelphia Property LP.

Companies leaving the scope of consolidation and decreases in percentage of interest

- Dilution of 6.56% in EIG following a capital increase subscribed exclusively by EDG. The percentage of interest decreased from 11.92% to 5.37%, but the entity continues to be proportionately consolidated;
- removal of Natixis Arbitrage effective January 1, 2008 and SAS Opéra Sentier effective July 1, 2008. These entities no longer reached the thresholds for inclusion;
- removal of Akhdar Investment Group effective October 1, 2008 following liquidation of its assets;
- removal of Gulf Capital Luxembourg SA effective October 1, 2008;
- liquidation of Cléa 2;
- liquidation of Parallel Absolute Return Fund Ltd, Parallel Absolute Return Fund LP, Parallel Absolute Return Master Fund LP, Par Fund GP LLC.
- removal from the scope of consolidation of the Muni Trust SPVs of Natixis Municipal Products (a company of Natixis Capital Markets North America group);
- liquidation of 11 West Division, Ixis CMNA (Australia) Acceptances (N°1) Inc., Ixis CMNA (Australia) Acceptances (N°2) Inc., Ixis CMNA (Australia) Funding (N°1) Pty Ltd, Ixis CMNA (Australia) Funding (N°2) Pty Ltd, Ixis CMNA (Australia) Participations (N°1) Inc., IXIS CMNA (Australia) Participations (N°2) Inc., IXIS CMNA International Participations (N°1) LLC, Natixis Asset Finance Inc., Ixis Manzano Special Member LLC.

III.1.2.3.3 Services

Companies entering the scope of consolidation

In the leasing business, formation of Natixis Lease Investment and its subsidiary, SAS Immobilière Natixis Bail.

Companies leaving the scope of consolidation

- Disposal of 11.95% of SLIB outside the Group;
- removal of SCI ABP Pompe effective April 1, 2008 (Natixis insurance);
- transfer of Fastnet House on March 31, 2008 to Crédit Agricole Luxembourg (CACEIS group);
- liquidation of FCP GCEC Diversifié in March 2008 (Natixis guarantees).

Internal restructurings

- Universal transfer of assets and liabilities of Gestitres to Natixis on July 1, 2008;
- merger of Saccef and Socamab with Natixis Garanties with effect retroactive to January 1, 2008;
- capital contribution of securities of Natixis Investor Servicing (NIS) held by Natixis SA to CACEIS and merger of NIS into CACEIS Fastnet;
- transfer by Natixis of its custodian (custody account-keeping and issuer services for institutional clients) and fund administration activities. Following this transaction, Natixis's percentage interest in CACEIS is unchanged at 17.89%;
- merger of Brooke Securities Inc., Olympia Capital Inc., and Olympia Capital Absorption LP into CACEIS USA Inc. (formerly Brooke Securities Holding Inc.).

III.1.2.3.4 Private equity and private banking

Companies entering the scope of consolidation and increases in percentage of interest

The only additions result from formation of new entities: FCPR Ixen III, Natixis Private Equity International Luxembourg and FNS5. There were also increases in the segment's ownership percentages in the following entities:

- Natixis Actions Capital Structurant (NACS): +4%;
- Natixis Private Banking International (NPBI): +0.42% following a capital increased subscribed entirely by Natixis Private consolidated and buyout of 1.07% minority interests;
- acquisition of 8.50% of Compagnie 1818 from Caisse d'Epargne Group.

Companies leaving the scope of consolidation

During the period, Seventure Partner was removed from the scope of consolidation effective April 1, 2008 because it fell below the thresholds, and CM Finance was removed following its disposal in the first half of 2008.

III.1.2.3.5 Asset management

Companies entering the scope of consolidation

The segment set up numerous new entities during the period: AEW Central Europe, AEW VIA Co-Investors L.P., ASG Quasar Fund, ASG Laser Fund, ASG Global Alternatives Fund, Natixis Loomis Sayles Global Growth Fund, Loomis Sayles Alpha LLC, Loomis Sayles Multi-Strategy alpha L.P., Loomis Sayles International Bond Fund, Vaughan Nelson Value Opportunities Fund, Natixis Global Associates Switzerland. It also acquired Gateway Investment Advisers, LLC.

Companies leaving the scope of consolidation and internal restructurings

The following entities were removed subsequent to liquidation:

- AEW Securities Limited Partnership, Aew TSF Inc.;
- Loomis Sayles Energy Hedge Fund II L.P., Loomis Sayles Consumer Discretionary LP, Loomis Sayles Consumer Discretionary GP LLC.;
- Westpeak Small Cap Growth Fund;
- disposal of securities of Percipio Capital Management LLC.

III.1.2.3.6 Retail banking

The retail banking of the Natixis subgroup consists of the Caisse d'Epargne banks, in which Natixis holds a 20% interest via its holding of Cooperative Certificates of Investment. The Banque Populaire and Caisse d'Epargne banks are accounted for by the equity method at the Group's proportionate share, namely 7%:

Cooperative Certificates of Investment – Caisse d'Epargne:

The changes in scope of consolidation relate mainly to three mergers of Caisse d'Epargne banks:

- merger of Caisse d'Epargne de Haute Normandie with Caisse d'Epargne Normandie (formerly Caisse d'Epargne de Basse Normandie);
- merger of Caisse d'Epargne de Bretagne with Caisse d'Epargne Bretagne-Pays de Loire (formerly Caisse d'Epargne des Pays de la Loire);
- merger of Caisse d'Epargne Ile de France Ouest et Nord with Caisse d'Epargne Ile de France (formerly Caisse d'Epargne Ile de France Paris).

Cooperative Certificates of Investment – Banque Populaire:
At the Banque Populaire banks, the changes relate mainly to subsidiaries:

Companies entering the scope of consolidation

- **BFC CROISSANCE,** a subsidiary of Banque Populaire Bourgogne Franche-Comté, added because the thresholds for inclusion were exceeded at December 31, 2008;
- **BTP Capital Conseil,** a wholly owned subsidiary of Crédit Coopératif that provides advice in financial engineering;
- **COOPEST**, a wholly owned subsidiary of Crédit Coopératif specialized in public-private investment in Central and Eastern Europe;
- **Euro Capital,** a venture capital subsidiary of Banque Populaire Lorraine Champagne. Formed in 2000, it is included for the first time;
- **IPAB,** an electronic transaction development company and wholly owned subsidiary of BRED Banque Populaire;
- **TISE,** a wholly owned investment company subsidiary of Crédit Coopératif specialized in public-private investment in Poland.

Companies leaving the scope of consolidation

- **Achatpro**, a subsidiary of BRED Banque Populaire, sold to an acquirer outside the Group;
- **BDG SCI**, a subsidiary of Banque Populaire Rives de Paris, removed because the thresholds for inclusion were not met;
- **Mone+CC2**, a subsidiary of Crédit Coopératif removed following;
- **SPV IGLOO2**, deconsolidated because all of the ownership units held by Banque Populaire banks were redeemed during 2008.

Restructurings

- merger of Caisse Régionale du Morbihan et de Loire Atlantique and Caisse Régionale de Vendée to form **Crédit Maritime Atlantique;**
- merger of Caisse Régionale Littoral Manche and Caisse Régionale du Finistère to form **Caisse Régionale Bretagne Normandie**;
- merger of **Parnassienne de Crédit** into Banque Monétaire et Financière, both being subsidiaries of CASDEN Banque Populaire;
- merger of LFI into **SPIG** and Trust and Pay into B-process, all being subsidiaries of BRED Banque Populaire.

III.1.2.3.7 Other business

In the "other business" segment, Foncière Kupka was removed from the scope of consolidation effective April 1, 2008 and AMBS LLC was removed effective October 1, 2008.

In addition, Natixis Altaïr IT Shared Services was formed by the transfer of Natixis's IT services activity and then a universal transfer of the assets and liabilities of Natixis Altaïr to Natixis.

Note III.2 *Companies included in the scope of consolidation*

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
I) FEDERAL AND OTHER ACTIVITIES											
Banque Fédérale des Banques Populaires		FR	Parent company			Parent company			Parent company		
Banque Fédérale des Banques Populaires subsidiaries											
BANKEO	(1)	FR	60.00%	60.00%	FC	60.00%	60.00%	FC	60.00%	60.00%	FC
BFBP ACTIONS EUROPE	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BICEC	(1)	CM	59.72%	59.72%	FC	52.47%	52.47%	FC	52.48%	52.48%	FC
BP COVERED BONDS	(1)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CLIVEO SNC	-	FR	Absorbed		N	Absorbed		N	100.00%	100.00%	N
INFORMATIQUE BANQUES POPULAIRES	(1)	FR	29.52%	29.52%	FC	29.52%	29.52%	FC	20.71%	20.71%	FC
INVESTIMA 12	-	FR	Sold		N	Sold		N	34.44%	34.44%	N
MA BANQUE	(1)	FR	65.94%	65.94%	FC	65.94%	65.94%	FC	65.81%	65.81%	FC
SAS PONANT 2	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SCI PONANT+	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SIBP	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIÉTÉ MARSEILLAISE DE CREDIT	(1)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SNC CHAMPION	-	FR	Merged		N	Merged		N	100.00%	100.00%	N
VOLKSBANK INTERNATIONAL AG (VBI)	(1)	AT	24.50%	24.50%	EM	24.50%	24.50%	EM	24.50%	24.50%	EM
CIFG GUARANTY ASSURANCE NORTH AMERICA	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
CIFG EUROPE	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
CIFG GUARANTY	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
CIFG HOLDING	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
CIFG SERVICES INC.	-	US	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
FONCIA											
A1 GASCOGNE IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AAB RICHARD TOUCHET	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
ACTE SAS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
ACTIONS GÉRANCE (SARL AG)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
ACTIONS GÉRANCE ET TRANSACTION (AGT)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGEN LOCATIONS TRANSACTIONS (ALT)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ACAPULCO IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE ALLORGE BRIIS SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE GIF SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE LES ULIS SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE MONTIGNY LE BRETONNEUX (AAMB)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

1 2 3 4 5 6 7 8 9 10 11

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
AGENCE ALLORGE PALAISEAU SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE SA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE ST REMY SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE AZUR FONCIERE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE BELHACHE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE COURTES	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE DE LA GARE	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE DENIS LAGARRIGUE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE DES ARAVIS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE GAMBETTA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE GAULTIER SAINT GAUDENS OFFICE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE JACQUES LIEVENS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE RAVON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE TEILATUA	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE TURON	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE VOLTAIRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGESTIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGORA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ALPHA IMMO 34	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ALVIA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
ARTIS IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ARVOR IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ASSURIMO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ASSURIMO PARIS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ATLAS AQUITAINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ATLAS PYRÉNÉES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ATRIUM	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AURORE IMMOBILIER	-	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AVIC IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
BALLIER IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
BELLECOMBE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
BOUTEILLE FERNEY	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
BOUTEILLE TRANSACTIONS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
BREIZH DIORREN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP

COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CABINET LECOQ FINANCE ET GESTION (CLFG)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET BLANDIN	(21)	DE	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CABINET CIC	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET CORNAUD SARL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET GOMEZ	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET MARCHAND	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET NICOLAS	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
CABINET PABAN	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CAP CARAIBES GESTION	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CAP CARAIBES IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CAPES	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CECILE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CG2I EDEN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
Cie Inform. Invest. Immobilier – C3i	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
Cie Nationale d'expertise et de mesurage CONSTATIMMO	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CLB IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CNEM PRODUCTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CONSEIL ET PARTENAIRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
COSTE IMMOBILIER	-	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CROISSANCE SUD	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
DOCHER	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
EFIMO DAMBREVILLE SA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
EFIMO PALPIED	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FABAIR	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FIDUCIMMO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FINANCIERE IMMOBILIÈRE INTERNATIONALE (F2I)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCA IMMOCOLOGNE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA ACCORD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA AD IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AGENCE CENTRALE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AGENCE DU TREHO	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA AGENCE MODERNE	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AKTYS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ALGEMEEN BEHEER NV (A.B.)	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA ALPES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA ALSACE HT RHIN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AMYOT GILLET	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ANDREVON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
PSI.PLUS	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
IMMOBILIER TRANSACTION THIERS ITT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
ACOGEST	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
CABINET COCUELLE	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
AGENCE RÉGIONALE	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
ACOS CONSEIL	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
AGENCE UNIMMO	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
JEAN LAVIGNE EURL	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
AGENCE PIVERT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
CABINET ORSAT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
TIMBAL-AIT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
FL	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
CERDAGNE CAPCIR SYNDIC	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
Cabinet René POUZET	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
FONCIA ARDOUIN	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ARMOR IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ASSHOFF HGV GmbH	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ATLANTIQUE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ATLAS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA AURIOL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AZUR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BAIES DU SOLEIL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BARBIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BASTARD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BELCOURT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BELGIUM	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BERATA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA BINTZ	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BOLLING LE BATIMENT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BOUCLES DE SEINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BOUSSARD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA BOUTEILLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BRETTE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA BROSSOLETTE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BUAT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CAPITAINE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA CAPITOLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CARRERE-TIXADOR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CARRIÈRES ET COMPÉTENCES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CENTRE DE L'IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CERGIE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CGI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CHABANEAU	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CHABLAIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CHADEFAUX LECOQ	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA COLBERT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA COUPAT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CUILLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DANZFUSS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DESIMEUR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DEUTSCHLAND GMBH	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DEUTSCHLAND KG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DOCHER INTER France	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DOMITIA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA EFIMO	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ENTREPRISE	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FABRE GIBERT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FOUBERT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FRANCHISE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FRANCHISE France	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FRANCO SUISSE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FT GESTION	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GAIRIN – CALVO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GATINEAU	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GECO CHABLAIS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO GRUYERE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO LA PAIX	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO POD	(21)	CH	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO RHONE	(21)	CH	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA GECO SA	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GECO SARINE	(21)	CH	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECOVAR	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GÉNÉRALE IMMOBILIÈRE	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GESTION IMMOBILIÈRE	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GESTION IMMOBILIÈRE IDF	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GH	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GITEC ALPINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GOBELINS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GOZE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GRAND BLEU	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GRAND DELTA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GRENON CESBRON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GROC	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GROUPE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA HAUGUEL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA HOLAS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA HOLDING G.I.	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IBT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ICR	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA ICV	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IG	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IGD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ILES D'OR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IMMOBILIAS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IMMOBILIÈRE DU CHAMPS DE MARS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IMMONOVA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA IMMOSTONE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA INTERNATIONAL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA JACOBINS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA JANIN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA JOMEL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LABBE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LACOMBE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LANGUEDOC PROVENCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA LAPORTE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LE PHARE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LEMESRE	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LES BAINS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LIGURIE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA L'IMMOBILIÈRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LIMOUZY	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LMG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LOBSTEIN SOGESTIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA L'OCEANIC	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LUTECE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MAINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MAIP	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MANAGO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MANSART	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MARCEAU	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MARCHAND TBI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MARMIGNON -RODRIGUES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MARNE EUROPE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MASSENA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MER ET SOLEIL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MICHEL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MOLLAND	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MPI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ORLY BEDOS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PARIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PARIS GESTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PARTICIPATIONS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2007		N
FONCIA PASCAL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PIERRE GESTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA REM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA RÉPUBLIQUE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA RIVES DE PARIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA RIVES DE SEINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ROBACHE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ROUAULT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA S.E.G.G.	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SAGI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOGEST	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA SOGI PELLETIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOGIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOGIV	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOLONIM	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOVIM	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SPRIMBARTH	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA ST ANTOINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA STEIN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SWITZERLAND	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TOURNY	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TRANSACTION COTE FLEURIE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TRANSACTION LOCATION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TRAVAUX	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA TURCKHEIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VAL DE MARNE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VAL DE SEINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VAL D'ESSONNE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VALLAURIS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VALORISATION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VAUCELLES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VEXIN	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VIEUX PORT	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VOLTAIRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VOW GMBH	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VOW GmbH& Co. KG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA WURM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ZAMBONI PORTES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FRANCES SA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FT AUDE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT ALLORGE DADRIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT ALPES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT CHARENTE MARITIME	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FT FERNAY VOLTAIRE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT LOIRE ATLANTIQUE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT METZ	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT TOURAINE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT VENDÉE NORD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT VENDÉE SUD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL BORDEAUX	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL ILLE ET VILAINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL LYON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL MARSEILLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL PARIS EST	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL RENNES	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL SEINE OUEST	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FTL STRASBOURG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL TOULOUSE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL VALENCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL VAR OUEST	(21)	LU	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL VIENNE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GAUSSERAND HABITAT SARL	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
GESTION DU SUD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
GESTION IMMOBILIÈRE DU LANGUEDOC GIL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
GESTION IMMOBILIÈRE ET FONCIERE – GIF	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GESTION IMMOBILIÈRE G FERRETTI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GF FINANCIERE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GH FINANCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GITE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
GLOBALIMMO.COM	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
GUY BOUZAT TRANSACTIONS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
HUB INDUSTRIES	-	FR	Sold		N	100.00%	100.00%	FC	Consolidated from 2007		N
ICDIEN	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IGT	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
IMMO 82	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
IMMOBILIER ET ASSURANCES	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIER 26 SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIER DU HARAS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIÈRE CABINET CENTRALE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N

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			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
IMMOBILIÈRE CHARLEMAGNE GESTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIÈRE D'ALSACE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
IMMOBILIÈRE PASTORELLI	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
INGENIERIE CONSEIL ET ASSISTANCE (I.C.A)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
INITIA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
INSURANCE BROKERS & PARTNERS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
INTERAGENCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
INTUIT'OPP	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
JACQUES SARRADIN CABINET IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
KARNOD	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
LB IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
L'IMMOBILIÈRE DE VERNEUIL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
LOCASSISTANCE	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
LORRAINE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
MAINTENANCE INVESTISSEMENT GESTION (MIG)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
MFC MURS ET FONDS COURTAGE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
MONA LISA GESTION IMMOBILIÈRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
MR IMMOBILIER SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
NOIRIMMO	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
OCÉAN IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
PEETERS-ICDIEN	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
PELISSOLO	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
PIERRE ET TERRE IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
PROCOMME IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
REGIE VERGNAUD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SA SETB	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SA SOGESTIM	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SARL BAUDRY IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SARL CABINET VAUBAN	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SEIITRA DÉVELOPPEMENT	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SEIITRA HOLDING	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SEIITRA RESEAU	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SERVICE CONSEIL IMMOBILIER (SCI)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SIT REGIE	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SKAPHOS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SOCIÉTÉ ATLANTIQUE D'EXPLOITATION	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
SOGESTRA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SOLUFIMMO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
STONE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
STUD'HOTEL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
THESIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
TO2I GESTION	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
TRIHALLES	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
VELLA IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
VENDÉENNE IMMOBILIER PARIS (VIP)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
VICTORIA GESTION	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
VISUELIMMO	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
II) INVESTMENT BANKING AND PROJECT FINANCE											
NATIXIS		**FR**	**35.78%**	**35.78%**	**PC**	**34.66%**	**34.66%**	**PC**	**34.44%**	**34.44%**	**PC**
Corporate and investment banking											
11 WEST DIVISION LLC	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
AKHDAR INVESTMENT GROUP	-	LU	Deconsolidated		N	34.66%	34.66%	PC	Consolidated from 2007		N
BAIL EXPANSION	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
BEDFORD OLIVER FUNDING LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
BLOOM ASSET HOLDINGS FUND PLC	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CALIFANO INVESTMENTS LIMITED	(23)	MT	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
CASANLI	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CDC HOLDING TRUST	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CLEA2	-	FR	Liquidation		N	34.66%	34.66%	PC	34.44%	34.44%	PC
CM REO HOLDINGS TRUST	(23)	US	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
DOMIMUR	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
DUPONT DENANT CONTREPARTIE	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	34.44%	PC
ECRINVEST 6	-	FR	Deconsolidated		N	Deconsolidated		N	34.42%	34.44%	PC
EDF INVESTISSEMENTS GROUPE	(23)	BE	5.37%	5.37%	PC	11.55%	17.33%	PC	Consolidated from 2007		N
EMERGING MARKETS GLOBAL STRATEGIES II Ltd	(23)	IE	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
EMERGING MARKETS GLOBAL STRATEGIES Ltd	(23)	IE	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
FILI SA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FINANCIERE CLADEL	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
FRUCTIBAIL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FRUCTIBAIL INVEST	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FRUCTICOMI	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GARBO INVEST	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
GCE BAIL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GUAVA CDO Ltd	(23)	JE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GULF CAPITAL Luxembourg	-	LU	Deconsolidated		N	34.66%	34.66%	PC	Consolidated from 2007		N
INVESTIMA 6	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS ALTERNATIVE HOLDING LIMITED	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) (No. 2) LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) (No. 2) SCA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) ACCEPTANCES (N°1) INC.	-	US	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) ACCEPTANCES (N°2) INC.	-	US	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) FUNDING (N°1) PTY LTD.	-	AU	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) FUNDING (N°2) PTY LTD.	-	AU	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) HOLDINGS (N°2) INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) HOLDINGS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) PARTICIPATIONS (N°1) INC.	-	US	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) PARTICIPATIONS (N°2) INC.	-	US	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA ACCEPTANCES LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA INTERNATIONAL HOLDINGS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA INTERNATIONAL PARTICIPATIONS (N°1) LLC	-	US	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA IP ASSETS HOLDINGS (LUXEMBOURG) SCA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CORPORATE & INVESTMENT BANK	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
IXIS HAWAI SPECIAL MEMBER LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS LOAN FUNDING I LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS LT INVESTOR LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
IXIS MANZANO SPECIAL MEMBER LLC	-	US	Cessation of business		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-1 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-2 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-3 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-4 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-5 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-6 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-7 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-8 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-9 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-10 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-1 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-10 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-11 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-12 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-13 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-14 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-15 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-16 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-17 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-18 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-19 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-2 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-20 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-21 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-22 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-23 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-24 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-25 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-26 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-27 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-28 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-29 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-3 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-5 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-6 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-7 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-8 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-9 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS SP SA – COMPARTIMENT PREVIE	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS STRATEGIC INVESTMENTS CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS STRUCTURED PRODUCTS LTD	(23)	JE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
JPMORGAN PUTTERS/DRIVERS TRUST SERIES 2002	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS/DRIVERS TRUST SERIES 2003	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS/DRIVERS TRUST SERIES 2004	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS/DRIVERS TRUST SERIES 2005	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS/DRIVERS TRUST SERIES 2006	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS/DRIVERS TRUST SERIES 2007	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS/DRIVERS TRUST SERIES 2008	-	US	Cessation of business		N	34.66%	34.66%	PC	Consolidated from 2007		N
LIME CDO Ltd	(23)	JE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
MANGO CDO Ltd	-	JE	Liquidation		N	34.66%	34.66%	PC	34.44%	34.44%	PC
MASTER FINANCIAL INC.	-	US	Cessation of business		N	Cessation of business		N	-	31.00%	PC
NATEXIS ABM CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS BLEICHROEDER UK	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
NATEXIS COMMODITY MARKETS Ltd	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS LEASE MADRID	(23)	SP	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS LEASE MILAN	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS MOSCOW	(23)	RU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS SERVICES LTD	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
NATEXIS US FINANCE CORPORATION	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ABM LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALGERIE	(23)	DZ	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALTERNATIVE INVESTMENTS LIMITED INTERNATIONAL	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS ALTERNATIVE INVESTMENTS LIMITED	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS AUSTRALIA PTY Ltd	(23)	AU	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS ARBITRAGE	-	FR	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ASIA LTD	(23)	HK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ASSET FINANCE INC.	-	US	Liquidation		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS BAIL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS BELGIQUE INVESTISSEMENTS	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS BLEICHROEDER SA	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
NATIXIS BLEICHROEDER Inc.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
NATIXIS CAPITAL ARRANGER CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CAPITAL MARKETS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS COFICINE	(23)	FR	33.76%	33.76%	PC	32.71%	32.71%	PC	32.50%	32.50%	PC
NATIXIS COMMERCIAL PAPER CORP.	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CORPORATE SOLUTIONS (ASIA) Pte Ltd	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CORPORATE SOLUTIONS Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS DERIVATIVES INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ENERGECO	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ENVIRONNEMENT & INFRASTRUCTURES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FINANCIAL PRODUCTS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FUNDING	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FUNDING CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS IMMO DEVELOPPEMENT	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INVESTIMA	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
NATIXIS INVESTMENT MANAGEMENT CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LEASE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LLD	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS Luxembourg	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LUXEMBOURG INVESTISSEMENT	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS MALTA INVESTMENTS LIMITED	(23)	MT	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS MARCO	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS MUNICIPAL PRODUCTS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS NORTH AMERICA INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PARTICIPATIONS HOLDING INC.	-	US	Liquidation		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PARTICIPATIONS N°1 INC.	-	US	Liquidation		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL INC. Montréal	(23)	CA	35.42%	35.78%	PC	34.34%	34.66%	PC	34.10%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL SARLAU	(23)	FR	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL MADRID	(23)	SP	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL MILAN	(23)	IT	33.99%	35.78%	PC	32.93%	34.66%	PC	32.72%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL DEUTSCHLAND GMBH	(23)	DE	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL TUNISIE	(23)	TU	35.42%	35.78%	PC	34.34%	34.66%	PC	Consolidated from 2007		N
NATIXIS PRAMEX INTERNATIONAL SP ZO.O	(23)	PL	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEXRUS	(23)	RU	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL	(23)	FR	35.42%	35.42%	PC	34.34%	34.66%	PC	34.13%	34.10%	PC
NATIXIS PRAMEX INTERNATIONAL AP LTD	(23)	HK	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
NATIXIS PRAMEX INTERNATIONAL DO BRASIL	(23)	BR	35.42%	35.78%	PC	34.34%	34.66%	PC	Consolidated from 2007		N
NATIXIS PRAMEX INTERNATIONAL CORP.	(23)	US	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL LTD	(23)	GB	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL Paris	(23)	FR	35.06%	35.78%	PC	33.97%	34.66%	PC	34.13%	34.44%	PC
NATIXIS REAL ESTATE CAPITAL INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SECURITIES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SECURITIES NORTH AMERICA INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SECURITIZATION CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS TRANSPORT FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INNOV	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN CAPITAL Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN FINANCIAL HOLDINGS Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN MAURITIUS Ltd	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN REINSURANCE Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NH PHILADELPHIA PROPERTY LP	(23)	US	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
OPERA SENTIER SAS	-	FR	Deconsolidated		N	17.33%	17.33%	PC	Consolidated from 2007		N
PAR FUND GP LLC	-	US	Liquidation		N	34.66%	34.66%	PC	34.44%	34.44%	PC
PARALLEL ABSOLUTE RETURN FUND LTD	-	KY	Liquidation		N	Consolidated from 2008		N	Consolidated from 2008		N
PARALLEL ABSOLUTE RETURN FUND LP	-	US	Liquidation		N	32.23%	32.23%	PC	32,38%	32,38%	PC
PARALLEL ABSOLUTE RETURN MASTER FUND LP	-	KY	Liquidation		N	25.30%	25.30%	PC	25.83%	25.83%	PC
PARIS OFFICE FUND	-	FR	Deconsolidated		N	Deconsolidated		N	17.22%	17.22%	PC
PLAZA SQUARE APPARTMENTS OWNERS LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
PLAZA TRINITY LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
ROSE MORTGAGE INC.	-	US	Deconsolidated		N	Deconsolidated		N	-	16.88%	PC
SNC TOLBIAC FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
UNIVERSE HOLDINGS Ltd	(23)	CA	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SAGP	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
SAS VAL A	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
Private equity and private banking											
ANTEIS EPARGNE	(23)	FR	18,25%	17,89%	PC	13,17%	17,68%	PC	12.74%	12.74%	PC
BANQUE PRIVÉE ST DOMINIQUE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
BP DÉVELOPPEMENT	(22)	FR	6,80%	15,38%	PC	14.43%	34.66%	PC	69.75%	69.75%	FC
BPSD GESTION	(22)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CENTRE EUROPÉEN D'ASSURANCE	-	FR	Merged		N	Merged		N	25.14%	25.14%	PC
CENTRE FRANCAIS DU PATRIMOINE	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC
C&M FINANCE	-	FR	Sold		N	5.20%	5.20%	EM	5.17%	5.17%	EM

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COMPAGNIE 1818 – BANQUIERS PRIVÉS	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC
COMPAGNIE 1818 – GESTION	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC
COMPAGNIE 1818 – IMMOBILIER	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC
DAHLIA A SICAR SCA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
FCPR IXEN	(23)	FR	31.49%	35.66%	PC	31.00%	34.66%	PC	34.35%	34.35%	PC
FCPR IXEN II	(23)	FR	30.16%	35.67%	PC	34.57%	34.66%	PC	34.35%	34.35%	PC
FCPR IXEN III	(23)	FR	35.52%	35.52%	PC	Consolidated from 2008		N	Consolidated from 2008		N
FINANCIERE NATEXIS SINGAPOUR	(23)	SG	35.78%	35.78%	PC	25.99%	34.66%	PC	34.44%	34.44%	PC
FINATEM	(23)	DE	35.78%	35.78%	PC	26.34%	34.66%	PC	34.44%	34.44%	PC
FNS2	(23)	SG	35.78%	35.78%	PC	27.38%	34.66%	PC	34.44%	34.44%	PC
FNS3	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FNS4	(23)	SG	32.92%	35.78%	PC	29.46%	34.66%	PC	34.44%	34.44%	PC
FNS5	(23)	SG	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
INITIATIVE ET FINANCE INVESTISSEMENT	(23)	FR	25.40%	33.27%	PC	31.99%	31.82%	PC	31.79%	31.79%	PC
MANTRA GESTION	(23)	FR	11.81%	12.16%	PC	8.66%	11.78%	PC	Consolidated from 2007		N
MERCOSUL	(23)	GB	33.63%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS ACTIONS CAPITAL STRUCTURANT	(23)	FR	26.83%	26.83%	PC	27.86%	34.66%	PC	27.73%	27.73%	PC
NATEXIS CAPE	(23)	LU	33.99%	35.42%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS INDUSTRIE FCPR	(23)	FR	27.91%	31.84%	PC	34.60%	34.66%	PC	34.38%	34.38%	PC
NATEXIS INVERSIONES SL	(23)	SP	28.98%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS INVESTMENT CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INVESTISSEMENT	(23)	FR	30.05%	35.78%	PC	34.60%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRIVATE BANKING	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRIVATE EQUITY INTERNATIONAL Luxembourg	(23)	LU	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS PRIVATE BANKING INTERNATIONAL	(23)	LU	35.78%	35.78%	PC	33.20%	34.66%	PC	32.99%	34.44%	PC
NATIXIS PRIVATE EQUITY	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRIVATE EQUITY INTERNATIONAL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS PRIVATE EQUITY INTERNATIONAL MANAGEMENT	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
NATIXIS PRIVATE EQUITY INTERNATIONAL SINGAPOUR	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS PRIVATE EQUITY OPPORTUNITIES	(23)	FR	35.06%	35.42%	PC	34.38%	34.66%	PC	34.38%	34.44%	PC
NATIXIS VENTURE SELECTION	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NAXICAP PARTNERS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEM2	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
PROVIDENTE SA	(23)	FR	35.78%	35.78%	PC	34.54%	34.66%	PC	34.44%	34.44%	PC
SEVENTURE PARTNERS	-	FR	Deconsolidated		N	34.65%	34.66%	PC	34.44%	34.44%	PC

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COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
SOPRANE SERVICES	-	FR	Deconsolidated		N	Deconsolidated		N	34.36%	34.44%	PC
SPEF LBO	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
Asset management											
NATIXIS CASPIAN PRIVATE EQUITY	(23)	US	35.00%	40.00%	EM	Consolidated from 2008		N	Consolidated from 2008		N
ABSOLUTE ASIA AM	(23)	SG	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW ADVISORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW CENTRAL EUROPE	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
AEW CAPITAL MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW CAPITAL MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW GLOBAL ADVISORS (ASIA)	(23)	SG	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW GLOBAL ADVISORS (EUROPE) LTD	(23)	GB	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW II CORPORATION	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW INVESTMENT GROUP, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW MANAGEMENT AND ADVISORS, LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW PARTNERS III, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW PARTNERS IV, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW PARTNERS V, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW REAL ESTATE ADVISORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW SECURITIES LIMITED PARTNERSHIP	-	US	Liquidation		N	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW TSF, INC.	-	US	Liquidation		N	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW VIF INVESTORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW VIF II INVESTORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW VIA Co-INVESTORS,LP	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ALPHASIMPLEX GROUP LLC	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	Consolidated from 2007		N
ALTERNATIVE STRATEGIES GROUP LLC	(23)	US	31.72%	31.72%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ASAHI NVEST INVESTMENT ADVISORY CO Ltd	(23)	JP	15.38%	17.53%	EM	14.90%	16.98%	EM	14.47%	14.47%	EM
ASG QUASAR FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ASG LASER FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ASG GLOBAL ALTERNATIVES FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
CAPITAL GROWTH MANAGEMENT LP	(23)	US	15.74%	17.89%	EM	17.33%	17.33%	EM	14.47%	14.47%	EM
CASPIAN CAPITAL MANAGEMENT, LLC	(23)	US	16.10%	18.25%	PC	15.60%	17.68%	PC	14.81%	14.81%	PC
CGW GESTION D'ACTIFS	(23)	FR	6.44%	11.81%	EM	6.24%	11.44%	EM	9.64%	11.36%	EM
COGIM	-	FR	Merged		N	18.37%	34.66%	PC	29.28%	29.28%	PC
CREA WESTERN INVESTORS I, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL ADVISORY LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CURZON GLOBAL PARTNERS	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL UK LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL CC LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
NATIXIS EPARGNE FINANCIERE GESTION	(23)	FR	31.84%	31.84%	PC	30.73%	34.66%	PC	27.55%	27.55%	PC
NATIXIS EPARGNE FINANCIERE GESTION FCP	(23)	FR	31.84%	31.84%	PC	30.73%	34.66%	PC	27.55%	27.55%	PC
EPI SLP LLC	(23)	GB	18.96%	31.84%	PC	18.37%	30.85%	PC	Consolidated from 2007		N
FEDERAL STREET MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
GATEWAY INVESTMENT ADVISERS, LP	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
HANSBERGER GROUPE INC.	(23)	US	31.84%	31.84%	PC	30.50%	30.50%	PC	7.23%	7.23%	PC
HANSBERGER GLOBAL INVESTOR, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	Consolidated from 2007		N
HANSBERGER GLOBAL (HK) Ltd	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	Consolidated from 2007		N
HARRIS ALTERNATIVES, LLC	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ALTERNATIVES HOLDING INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES INVESTMENT TRUST	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES SECURITIES, LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
IXIS AEW EUROPE SA	(23)	FR	18.96%	21.47%	PC	18.37%	20.80%	PC	29.28%	29.28%	PC
IXIS AEW ITALIA	(23)	IT	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
IXIS AEW LUXEMBOURG	(23)	LU	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
IXIS ASSET MANAGEMENT SERVICES, INC.	-	US	Merged		N	Merged		N	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES AUSTRALIA HOLDINGS, LLC	(23)	AU	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT ADVISERS, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES AUSTRALIA LIMITED	-	AU	Sold		N	Sold		N	29.28%	29.28%	PC
NATIXIS DISTRIBUTION CORPORATION	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS DISTRIBUTORS	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT JAPAN CO, Ltd	(23)	JP	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS INVESTMENT SERVICES JAPAN, INC.	(23)	JP	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
KOBRICK FUNDS, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES ALPHA, LLC	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
LOOMIS SAYLES & COMPANY, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES & COMPANY, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES CONSUMER DISCRETIONARY GP LLC	-	US	Liquidation		N	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES CONSUMER DISCRETIONARY LP	-	US	Liquidation		N	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES CONSUMER DISCRETIONARY, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
LOOMIS SAYLES DISTRIBUTORS, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES DISTRIBUTORS, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES ENERGY, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES ENERGY HEDGE FUND II, LP	-	US	Liquidation		N	30.85%	30.85%	PC	Consolidated from 2007		N
LOOMIS SAYLES FUTURES, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES INTERNATIONAL BOND FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
LOOMIS SAYLES MULTI-STRATEGY ALPHA, LP	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
LOOMIS SAYLES SOLUTIONS, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES TRUST COMPANY, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	Consolidated from 2007		N
MC MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
MC MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS LOOMIS SAYLES GLOBAL GROWTH FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATEXIS ASSET MANAGEMENT	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
NATIXIS GLOBAL ASSET MANAGEMENT, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATEXIS ASSET MANAGEMENT IMMOBILIER	(23)	FR	18.96%	31.48%	PC	18.37%	30.50%	PC	34.44%	34.44%	PC
NATEXIS ASSET SQUARE	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
NATIXIS ASSET MANAGEMENT	(23)	FR	31.72%	31.72%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
NATIXIS AXELTIS LTD	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS GLOBAL ASSOCIATES LUXEMBOURG, INC.	(23)	LU	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT HOLDINGS, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES ITALIA	(23)	IT	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT PARTICIPATIONS 1	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT PARTICIPATIONS 2	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES UK	(23)	UK	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES INC.	(23)	UK	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT CORPORATION	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT, LP	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 1	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 2	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 3	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 4	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
NATIXIS GLOBAL ASSOCIATES GERMANY	(23)	DE	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES SWITZERLAND	(23)	CH	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS MULTIMANAGER	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	23.76%	23.76%	PC
NATIXIS OAKMARK GLOBAL LARGE CAP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	Consolidated from 2007		N
PBW REAM	(23)	NL	9.30%	17.89%	EM	9.01%	17.33%	EM	14.47%	14.47%	EM
PERCIPIO CAPITAL MANAGEMENT LLC	-	FR	Sold		N	9.36%	10.40%	ME	Consolidated from 2007		N
REICH & TANG ASSET MANAGEMENT, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
REICH & TANG DISTRIBUTORS, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
REICH & TANG SERVICES, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
SEAPORT SENIOR HOUSING, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
SNYDER CAPITAL MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
SNYDER CAPITAL MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON TRUST COMPANY	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON VALUE OPPORTUNITIES FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
WESTPEAK GLOBAL ADVISORS, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
WESTPEAK INVESTMENT ADVISORS AUSTRALIA, LIMITED PTY.	-	AU	Liquidation		N	Liquidation		N	29.28%	29.28%	PC
WESTPEAK INVESTMENT ADVISORS, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
WESTPEAK SMALL CAP GROWTH FUND	-	US	Liquidation		N	30.85%	30.85%	PC	Consolidated from 2007		N
Receivables management											
AKCO FUND	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
AXA ASSURCREDIT	-	FR	Deconsolidated		N	Deconsolidated		N	13.78%	13.78%	PC
BUSINESS DATA INFORMATION	(23)	IL	28.62%	28.62%	PC	21.14%	21.14%	PC	20.98%	34.44%	PC
CENTRE D'ETUDES FINANCIÈRES	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
CERVED	(23)	IT	5.37%	5.37%	EM	5.20%	5.20%	EM	Consolidated from 2007		N
CESAR	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CIA DE SEGUROS DE CREDITOS CHILE SA	-	CL	Merged		N	Merged		N	29.06%	34.44%	PC
CIMCO SYSTEMS LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE ASSICURAZIONI SPA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE AUSTRIA HOLDING AG	(23)	AT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE BELGIUM SERVICES HOLDING	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE BULGARIA CMS	-	BG	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE CENTRALE EUROPE HOLDING	(23)	AT	26.83%	26.83%	PC	25.99%	25.99%	PC	25.83%	34.44%	PC
COFACE COLLECTION NORTH AMERICA	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE CREDIT MANAGEMENT NORTH AMERICA	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC

COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COFACE CROATIA CMS	-	CT	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE CZECH CMS	-	CZ	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE DANMARK SERVICES	-	DK	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE DEBITOREN	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE DEBT PURCHASE	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE DEUTSCHLAND	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE DO BRASIL SEGUROS DE CREDITO	(23)	BR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE EXPERT	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
COFACE FACTORING ESPANA	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE FACTORING ITALIA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE FINANZ	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE FINANS A/S DANMARK	(23)	DE	26.83%	26.83%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE HOLDING AMERICA LATINA SA	(23)	MX	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HOLDING AUSTRIA	(23)	AT	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE HOLDING ISRAEL	(23)	IL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HOLDING SAS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE HUNGARY CMS	-	HU	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE ITALIA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE KREDIT	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NEDERLAND SERVICES B.V.	(23)	NL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NORTH AMERICA HOLDING COMPANIE	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NORTH AMERICA INSURANCE COMPANIE	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NORTH AMERICA INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE POLAND CMS	-	PL	35.78%	35.78%	PC	Deconsolidated		N	25.83%	34.44%	PC
COFACE RECEIVABLE FINANCES	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE ROMANIA CMS	-	RO	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE SA	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICE POLOGNE	-	PL	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICE SPA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES AUSTRIA	(23)	AT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES BELGIUM	-	BR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES BRESIL	-	BR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICES COLOMBIA LTDA	-	CO	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICES ECUADOR SA	-	EC	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COFACE SERVICES NORTH AMERICA INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES PERU SA	-	PE	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICES VENEZUELA C.A	-	VE	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS ARGENTINA SA	-	AG	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS CHILE SA	-	CL	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS COSTA RICA SA	-	CR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS ESPANA SL	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICIOS MEXICO SA	-	MX	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS PANAMA SA	-	PA	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS Portugal	(23)	PA	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SLOVAKIA CMS	-	SQ	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE SLOVENIA CMS	-	SI	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE SOUTH AFRICA	-	ZA	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SOUTH AFRICA SERVICES	-	ZA	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE UK HOLDING LTD	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE UK SERVICES LTD	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICE SUISSE	-	CH	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACERATING.DE GMBH	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACERATING-HOLDING	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACREDIT	(23)	FR	35.78%	35.78%	PC	12.48%	12.48%	EM	12.40%	12.40%	EM
COFACTIONS 2	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFOBLIG	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFINPAR	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COGERI	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CREDICO LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
EIOS	-	FR	Deconsolidated		N	Deconsolidated		N	10.25%	10.25%	EM
FIMIPAR	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GCE AFFACTURAGE	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
GRAYDON HOLDING	(23)	NL	10.02%	10.02%	EM	9.53%	9.53%	EM	9.47%	9.47%	EM
KISSELBERG	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
KOMPASS BELGIQUE	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
KOMPASS JAPAN	-	JP	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS CZECH REPUBLIC A.S.	-	CZ	Deconsolidated		N	Deconsolidated		N	32.03%	32.03%	PC
KOMPASS FRANCE	-	FR	Merged		N	34.66%	34.66%	PC	Consolidated from 2007		N
KOMPASS HOLDING	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
KOMPASS INTERNATIONAL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
KOMPASS ISRAEL	-	IL	Deconsolidated		N	Deconsolidated		N	15.73%	34.44%	PC
KOMPASS POLAND	-	PL	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS SOUTH EAST ASIA LIMITED	-	SG	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS TURKEY	-	TR	Deconsolidated		N	Deconsolidated		N	24.08%	34.44%	PC
KOMPASS USA, INC.	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
LIBRAIRIE ELECTRONIQUE	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
MLS1	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FACTOR	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
OR INFORMATIQUE	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
ORCHID TELEMATICS LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
PLACEMENTS COFACTIONS 2	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
PLACEMENTS COFOBLIG	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
THE CREDITORS GROUP LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
THE CREDITORS GROUP HOLDING LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
THE CREDITORS INFORMATION CO LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
UNISTRAT COFACE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
VISCONTEA IMMOBILIARE	-	IT	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
VR FACTOREM GMBH	(23)	DE	8.94%	8.94%	EM	17.68%	17.68%	PC	17.57%	17.57%	PC
Services											
ABP ACTIONS	(23)	FR	35.06%	35.42%	PC	34.30%	34.66%	PC	34.08%	34.44%	PC
ABP CROISSANCE RENDEMENT	(23)	FR	35.42%	35.42%	PC	34.15%	34.66%	PC	33.94%	34.44%	PC
ABP MIDCAP	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
ABP MONÉTAIRE PLUS	-	FR	Liquidation		N	Liquidation		N	34.44%	34.44%	PC
ABP PRÉVOYANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
ABP TAUX	-	FR	Liquidation		N	Liquidation		N	34.44%	34.44%	PC
ABP VIE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
ADIR	(23)	LB	12.16%	12.16%	EM	11.78%	11.78%	EM	11.71%	11.71%	EM
ASM ALTERNATIF GARANTI 1	-	FR	Deconsolidated		N	Deconsolidated		N	34.10%	34.44%	PC
ASSURANCES BP IARD	(23)	FR	17.89%	17.89%	EM	17.30%	17.30%	EM	17.19%	17.22%	EM
BROOKE SECURITIES, Inc.	-	US	Merged		N	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS (USA) Inc.	(23)	US	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS BANK	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CACEIS BANK DEUTSCHLAND	(23)	DE	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS BANK LUXEMBOURG	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CACEIS CORPORATE TRUST	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CACEIS FASTNET	(23)	FR	16.82%	16.82%	PC	12.05%	12.05%	PC	12.05%	12.05%	PC
CACEIS FASTNET AMERICAN ADMINISTRATION	(23)	US	17.89%	17.89%	PC	12.05%	12.05%	PC	Consolidated from 2007		N
CACEIS FASTNET SUISSE	(23)	CH	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CACEIS SAS	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CEGI (Compagnie Européenne de Garanties et Cautions)	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CEGI COURTAGE	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
FASTNET Belgique	(23)	FR	9.30%	9.30%	PC	8.95%	8.95%	PC	17.22%	17.22%	PC
FASTNET HOUSE	-	FR	Sold		N	17.33%	17.33%	PC	17.22%	17.22%	PC
FASTNET IRLANDE	(23)	IR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
FASTNET LUXEMBOURG	(23)	LU	9.30%	9.30%	PC	8.95%	8.95%	PC	8.95%	8.95%	PC
FASTNET PAYS-BAS	(23)	NL	9.30%	9.30%	PC	8.95%	8.95%	PC	8.95%	8.95%	PC
FCP GCEC DIVERSIFIE	-	FR	Liquidation		N	8.95%	8.95%	PC	Consolidated from 2007		N
FONCIER ASSURANCE	(23)	FR	21.47%	21.47%	PC	20.80%	34.66%	PC	20.67%	20.67%	PC
FRUCTIFONCIER	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GESTITRES	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
INVESTOR SERVICES HOUSE	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
NATIXIS ASSURANCES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CONSUMER FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS CONSUMER FINANCE IT	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS FINANCEMENT	(23)	FR	23.97%	23.97%	PC	23.22%	34.66%	PC	23.08%	23.08%	PC
NATIXIS GARANTIES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS IMMO EXPLOITATION	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI ABP IENA	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
NATIXIS INTERÉPARGNE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INTERTITRES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.41%	34.44%	PC
NATIXIS INVESTOR SERVICING	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LIFE	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.25%	34.44%	PC
NATIXIS PAIEMENTS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SOCECA	-	FR	Deconsolidated		N	Deconsolidated		N	0.09%	0.09%	PC
NOVACRÉDIT	-	FR	Absorbed		N	Absorbed		N	22.73%	34.44%	PC
OLYMPIA CAPITAL ASSOCIATES, LP	-	US	Merged		N	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS BERMUDA LTD	(23)	BM	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS CAYMAN LTD	(23)	KY	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS CANADA LTD	(23)	CA	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
OLYMPIA CAPITAL INC.	-	US	Merged		N	17.33%	17.33%	PC	Consolidated from 2007		N
OLYMPIA IRELAND LTD	(23)	IE	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
PARTINVEST	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
SACCEF	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
OPCI NATIXIS LEASE INVESTMENT	(23)	FR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
SAS IMMOBILIÈRE NATIXIS BAIL	(23)	FR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
SCI ABP POMPE	-	FR	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI SACCEF IMMOBILIER	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI SACCEF LA BOÉTIE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI SACEF CHAMPS-ELYSÉES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SLIB	(23)	FR	23.97%	23.97%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SOCAMAB	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	20.66%	20.66%	PC
SOCECA	-	FR	Deconsolidated		N	Deconsolidated		N	8.60%	8.60%	EM
VITALIA VIE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
WINCHESTER FIDUCIARY SERVICES LTD	(23)	BM	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
WINCHESTER GLOBAL TRUST COMPANY LTD	(23)	BM	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
Retail banking[(d)]											
Banque Populaire banks											
BANQUE POPULAIRE DES ALPES	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE ALSACE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE ATLANTIQUE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE CENTRE ATLANTIQUE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE DE LA CÔTE D'AZUR	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE DE LOIRE ET LYONNAIS	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE LORRAINE CHAMPAGNE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE DU MASSIF CENTRAL	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE DU NORD	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE OCCITANE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE DE L'OUEST	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE PROVENCALE ET CORSE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE RIVES DE PARIS	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE DU SUD	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE DU SUD-OUEST	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
BANQUE POPULAIRE VAL DE FRANCE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
BRED – BANQUE POPULAIRE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CASDEN – BANQUE POPULAIRE	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CRÉDIT COOPÉRATIF	(2)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
Caisse d'Epargne											
CAISSE D'EPARGNE DES ALPES	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE D'ALSACE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE AQUITAINE-NORD	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE AQUITAINE POITOU CHARENTE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE NORMANDIE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DE BOURGOGNE ET FRANCHE-COMTÉ	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DE BRETAGNE	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE CENTRE VAL DE LOIRE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE CHAMPAGNE-ARDENNE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE CÔTE D'AZUR	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DE FLANDRE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DE HAUTE-NORMANDIE	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE ILE DE FRANCE-NORD	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE ILE DE FRANCE-OUEST	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE ILE DE FRANCE	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE LOIRE DROME ARDÈCHE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE LOIRE CENTRE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE DE LORRAINE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DE LORRAINE CHAMPAGNE ARDENNE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE DE MIDI-PYRENÉES	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE NORD FRANCE EUROPE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE DU PAS-DE-CALAIS	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DES PAYS DE L'ADOUR	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE BRETAGNE- PAYS DE LA LOIRE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DU PAYS DE L'HAINAUT	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DE PICARDIE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE POITOU-CHARENTES	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM

			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CAISSE D'EPARGNE PROVENCE-ALPES-CORSE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE RHÔNE-ALPES	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE RHÔNE-ALPES LYON	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DU VAL DE FRANCE ORLÉANAIS	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
Other activities											
CO ASSUR	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE ARGENTINA – branches	(23)	AG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE BELGIUM – branches	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE CANADA – branches	(23)	CL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE CHILE – branches	(23)	CL	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE CZECH INSURANCE – branches	(23)	CZ	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE DANMARK branches	(23)	DK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE FINANCES PAYS-BAS – branches	(23)	NL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HONG KONG branches	(23)	HK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HUNGARY – branches	(23)	HU	35.78%	35.78%	PC	34.66%	34.66%	PC	25.83%	34.44%	PC
COFACE IBERICA – branches	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE IRELAND – branches	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE JAPAN – branches	(23)	JP	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE LATVIA INSURANCE – branches	(23)	LV	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE NEDERLAND – branches	(23)	NL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE POLAND – branches	(23)	PL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE Portugal – branches	(23)	PT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE ROMANIA INSURANCE -branches	(23)	RO	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE SINGAPOUR – branches	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SLOVAKIA INSURANCE – branches	(23)	SK	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE SVERIGE – branches	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SWITZERLAND – branches	(23)	CH	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE UK – branches	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE ECUADOR – branches	(23)	EC	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE AUSTRALIE – branches	(23)	AU	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE TAIWAN – branches	(23)	TA	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE BULGARIA (Branch) – branches	(23)	GR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE FACTORING LITHUANIA – branches	(23)	LT	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COLLOMB MAGELLAN SCI – branches	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

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COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COMPAGNIE FONCIERE NATIXIS – branches	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
EDVAL C INVESTMENTS Ltd	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FONCIERE KUPKA	-	FR	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IFCIC	-	FR	Deconsolidated		N	Deconsolidated		N	7.03%	7.03%	EM
IMMOBILIÈRE NATEXIS	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS ESPAGNE – branches	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
KOMPASS Luxembourg – branches	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
LEID – branches	(23)	AU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS AMBS COMPANY LLC	-	US	Deconsolidated		N	-	34.66%	PC	-	34.44%	PC
NATEXIS BANQUES POPULAIRES INVEST	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS FUNDING USA LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SHANGHAI – branches	(23)	CN	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS SINGAPOUR – branches	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATINIUM FINANCIAL PRODUCTS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALTAÏR	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALTAÏR IT SHARE SERVICES	(23)	FR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS DUBAI – branches	(23)	AU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS FRANCFORT – branches	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS HONG KONG – branches	(23)	HK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS HO CHI MINH – branches	(23)	VN	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LABUAN – branches	(23)	MY	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LONDRES – branches	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS MADRID – branches	(23)	SP	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS MILAN – branches	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS NEW YORK – branches	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PANAMA – branches	(23)	PA	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NBP PREFERRED CAPITAL I, LLC	(23)	US	-	35.78%	PC	-	34.66%	PC	-	34.44%	PC
NBP PREFERRED CAPITAL II, LLC	(23)	US	-	35.78%	PC	100.00%	34.66%	PC	100.00%	34.44%	PC
NBP PREFERRED CAPITAL III, LLC	(23)	US	-	35.78%	PC	-	34.66%	PC	-	34.44%	PC
NATIXIS PARTICIPATIONS 1	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI ALTAÏR 1	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI ALTAÏR 2	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI VALMY COUPOLE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SEGEX	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC

COMPANY			BANQUE FÉDÉRALE DES BANQUES POPULAIRES GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
SA NATIXIS FONCIÈRE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
STÉ FINANCIÈRE BFCE	-	FR	Absorbed		N	Absorbed		N	Absorbed		N
WORLEDGE A INVESTMENTS Ltd EUR	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC

Comments

(a) Holding entities.

1. Equity interests held directly by Banque Fédérale des Banques Populaires.

2. Equity interests held via the Natixis subgroup.

(b) Country of operation:

AG: Argentina – AT: Austria – AU: Australia – BE: Belgium – BG: Bulgaria – BM: Bermuda – BR: Brazil – CA: Canada – CH: Switzerland – CL: Chile – CM: Cameroon – CN: China – CR: Costa Rica – CT: Croatia – CZ: Czech Republic – DE: Germany – DJ: Djibouti – DK: Denmark – DZ: Algeria – EC: Ecuador – GB: Great Britain – HK: Hong Kong – HU: Hungary – IE: Ireland – IL: Israel – IR: Islamic Republic of Iran – IT: Italy – JE: Jersey – JP: Japan – KY: Cayman Islands – LI: Liechtenstein – LU: Luxembourg – LT: Lithuania – MT: Malta – MY: Malaysia – MX: Mexico – NL: Netherlands – PA: Panama – PE: Peru – PL: Poland – PT: Portugal – RO: Romania – RU: Russia – SG: Singapore – SK: Slovakia – SL: Slovenia – SP: Spain – SQ: Slovakia – TA: Taiwan -TR: Turkey – US: United States -VA: Vanuatu – VE: Venezuela – VN: Vietnam – ZA: South Africa.

(c) Method of accounting.

FC: Full consolidation.

EM: Equity method.

PC: Proportional consolidation.

N: Not consolidated.

(d) Retail banking segment.

Caisses d'Epargne and Banques Populaires, as well as their direct subsidiaries (not enumerated in this list), are included in the scope of consolidation of Natixis via Natixis's holding of CCIs (Certificats Coopératifs d'Investissement) representing 20% of the equity of Caisses d'Epargne.

Note IV Notes to the balance sheet

IV.1 *Financial assets and liabilities at fair value through profit and loss*

These are securities held for trading purposes or designated as at fair value through profit and loss on initial recognition in accordance with IAS 39.

These assets and liabilities are measured at fair value on each reporting date and any changes in value, including accrued interest, are recognized through profit and loss on a separate line item entitled "gains or losses on financial instruments at fair value through profit and loss".

No impairment is recognized against financial assets at fair value through profit and loss, as the counterparty risk is incorporated in their market value.

Securities held for trading purposes

Securities held for trading purposes are those acquired principally for the purpose of selling them in the near term and those forming part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" and adopted by the European Union on October 15, 2008, a non-derivative financial asset recorded as an instrument held for trading purposes can be reclassified after acquisition:

- under "Loans and advances" following a change in management intention associated with the ability to hold the instrument for the foreseeable future or until maturity, and subject to the category's eligibility criteria;
- under "Available-for-sale assets" or "Held-to-maturity financial assets" following a change in intention or in rare circumstances, subject to the eligibility criteria of the category concerned.

The asset is reclassified in the amount of its fair value on the reclassification date, which constitutes its initial cost in the new category, and is then valued according to the rules applicable to the new category.

Instruments designated as at fair value through profit and loss

The June 2005 fair value option amendment to IAS 39 "Financial Instruments: Recognition and Measurement", endorsed by the European Union on November 15, 2005, sets out the conditions for designating assets and liabilities at fair value. On initial recognition, this amendment allows financial assets and liabilities to be designated as at fair value through profit and loss in the following cases:

- the fair value option designation eliminates or significantly reduces an accounting mismatch;
- a group of financial assets, financial liabilities, or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- financial instruments made up of one or more embedded derivatives need to be extracted and recognized separately.

The classification of financial assets and liabilities designated as at fair value through profit and loss in these three cases is set out in notes IV.1.2.3 (financial assets) and IV.1.3.2 (financial liabilities).

IV.1.1 Fair value: general information

The fair value of a financial asset or liability at fair value through profit and loss is the amount that can be obtained in an arm's length transaction between knowledgeable, willing parties.

At inception, fair value is the price paid or received. On subsequent reporting dates, fair value is the quoted price if the instrument is quoted on an active market. If there is no active market for the instrument, fair value is established using a valuation technique based on observable data resulting from recent arm's length market transactions, discounted cash flow analysis or option pricing models.

Values may be adjusted to take account of liquidity or counterparty risk, and modeling risk in the case of hybrid instruments. In the case of hybrid instruments sold, if fair value is based on a valuation technique using observable market data, any gain reflecting the difference between the transaction price and fair value as determined is recognized through profit and loss at inception. If observable market data are not available, fair value is based on the transaction price, not the fair value arising from the valuation technique. The gain is then deferred and recognized through profit and loss over the life of the instrument.

IV.1.1.1 Instruments listed on an active market

These are listed securities and derivatives, such as futures and options, that are traded on organized and identifiably liquid markets. All transactions performed by Natixis in listed markets fall into this category.

A non-liquid market is characterized by:

- the total absence of transactions over a minimum period;
- the absence of contributors in the market;
- the existence of isolated transactions showing excessively low volumes or sharply differing prices;
- sales that can be regarded as forced sales;
- a wide price range.

Proof of a forced sale requires more than the following:

- unusually low trading volume;
- the absence of transactions during a short period;
- a negative view of the market requiring the use of the valuation technique.

The lack of liquidity for a financial instrument does not mean that liquidity does not exist for other instruments.

A switch to the valuation technique for an instrument previously measured at listed price is only justified if a forced sale can be proved.

IV.1.1.2 Over-the-counter instruments valued using recognized models and observable data

Standard instruments

The majority of over-the-counter derivatives, such as swaps, forward rate agreements, caps, floors and plain vanilla options, are traded in an active market, i.e. a liquid market with regular trading.

Valuations are determined using widely accepted models (discounted future cash flows, Black and Scholes model, interpolation techniques) and directly observable market data, documented as such.

Complex instruments

Certain hybrid and/or long-maturity financial instruments are valued using a recognized internal model based on observable market data such as yield curves, implied volatility ranges for options and information arising from market consensus or from active over-the-counter markets.

The observability of the market data used has been demonstrated. In terms of methodology, data must meet the following four conditions to be considered as observable:

- they are derived from external sources (via a recognized contributor if possible);
- they are updated periodically;
- they are based on recent transactions;
- their characteristics are identical to those of the transaction concerned. If necessary, a proxy may be used, provided its appropriateness is demonstrated and documented.

IV.1.1.3 Over-the-counter instruments valued using unrecognized models or non-observable data

Under IAS 39, a profit may only be recognized after initial recognition if it is generated by a change in a factor that market participants would consider in setting a price, i.e. only if the model and the data used to obtain the valuation are observable.

If the valuation model is not recognized or the data used are not observable, the trading profit generated at inception may not be recognized immediately in profit or loss. It is taken to profit or loss over the life of the transaction, or until the date on which the parameters become observable. Any trading loss generated at inception is immediately recognized in the income statement.

At December 31, 2008, instruments for which trading profit/loss at inception was deferred consisted mainly of:

- structured products with multiple underlyings (equities and indexes);
- options on funds;
- hybrid interest-rate or inflation-linked products;
- interest-rate futures and forwards;
- securitization swaps;
- structured credit products (CDS, CDO, FTD);
- interest-rate options;
- plain-vanilla options on equities and indexes;
- carbon derivatives.

The profit generated on these instruments at inception is deferred and taken to profit and loss over the life of the transaction, or until the date on which the missing parameter becomes observable.

IV.1.2 Financial assets at fair value through profit and loss

in € millions	Notes	**12/31/2008**	12/31/2007	12/31/2006
Securities held for trading[1]		**30,260**	**34,746**	**34,648**
Securities		30,260	34,746	34,648
Fixed income		*24,089*	*27,558*	*27,656*
Variable income [2]	IV.1.2.1	*6,171*	*7,188*	*6,992*
Pledged assets		0	0	0
Loans and advances relating to trading operations		**1,122**	**2,750**	**689**
Derivative financial instruments held for trading		**66,686**	**25,024**	**18,566**
Trading securities		66,686	25,024	18,566
Other		0	0	0
Securities designated as at fair value	IV.1.2.2	**19,838**	**9,349**	**3,793**
Securities		15,991	7,465	3,786
Fixed income		*11,954*	*5,877*	*2,467*
Variable income [1]	IV.1.2.1	*4,037*	*1,588*	*1,319*
Pledged assets		3,847	1,885	7
Loans and advances designated as at fair value	IV.1.2.2	**580**	**694**	**3,322**
Loans and advances to banks		223	161	230
Loans and advances to customers		357	532	3,092
TOTAL		**118,486**	**72,562**	**61,018**

(1) Changes in the "securities held for trading" item between December 31, 2007 and December 31, 2008 are mainly the result of:
- reclassifications of debt instruments to the "Loans and advances" item on October 1, 2008, as part of the amendment to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" adopted by the European Union on October 15, 2008 (see note IV.6);
- changes in the way in which financial instruments were valued in 2008.
(2) Including mutual fund units reclassified as variable-income securities from 2008.

IV.1.2.1 Variable-income securities at fair value through profit and loss

The breakdown of variable-income securities with quoted market prices or measured using another method (unlisted securities measured using price/earnings ratio or discounted cash flow methods) is as follows:

	12/31/2008		
	Quoted		
in € millions	**Market price**	**Other methods**	**Total**
Securities held for trading	5,476	694	6,171
Securities designated as at fair value	2,056	1,981	4,037
TOTAL	**7,532**	**2,676**	**10,208**

IV.1.2.2 Loans and advances designated as at fair value and credit risk

Purchases of credit derivatives hedging exposure to credit risk on loans and advances are stated in the amount of their fair value recognized on the balance sheet. Changes in fair value are calculated over the period and on a cumulative basis since initial recognition of the loan or advance.

	Exposure to credit risk	
in € millions	**12/31/2008**	**12/31/2007**
Loans and advances to banks	223	161
Loans and advances to customers	357	532
TOTAL	**580**	**694**

IV.1.2.3 Conditions for designating financial assets as at fair value

	12/31/2008				12/31/2007			
in € millions	Carrying value	Accounting mismatch[(1)]	Management on a fair value basis[(2)]	Existence of an embedded derivative[(3)]	Carrying value	Accounting mismatch[(1)]	Management on a fair value basis[(2)]	Existence of an embedded derivative[(3)]
Loans and advances designated as at fair value	**580**	**37**	**543**	**0**	**694**	**253**	**441**	**0**
Loans and advances to banks	223	37	186	0	161	161	0	0
Loans and advances to customers	357	0	357	0	532	92	441	0
Securities designated as at fair value	**19,838**	**5,929**	**13,618**	**291**	**9,349**	**4,627**	**4,195**	**528**
Fixed-income securities	11,954	3,632	8,088	234	5,877	4,204	1,393	280
Variable-income securities	4,037	2,297	1,683	58	1,588	423	917	248
Other assets	3,847	0	3,847	0	1,885	0	1,885	0
TOTAL	**20,418**	**5,966**	**14,161**	**291**	**10,043**	**4,880**	**4,635**	**528**

(1) *Carrying value of instruments designated as at fair value through profit and loss due to an accounting mismatch with a related instrument.*
(2) *Carrying value of instruments designated as at fair value through profit and loss and included in a portfolio of assets managed and measured at fair value through profit and loss.*
(3) *Carrying value of hybrid instruments designated as at fair value through profit and loss due to the presence of significant and separable embedded derivatives.*

IV.1.3 Financial liabilities at fair value through profit and loss

At December 31, 2008, the Banque Fédérale des Banques Populaires Group's financial liabilities at fair value through profit and loss comprised primarily derivative financial instruments not designated as hedges and liabilities arising from short-selling of financial assets (securities).

The amendment to IAS 39 "Financial Instruments: Recognition and Measurement", endorsed by the European Commission on November 15, 2005, permits the designation of financial liabilities as at fair value through profit or loss. The Group has elected to use this option retrospectively as of January 1, 2005 and has redesignated certain interest-rate instruments index-linked to different types of component (equities for personal savings plans and structured medium-term notes) as at fair value through profit and loss. These financial liabilities are measured at fair value on the balance-sheet date, and recorded on the balance sheet under "Financial liabilities at fair value through profit and loss". Changes in fair value (including issuer spreads) are included in income for the period on a separate line item entitled "gains or losses on financial instruments at fair value through profit and loss" for Natixis.

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Securities held for trading		**8,891**	**11,578**	**9,799**
Securities		8,891	11,578	9,700
Fixed-income securities		*8,891*	*11,568*	*9,691*
Variable-income securities		*0*	*10*	*9*
Pledged securities		0	0	99
Derivative financial instruments held for trading		**66,122**	**24,416**	**19,033**
Securities designated as at fair value	IV.1.3.2	**29,675**	**19,360**	**17,006**
Securities		27,425	18,188	17,006
Fixed-income securities		*27,425*	*18,188*	*17,006*
Variable-income securities		*0*	*0*	*0*
Pledged securities		2,250	1,171	0
Other liabilities at fair value through profit and loss		**1,942**	**2,123**	**190**
Trading		495	658	64
Designated as at fair value	IV.1.3.2	1,447	1,465	126
TOTAL		**106,632**	**57,478**	**46,027**

IV.1.3.1 Financial liabilities designated as at fair value and credit risk

The carrying value of financial liabilities at fair value through profit and loss corresponds to the fair value of instruments on the balance sheet.

For borrowings, the amount contractually due at maturity represents the remaining capital outstanding plus interest not yet due. For debt securities, redemption value is used.

	12/31/2008			12/31/2007		
in € millions	Carrying value	Amount contractually due at maturity	Difference	Carrying value	Amount contractually due at maturity	Difference
Due to banks	404	402	2	135	135	0
Due to customers	1,044	1,186	(141)	1,331	1,331	0
Debt securities in issue	27,401	27,656	(255)	18,155	18,169	(14)
Subordinated debt	24	36	(12)	34	34	0
Other (including repos)	2,250	2,252	(2)	1,171	1,171	0
TOTAL	**31,123**	**31,532**	**(408)**	**20,826**	**20,840**	**(14)**

The cumulative amount of changes attributable to own credit risk recognized at end-December 2008 totaled -€238 million, relating to “Debt securities in issue”.

IV.1.3.2 Conditions for designating financial liabilities as at fair value

in € millions	12/31/2008 Carrying value	Accounting mismatch(1)	Management on a fair value basis(2)	Existence of an embedded derivative(3)	12/31/2007 Carrying value	Accounting mismatch(1)	Management on a fair value basis(2)	Existence of an embedded derivative(3)
Designated as at fair value	**1,448**	**1,120**	**337**	**0**	**1,466**	**1,466**	**0**	**0**
Due to banks	404	95	317	0	135	135	0	0
Due to customers	1,044	1,025	20	0	1,331	1,331	0	0
Fixed-income securities	**29,675**	**14,896**	**14,747**	**24**	**19,360**	**17,290**	**1,294**	**775**
Debt securities in issue	27,401	14,896	12,505	0	18,155	17,290	123	742
Subordinated debt	24	0	0	24	34	0	0	34
Other (including repos)	2,250	0	2,242	0	1,171	0	1,171	0
TOTAL	**31,123**	**16,016**	**15,084**	**24**	**20,826**	**18,757**	**1,294**	**775**

(1) Carrying value of instruments designated as at fair value through profit and loss due to an accounting mismatch with a related instrument.
(2) Carrying value of instruments designated as at fair value through profit and loss and included in a portfolio of assets managed and measured at fair value through profit and loss.
(3) Carrying value of hybrid instruments designated as at fair value through profit and loss due to the presence of significant and separable embedded derivatives.

IV.1.4 Derivative financial instruments held for trading

Derivatives held for trading are recognized on the balance sheet under "Financial assets at fair value through profit and loss" when their market value is positive, and under "Financial liabilities at fair value through profit and loss" when their market value is negative.

After initial recognition, they are revalued at fair value, and changes are taken to income under "Net gains or losses on financial instruments at fair value through profit or loss". The revaluation takes into account accrued interest on these instruments on the same line item.

If a hybrid instrument (host contract and derivative) is not measured at fair value through profit and loss, the embedded derivative is separated from the host contract and recognized as an asset or liability at fair value through profit and loss if it meets the definition of a derivative and its financial characteristics and associated risks are not closely related to those of the host contract.

in € millions	12/31/2008 Notional amount	Asset	Liability	12/31/2007 Notional amount	Asset	Liability	12/31/2006 Asset	Liability
Futures and forwards	**1,861,482**	**42,247**	**44,617**	**1,692,558**	**17,870**	**18,698**	**13,949**	**14,816**
Interest-rate	1,797,716	36,099	37,249	1,617,207	14,517	14,489	12,845	13,226
Currency	4,246	0	0	9,366	20	15	100	126
Equity	1,186	20						
Other	58,334	6,129	7,368	65,984	3,332	4,194	1,004	1,464
Options	**916,616**	**5,529**	**4,147**	**996,009**	**3,918**	**3,263**	**3,886**	**3,542**
Interest-rate	507,576	899	1,038	610,613	596	665	879	1,016
Currency	59,603	1,077	1,167	57,182	354	361	729	609
Equity	30,203	2,357	1,686					
Other	319,235	1,196	255	328,214	2,968	2,238	2,278	1,917
Credit derivatives	**302,710**	**18,909**	**17,358**	**281,881**	**3,236**	**2,454**	**730**	**674**
TOTAL	**3,080,808**	**66,686**	**66,122**	**2,970,448**	**25,024**	**24,416**	**18,566**	**19,033**

IV.2 *Hedging instruments – assets and liabilities*

IAS 39 defines a derivative as a financial instrument that has all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or other variable (the "underlying");
- it requires little or no initial net investment;
- it is settled at a future date.

IAS 39 defines three types of hedging relationship:

- cash-flow hedges;
- fair-value hedges;
- hedges of net investments in a foreign operation. This type of hedging is not used by the Group.

Hedging derivatives are those that meet the conditions set by IAS 39 from the start of the hedge relationship and throughout its duration, and particularly that relating to formally documented existence of an effective hedge relationship between the derivative instruments and the hedged items, on both a prospective and retrospective basis. In this respect, hedging relationships are presumed to be effective when the ratio of actual changes in the value of the hedging instrument and the hedged item is between 80% and 125%.

IV.2.1 Cash-flow hedges

Cash-flow hedges are used to hedge exposure to changes in interest rates on variable rate assets and liabilities and future fixed-rate transactions. The Banque Fédérale des Banques Populaires Group principally uses cash-flow hedges for macro-hedging purposes (hedging portfolios of loans or borrowings). The hedging instruments are recognized in the balance sheet at their fair value and any changes are recognized directly in equity for the effective portion of the hedge under the line item "unrealized or deferred gains or losses". They are released to profit or loss under net banking income symmetrically with gains or losses on the hedged items. The hedged item is measured in line with the rules for measuring the asset class to which it belongs.

Transactions classified as macro-hedges in the separate financial statements have been treated under IFRS as cash-flow hedges, which corresponds exactly to the method of managing interest rate risk used by the Banque Populaire banks.

Portfolios of assets or liabilities that may be hedged are, for each maturity band:

- assets and liabilities exposed to variability in cash flows (variable-rate loans and borrowings) due to the fact that future interest rate levels are not known in advance);
- highly probable forecast transactions whose future cash flows are not known today, i.e. exposure to variability in cash flows on future fixed-rate loans as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to variability in cash flows on future refinancing in the market.

Under IAS 39, hedges of an overall net position of fixed rate assets and fixed rate liabilities with similar maturities do not qualify for hedge accounting. However, almost the same effect can be achieved by designating a percentage of one or more portfolios of variable interest rate instruments as the hedged item.

The effectiveness of a hedge is assessed by creating a "hypothetical" derivative for each maturity band and comparing changes in its fair value since inception with those of the derivatives to be documented as hedges.

The characteristics of this derivative are based on those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical derivative with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various reporting dates.

On each reporting date, changes in the mark-to-market value of hedging instruments, excluding accrued interest, are compared with those of hypothetical derivative instruments (synthetic instruments representing assets and liabilities to be hedged and the management intention). The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative gain or loss recognized in equity is recycled immediately to profit or loss.

If the hedging relationship is discontinued but the hedged item is still held, the fair value of the derivative, excluding accrued interest, on the date the relationship was discontinued is deferred over the life of the hedged item. After discontinuation of the hedging relationship, changes in the fair value of the former hedging instrument are recognized immediately in profit or loss.

	12/31/2008			12/31/2007			12/31/2006	
in € millions	Notional amount	Asset	Liability	Notional amount	Asset	Liability	Asset	Liability
Futures and forwards	**3,156**	**40**	**13**	**26,726**	**91**	**51**	**59**	**50**
Interest-rate	3,156	40	13	25,581	91	51	59	50
Currency	0	0	0	1,144	0	0	0	0
Equity	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Options	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**
Interest-rate	0	0	0	1	0	0	0	0
Currency	0	0	0	0	0	0	0	0
Equity	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Credit derivatives	**0**	**0**	**0**	**0**	**0**	**0**	**7**	**0**
TOTAL	**3,157**	**40**	**13**	**26,726**	**91**	**51**	**67**	**50**

IV.2.2 Fair-value hedges

Fair-value hedges are used by the Group principally for micro-hedging purposes to hedge fixed-rate assets and liabilities. Changes in fair value of the hedging instrument are recognized in profit or loss under the line item "gains or losses on financial instruments at fair value through profit and loss". Accrued interest on the derivatives is recognized as interest income or expense. The hedged item is accounted for symmetrically with the hedging instrument. Hedged items otherwise measured using the effective interest rate method are still measured on an accruals basis and the gain or loss excluding accrued interest is recognized in profit or loss under the line item "gains or losses on financial instruments at fair value through profit or loss".

The Natixis Capital Markets North America subsidiary documents the overall hedging of its interest-rate risk using the fair-value hedging method. For the accounting treatment of these transactions, the entity applies IAS 39 as adopted by the European Union (i.e. the carve-out version of IAS 39). The accounting treatment of derivative financial instruments deemed to be overall fair-value hedges for accounting purposes is similar to that of fair-value hedging derivatives. Changes in fair value of portfolios of hedged items are recorded in a separate line item, "Interest rate hedging reserve", on the balance sheet, with a balancing entry in the income statement.

The prospective test is deemed effective if the financial characteristics of the hedged item and the hedging instrument are almost identical (value date, expiry date, notional amount, fixed rate, payment frequency).

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various reporting dates.

On each reporting date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical assets and liabilities (synthetic instruments representing assets and liabilities to be hedged at the risk-free rate). The ratio of their respective changes should be between 80% and 125%.

The net impact on the income statement is therefore limited to the ineffective portion of the hedge.

Accrued interest relating to these instruments is recorded under "interest and similar income" or "interest and similar expense".

When a hedging relationship is interrupted, the hedging derivative is reclassified in instruments at fair value through profit and loss, and the unrealized gain/loss on the hedged item on the date the hedging relation was terminated is fixed and taken to income over the item's remaining life.

1 2 3 4 5 6 7 8 9 10 11

	12/31/2008			12/31/2007			12/31/2006	
in € millions	Notional amount	Asset	Liability	Notional amount	Asset	Liability	Asset	Liability
Futures and forwards	**128,976**	**225**	**85**	**97,159**	**200**	**1,199**	**201**	**103**
Interest-rate	125,607	195	85	95,677	149	536	168	98
Currency	2,898	30	0	957	51	4	42	5
Equity	0	0	0	0	0	0	0	0
Other	471	0	0	525	0	659	(8)	0
Options	**21**	**0**	**0**	**0**	**0**	**0**	**16**	**(11)**
Interest-rate	0	0	0	0	0	(0)	0	0
Currency	0	0	0	0	0	0	0	0
Equity	0	0	0	0	0	0	0	0
Other	21	0	0	0	0	0	15	(11)
Credit derivatives	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
TOTAL	**128,997**	**226**	**85**	**97,159**	**200**	**1,200**	**217**	**92**

IV.2.3 Assessing hedge effectiveness

The effectiveness of a hedge is assessed at inception of the hedging relationship and through its life, both prospectively and retrospectively, at least half-yearly. The retrospective test consists of checking that the change in the hedging derivative's value is between 80% and 125% of the change in the hedged item's value. The prospective test is not necessarily quantitative, and relates to the remaining life of the hedge.

To document the effectiveness of fair-value hedge relationship, a synthetic asset (or liability) must be defined to neutralize the effect of unhedged market value components (credit margin and liquidity). The effectiveness test takes into account changes in value in the synthetic asset (or liability) relative to the change in value of the hedging derivative.

IV.2.4 Credit derivatives

Credit derivatives are not considered to be financial guarantees. Accordingly, credit default swaps are classified as derivatives governed by the provisions of IAS 39. Credit-linked notes are hybrid instruments containing a host contract and embedded derivative.

The embedded derivative is measured in the same way as a simple derivative. If there is no quoted price, embedded derivatives are measured using an internal model.

IV.2.5 Internal contracts

Given the structure of the Banque Populaire Group, many of the hedging instruments used by the Banque Populaire banks are contracted with Natixis. To ensure that these contracts qualify as hedges on a consolidated level, Natixis ensures daily that the transactions are turned around correctly in the market in terms of notional amount and sensitivity, on an index-by-index and currency-by-currency basis and for each maturity band. This rule applies to plain-vanilla futures, forwards and options.

IV.3 *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and advances, held-to maturity investments or financial assets at fair value through profit and loss under IAS 39. In the case of the Banque Fédérale des Banques Populaires Group, they mainly comprise fixed-income securities or variable income securities (equities).

A financial asset recognized as AFS may be reclassified after being purchased:

- under "Held-to-maturity financial assets", subject to the eligibility criteria of that category;
- under "Loans and advances" if it is no longer tradable in an active market and if the management intention changes in relation to the ability to hold the instrument for the foreseeable future or until maturity, and subject to the category's eligibility criteria.

The asset is reclassified in the amount of its fair value on the reclassification date, which constitutes its initial cost in the new category, and it is then valued according to the rules applicable to the new category. Reserves available for release to profit and loss are fixed on the reclassification date, and release to profit and loss is carried out gradually over the asset's remaining life using the effective interest method, or in full in the event that the instrument is impaired or sold after reclassification.

AFS securities are recorded on the balance sheet on the settlement date.

Available-for-sale financial assets are measured at fair value. Discounts are not recognized at inception, as the purchase price is presumed to be the market price. Fair value is determined on the basis set out in note IV.1.

Fair value at initial recognition is the purchase price plus directly attributable transaction costs (brokerage, commissions paid to stockbrokers, stock exchange tax) and accrued interest. As the transaction costs on these securities are not material, they are recognized immediately as an expense.

On subsequent reporting dates, available-for-sale financial assets are remeasured at fair value and any changes are recognized in equity, other than interest and amortization of premiums/discounts on fixed-income securities, which are recognized through profit or loss.

In the case of variable income securities, the entire change in fair value is recognized in equity.

Fair value for listed securities is their market price on the reporting date (bid price). Fair value for unlisted securities is determined using price/earnings or discounted cash flow models.

Where there is objective evidence that such an asset has suffered impairment and where a decrease in the asset's fair value has previously been recognized directly in equity, the cumulative loss is extracted from equity and taken to income under "impairment charges and other credit provisions" in the case of fixed-income securities and under "net banking income" in the case of variable-income securities.

Objective evidence of impairment is detected through a multi-criteria analysis that involves expert judgment, particularly for debt instruments.

Evidence of impairment consists of the following:

- for debt instruments: failure to make an interest or principal payment; existence of arbitration, alert or compulsory administration proceedings, bankruptcy of the counterparty and any other indicator showing a significant deterioration in the counterparty's financial position, such as the demonstration of eventual losses through the use of a calculation method that projects and discounts recoverable cash flows and the result of stress tests;
- for equity instruments (excluding equity interests): securities showing unrealized losses for more than 6 months and unrealized losses of more than 30% at period-end, or the existence of other evidence showing that the entity may not recover some or all of its initial investment;
- for equity interests: unrealized loss of more than 20% over a period of more than 18 months, or significant changes in technological, market, economic or legal conditions that have an adverse effect on the issuer, indicating that the amount of the investment in equity instruments may not be recovered;
- for units in venture capital funds, evidence of impairment suggesting that the initial investment will not be recovered cannot be assessed by looking at net asset value alone. During the investment phase, net asset value is reduced by initial costs (structuring costs, brokerage fees, etc.).

As a result, for this type of structure, which is not listed on an active market, the following impairment principles are applied:

- if, at each closing date, the fund's earnings and position are in line with the business plan, there are grounds to recognize impairment on these securities;
- if they are not, the business plan must be reassessed to determine whether or not there are grounds to recognize impairment.

If, in a subsequent period, the fair value of an instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, reversals of impairment losses:

- on equity instruments are not taken to income, but to equity;
- on debt instruments are taken to income to the extent of the previously recognized impairment.

In accordance with IFRIC 10, impairment on equity instruments recognized at quarterly closing dates (IFRS financial statement publication dates) are fixed in income and cannot be released before the securities are sold.

Once an impairment loss has been recognized in respect of an equity instrument, all additional impairment losses are recognized in profit or loss. Impairment losses are reversed in equity.

Unrealized losses on fixed-income securities are carried in provisions for impairment of securities (under "impairment charges and other credit provisions" on the income statement), since this provision can be reversed in income (under "impairment charges and other credit provisions") if the value of the security increases at a later date, to the extent of the impairment previously recognized.

Available-for-sale financial assets that are part of an interest rate hedging relationship are measured at fair value and any changes attributable to the hedged risk recognized in profit or loss. This does not affect the actuarial deferral of the premium or discount, or the recognition of interest in the case of fixed-income securities.

in € millions	12/31/2008	12/31/2007	12/31/2006
Outstanding loans	**22**	**19**	**25**
Loans and advances	22	19	25
Accrued interest	0	0	0
Other	0	0	0
Securities	**13,488**	**14,260**	**13,375**
Fixed-income securities[(1)]	9,495	11,508	11,001
Variable-income securities	3,770	2,681	2,288
Accrued interest	223	72	85
TOTAL BEFORE IMPAIRMENT	**13,511**	**14,280**	**13,399**
Impairment	**(828)**	**(161)**	**(103)**
Loans and advances	0	0	0
Fixed-income securities	(45)	(58)	(7)
Variable-income securities[(2)]	(783)	(103)	(96)
TOTAL	**12,683**	**14,118**	**13,297**

(1) The decrease in fixed-income securities between December 31, 2007 and December 31, 2008 is mainly due to reclassifications of securities into the "Loans and advances" category on October 1, 2008 pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" adopted by the European Union on October 15, 2008 (see note IV.6).

(2) Impairment on variable-income securities in 2008 included €440 million of other-than-temporary impairment on shares in CIFG, which was deconsolidated in 2008 (see note III.1.1.2).

IV.4 Loans and advances to banks and customers

IV.4.1 General rules

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

All the regional banks' loans and advances to customers are classified as loans and advances, including portfolios of loans acquired. All loans and advances to banks are classified as loans and advances. Most loans granted by Natixis are classified in this category.

At initial recognition, loans are measured at their fair value, which is the nominal amount of the loan less any discount and transaction income plus transaction costs.

If a loan is granted at a below-market interest rate, a discount equal to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market rate is deducted from the nominal value of the loan. Market rate is the rate practiced by the large majority of banks in the market place at a given time for instruments and counterparties with similar characteristics. Amounts recognized by the Banque Fédérale des Banques Populaires Group as discounts are not material.

After initial recognition, loans and advances are measured at amortized cost using the effective interest method.

Internal costs included in the effective interest rate comprise variable costs directly incurred in granting the loans. The Banque Fédérale des Banques Populaires Group has adopted a restrictive position whereby only the performance-related component of account managers' salary directly contingent upon granting loans is included in the effective interest rate. No other internal costs are included.

External costs principally comprise fees and commissions paid to outside business introducers.

Transaction income is income directly attributable to the origination of new loans and principally comprises set-up fees charged to customers, rebilled costs and commitment fees (if it is more probable than improbable that the loan will be drawn down). Fees received in respect of financing commitments that will not give rise to a drawdown are deferred on a straight-line basis over the term of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a pro rata basis with no recalculation of the effective interest rate. For variable- or adjustable-rate loans, the effective interest rate is recalculated at each repricing date. Changes in future cash inflows or outflows are accounted for using the "catch-up" method, which involves maintaining the original effective interest rate at inception of the contract and recognizing immediately in profit or loss the difference between the carrying amount and the value obtained using discounted cash flow.

The fair value of loans and advances to banks and customers is determined on the basis of discounted future cash flows. The discount rate used is the market rate on the reporting date. If there is a quoted price that meets the criteria of IAS 39, the quoted price is used.

The fair value of loans with an initial term of less than one year is deemed to be their carrying amount.

"Loans and advances" also include assets initially recorded in the "Instruments at fair value through profit and loss" or "Available-for-sale assets" categories and which have been reclassified under "Loans and advances" in accordance with the amendment to IAS 39 and IFRS 7 relating to reclassifications of assets, published on 13 October 2008. Instruments reclassified in this category complied with the definition of "Loans and advances" on the reclassification date. In particular, this means that they were not listed on an active market on the reclassification date and they could not be held with the objective of selling them on in the near future.

These instruments are reclassified at their fair value on the reclassification date. The difference between that amount and the estimated recoverable cash flows on the reclassification date is taken to profit or loss (in the net banking income item) over the expected life of the instrument, through the effective interest rate calculated on the reclassification date. After that date, assets are measured at amortized cost using the effective interest method and, at each reporting date, undergo impairment tests that may result in impairment charges to income, presented on the income statement under "Impairment charges and other credit provisions".

In the event that estimates of future cash inflows are revised upwards, the effect of the increase is recognized as an adjustment of the effective interest rate on the date the estimate is changed.

Reserves available for release relating to instruments classified from "Available-for-sale financial assets" to "Loans and advances" are fixed on the reclassification date. Reserves available for release to profit and loss are released to profit and loss is carried out gradually over the asset's remaining life using the effective interest method, or in full in the event that the instrument is impaired or sold after reclassification.

IV.4.2 Impairment of loans and advances

IAS 39 defines the method of recognizing and measuring impairment losses.

A loan or receivable is deemed to be impaired if the following two conditions are met:

- there is objective evidence of impairment on an individual or collective basis: as a result of one or more events that occurred after the initial recognition of the asset (a "loss event");
- these events generate incurred losses on the amount of the future estimated cash flows of loans, that can be reliably estimated.

The impairment loss is equal to the difference between amortized cost and the recoverable amount, i.e. is the net present value of future cash flows estimated to be recoverable taking account of any available collateral, discounted at the original effective interest rate. For short-term assets with a maturity of less than one year, future cash flows are not discounted and impairment losses are assessed on an overall basis with no distinction between interest and principal.

Movements in impairment losses are recognized in profit or loss under the line item "impairment charges and other credit provisions".

IAS standards distinguish between two types of impairment:

- specific impairment;
- collective impairment.

Specific impairment

Specific impairment is calculated on a loan-by-loan basis according to a schedule of future cash flows, and determined according to historical loss experience for the category of loan concerned. Guarantees reduce the amount of the impairment, and when a loan is fully guaranteed, no impairment charges are recognized.

Collective impairment

If there is no objective evidence of impairment for an individually assessed financial asset, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment in accordance with IAS 39.

The method used by the Group is largely based on the internal ratings system implemented as part of the Basel II reform, cross-applied to three portfolios (personal/small business/corporate) and three risk types (pre-default/performing in default/industry). The breakdown by portfolio is based on the segmentation recommended under Basel II and performing loans are grouped into portfolios with similar risk characteristics.

For collective assessment purposes, assets have been divided into two risk groups:

- loans classified in the two highest risk rating categories with a high probability of default: these loans, which are identified in the management systems by a special rating, present objective evidence of deterioration, mostly in the form of payment arrears. Most of these loans are for small amounts and the impairment charge is based on future expected loss rates calculated using the Basel II ratio models;
- industry and country exposure determined according to a combination of quantitative and qualitative criteria: objective evidence of impairment is based on in-depth analysis and monitoring of business sectors and countries. Objective evidence of impairment typically arises from a combination of micro or macroeconomic factors specific to the industry or country.

When a group of financial assets is found to be impaired, the impairment charge is calculated on the basis of expected losses, as required by the Basel II accord.

The Banque Populaire Group uses its experienced judgment to adapt the results of this model to its real perceived risk.

Impairment is recognized on the asset side of the balance sheet as an adjustment to the original entry relating to the impaired asset, which is recorded on the balance sheet at its net value. Additions to and releases from impairment reserves are taken to profit or loss under impairment charges and other credit provisions.

The accounting and prudential rules for performing loans have become similar, with only one exception relating to restructured debts that, by their nature, are initially in default in prudential terms but may remain performing in accounting terms.

IV.4.3 Loans and advances to banks

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
PERFORMING LOANS				
Performing loans	IV.4.2.1	60,574	52,928	51,134
Collective impairment		(16)	(17)	(20)
NET		**60,558**	**52,911**	**51,113**
LOANS IN DEFAULT				
Loans in default		258	13	14
Specific impairment		(155)	(8)	(9)
NET(1)		**103**	**5**	**5**
TOTAL(2)		**60,660**	**52,917**	**51,118**

(1) Reserves accounted for 60% of total non-performing loans at December 31, 2008 against 58% at December 31, 2007.
(2) At December 31, 2008, the fair value of loans and advances to banks, determined in accordance with note IV.4, was €60,737 million.

IV.4.3.1 Performing loans and advances to banks

Performing loans and advances to banks mostly comprise repurchase agreements.

Under IFRS, repurchase agreements are treated in the same way as in the separate financial statements, except that securities sold must be identified by the vendor as the counterparty has the option to sell them on again or keep them as collateral.

The purchaser recognizes the nominal value of the receivable under "loans and advances". The amount disbursed in respect of the asset is recognized under "securities bought under repurchase agreements".

in € millions	12/31/2008	12/31/2007	12/31/2006
Finance leases	0	0	0
Loans and advances	35,870	21,026	17,150
Customer overdrafts	12,634	6,744	5,112
Unlisted fixed-income securities	713	1,362	266
Pledged assets	10,860	23,237	28,247
Other	5	11	9
Accrued interest	493	548	350
TOTAL	**60,574**	**52,928**	**51,134**

IV.4.4 Loans and advances to customers

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
PERFORMING LOANS				
Performing loans	IV.4.3.1	44,979	40,503	33,001
Collective impairment		(349)	(280)	(215)
Specific impairment		0	(12)	(13)
NET		**44,630**	**40,211**	**32,773**
LOANS IN DEFAULT				
Loans in default		979	469	505
Specific impairment		(677)	(307)	(319)
NET(1)		**302**	**161**	**186**
TOTAL(2)		**44,932**	**40,373**	**32,959**

(1) *Reserves, excluding collective reserves covering performing loans, accounted for 69% of total loans in default at December 31, 2008, unchanged relative to December 31, 2007.*
(2) *At December 31, 2008, the fair value of performing loans and advances to customers, determined in accordance with note IV.4, was €46,569 million.*

IV.4.4.1 Performing loans and advances to customers

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Finance leases	IV.4.4.2.1	2,668	2,357	2,232
Other loans and advances	IV.4.4.3	26,986	21,961	18,009
Customer overdrafts		3,244	3,177	2,395
Unlisted fixed-income securities(1)		5,057	1,330	1,256
Reverse repos		4,450	9,370	7,347
Factoring		2,329	2,090	1,600
Other		28	14	9
Accrued interest		217	204	153
TOTAL(2)		**44,979**	**40,503**	**33,001**

(1) *The change in the "Unlisted fixed-income securities" item between December 31, 2007 and December 31, 2008 includes reclassifications of securities carried out on October 1, 2008 pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" adopted by the European Union on October 15, 2008 (see note IV.6).*
(2) *At December 31, 2008, the fair value of performing loans and advances to customers, determined in accordance with note IV.4, was €46,617 million.*

IV.4.4.2 Finance leases

Leases are classified as finance leases when substantially all the risks and rewards incidental to legal ownership are transferred by the lessor. Otherwise they are classified as operating leases.

IAS 17 gives five examples ofRémunérations des dirigeants sociaux situations that lead to a lease being classified as a finance lease:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term covers the major part of the asset's economic life;
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

IAS 17 also describes three indicators that may also lead to a lease being classified as a finance lease:

- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from the change in residual fair value accrue to the lessee;
- the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than the market rent.

At the inception of the contract, the lease finance receivable is recorded on the lessor's balance sheet in an amount equal to the net investment in the lease, which corresponds to the minimum payments receivable from the lessee discounted at the interest rate implicit in the lease plus any unguaranteed residual value accruing to the lessor.

IAS 17 requires unguaranteed residual values to be reviewed on a regular basis. At December 31, 2008, the unguaranteed residual value accruing to the lessor amounted to 50 million. If there is a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised (recalculation of a new payment table). Any reduction in respect of amounts accrued is recognized immediately in profit or loss and any reduction in respect of future amounts is recognized by revising the interest rate implicit in the lease.

Impairment charges for finance leases are determined using the same method as that described for loans and advances.

Finance income corresponding to interest is recognized in the income statement under "interest income" based on a pattern reflecting a constant period rate of return on the net investment in the finance lease, using the interest rate implicit in the lease. The rate of return implicit in the lease is the discount rate that makes the following two items equal:

- the aggregate present value of minimum lease payments receivable by the lessor, plus the unguaranteed residual value;
- and is equal to the initial value of the asset (i.e. fair value at the inception of the lease, plus any direct initial costs comprising expenses incurred specifically by the lessor to set up the lease.

IV.4.4.2.1 Finance lease outstandings

	12/31/2008			12/31/2007			12/31/2006
in € millions	Real estate	Equipment	Total	Real estate	Equipment	Total	Total
Finance lease outstandings	**1,271**	**1,397**	**2,668**	**1,338**	**1,019**	**2,357**	**2,232**
Net outstandings in default[1]	**5**	**8**	**14**	**18**	**11**	**29**	**34**
Outstandings in default	20	28	48	26	18	44	51
Impairment	(15)	(20)	(35)	(8)	(7)	(15)	(17)
TOTAL	**1,276**	**1,405**	**2,681**	**1,356**	**1,031**	**2,387**	**2,266**

(1) *Impairment losses covered 73% of finance leases in default at December 31, 2008.*

IV.4.4.2.2 Residual maturity of finance leases at 12/31/2008

	Residual maturity				
in € millions	Under 1 year	1 to 5 years	Over 5 years	Not allocated	Total
FINANCE LEASES					
Gross investment	621	1,841	692	0	3,155
Net present value of minimum lease payments	516	1,566	602	0	2,683
Unearned finance income	////////	////////	////////	471	471
Contingent lease payments recognized	////////	////////	////////	0	0
OPERATING LEASES					
Minimum lease payments receivable under non-cancellable contracts	20	83	94	0	197
Contingent lease payments recognized	////////	////////	////////	0	0

IV.4.4.3 Other loans and advances to customers

Other loans and advances to customers amounted to €27 billion against €22 billion at December 31, 2007.

in € millions	**12/31/2008**	12/31/2007	12/31/2006
Commercial loans	227	211	234
Export credits	780	664	593
Cash loans and consumer credit	12,949	11,441	9,287
Equipment loans	2,708	1,721	1,395
Home purchase loans	1,451	270	169
Other	8,871	7,654	6,331
TOTAL	**26,986**	**21,961**	**18,009**

IV.5 Held-to-maturity financial assets

These are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Banque Fédérale des Banques Populaires Group has the positive intention and ability to hold to maturity, other than those that are designated as at fair value through profit and loss, those designated as available for sale and those that meet the definition of loans and advances.

At initial recognition, i.e. on the settlement date, they are measured at fair value including transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method. They are tested for impairment on each reporting date and where necessary an impairment loss is recognized through profit and loss under the line item "impairment charges and other credit provisions". Transactions hedging securities in this category against interest-rate risk are not authorized under IFRSs. In the case of the Banque Fédérale des Banques Populaires Group, this category is only used for fixed-income securities representing insurance company investments.

in € millions	**12/31/2008**	12/31/2007	12/31/2006
BONDS			
Cost	2,195	2,156	2,330
Impairment	0	0	0
BONDS, NET	**2,195**	**2,156**	**2,330**
OTHER			
Cost	54	41	41
Impairment	0	0	0
OTHER, NET	**54**	**41**	**41**
TOTAL	**2,249**	**2,198**	**2,371**

At December 31, 2008, the fair value of held-to-maturity securities, determined in accordance with note IV.4, was €2,278 million.

IV.6 Reclassifications of financial assets (amendments to IAS 39 and IFRS 7 on October 15, 2008)

Pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets", adopted by the European Union on 15 October 2008, the Group reclassified certain instruments, mainly debt instruments, on October 1, 2008 from the "Instruments at fair value through profit and loss – held for trading purposes" and "Available-for-sale assets" categories to the "Loans and advances" category. No reclassification was made to the "Held-to-maturity assets" category.

Assets were reclassified at their fair value on the reclassification date, which was also their initial cost in their new category.

Instruments reclassified into the "Loans and advances" category are instruments that the Group now intends to hold for the foreseeable future or until maturity, and which comply with the definition of instruments eligible for that category on the reclassification date. They consist of instruments on which payments are fixed, and that are no longer listed on an active market.

		2008			
in € millions	To	Carrying value on reclassification date	Available for sale	Loans and advances	Held-to-maturity assets
From					
Held-for-trading assets		3,153	0	3,153	0
Available-for-sale		989	0	989	0
TOTAL		**4,142**	**0**	**4,142**	**0**

The Group's reclassifications were confined to the Natixis sub-group, and took place on October 1, 2008. On that date:

- expected cash flows totaled €4.4 billion;
- the average effective interest rate on those instruments was 5.4%;
- the change in value of these instruments that were recorded on the balance sheet prior to their reclassification was as follows on October 1, 2008:

CHANGE IN FAIR VALUE ON OCTOBER 1, 2008 *(in € millions)*

Asset		**Liability**	
Original category		**Impact on shareholders' equity (excluding deferred tax)**	
Held-for-trading assets	(233)	Income statement impact	(268)
Available-for-sale	(131)	Unrealised gains	(96)
	(365)		**(365)**

If the Group had not reclassified these instruments, changes in the fair value of the instruments reclassified as "Loans and advances" would have had the following impact on the Group's shareholders' equity in the fourth quarter of 2008:

Change in fair value of instruments reclassified as loans and advances			(136)
Fair value of reclassified instruments on December 31, 2008		3,995	
Carrying value		4,131	
Impact on shareholders' equity in the fourth quarter			(136)
Changes in fair value that would have been recognized in the income statement:		(76)	
of which impairment that would have been recognized in the income statement on assets previously classified as AFS	(43)		
Changes in fair value that would have been recognized in shareholders' equity available for release to profit and loss:		(60)	

Gains and losses on assets reclassified as "Loans and advances" by the Group after October 1, 2008, taken to profit and loss after their reclassification, were as follows: +€1 million taken to net banking income and -€26 million taken to impairment charges and other credit provisions.

IV.7 *Deferred income tax assets and liabilities*

Deferred taxes arise on temporary differences existing in the separate financial statements between the carrying value and the tax basis of assets and liabilities carried on the balance sheet or resulting from specific consolidation adjustments. They are calculated using the liability method based on future applicable tax rates.

The net deferred income tax balance recognized in the balance sheet as either deferred income tax assets or liabilities, arises principally from the following sources:

in € millions	**12/31/2008**	**12/31/2007**	**12/31/2006**
MAIN SOURCES OF DEFERRED INCOME TAXES[1]			
Flow-through entities	(54)	(49)	(62)
Leasing reserve	(57)	(31)	(122)
Elimination of equalization reserve	(128)	(140)	(118)
Financial instruments at fair value through equity	435	(203)	(244)
Other financial instruments at fair value	(275)	(302)	(108)
Provisions for employee benefits	178	123	110
Provisions for regulated savings plans	(2)	0	0
Other non-deductible provisions[2]	776	772	320
Ordinary and evergreen tax loss carryforwards	2,602	205	63
Amortized cost of loans	45	28	24
Unrealized gains on mutual funds	(1)	20	44
Employee profit-sharing	3	3	10
Zero interest-rate loans	1	0	0
CCI dividends: Banque Populaire and Caisse d'Epargne banks	(70)	(73)	0
Impairment of CIFG shares	441	690	0
Allocation of FONCIA goodwill[3]	(465)	0	0
Revaluation of non-current assets	(74)		
Own credit risk on liabilities[4]	(238)	0	0
Other temporary differences	(11)	(28)	9
TOTAL SOURCES OF DEFERRED INCOME TAXES, GROSS	**3,108**	**1,015**	**(73)**
Unrecognized sources of deferred tax assets[5]	(1,395)	(92)	(73)
TOTAL SOURCES OF DEFERRED INCOME TAXES, NET	**1,713**	**923**	**(146)**
Recognized deferred tax assets			
Deferred taxes at standard rate	576	400	(11)
Deferred taxes – social security	1	8	(3)
Deferred taxes at reduced rate	0	1	(2)
TOTAL RECOGNIZED DEFERRED TAXES	**577**	**409**	**(17)**
o/w deferred,tax,assets	*991*	*523*	*169*
deferred tax liabilities	*(414)*	*(114)*	*(186)*

(1) *Positive amounts correspond to sources of deferred tax assets and negative amounts to sources of deferred tax liabilities.*
(2) *Including collective impairment and the impact of discounting specific impairment charges.*
(3) *In 2008, the Group allocated part of the goodwill on FONCIA to amortizable assets in an amount of €465 million (see note IV.11). These amortizable assets generated deferred tax assets.*
(4) *Own credit risk represents income corresponding to the issuer spread on issues recognized at fair value, and generates deferred tax assets.*
(5) *Sources of deferred tax, which are limited for prudential purposes, increased sharply in 2008 because of the crisis. Losses widened in France and abroad, mainly in the US and UK (see note V.11.2).*

IV.8 *Other assets and liabilities*

Other assets and liabilities correspond to technical accounts, details of which are given below:

ASSETS

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Sundry assets	IV.8.1.1	9,320	5,895	4,464
Accrued income and prepaid expenses	IV.8.2.1	2,706	5,374	2,057
Accrued income and prepaid expenses – insurance companies	IV.8.3.1	721	555	421
TOTAL		**12,746**	**11,825**	**6,942**

LIABILITIES

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Sundry liabilities	IV.8.1.2	16,310	7,727	4,607
Deferred income and accrued charges	IV.8.2.2	1,928	2,525	1,758
Deferred income and accrued charges – insurance companies	IV.8.3.2	163	101	135
TOTAL		**18,400**	**10,353**	**6,501**

IV.8.1 Sundry assets and liabilities

IV.8.1.1 Sundry assets

in € millions	12/31/2008	12/31/2007	12/31/2006
Securities settlement accounts	0	7	0
Real estate development	0	0	0
Other assets	257	306	184
Other receivables	9,042	5,528	4,246
Accrued interest	21	55	34
TOTAL	**9,320**	**5,895**	**4,464**

IV.8.1.2 Sundry liabilities

in € millions	12/31/2008	12/31/2007	12/31/2006
Amounts due on securities	9,119	1,742	615
Sundry payables	5,462	5,945	3,917
Securities settlement accounts	521	0	3
Other	1,207	39	65
Accrued interest payable	0	1	7
TOTAL	**16,310**	**7,727**	**4,607**

IV.8.2 Accruals and prepayments

IV.8.2.1 Accrued income and prepaid expenses

in € millions	12/31/2008	12/31/2007	12/31/2006
Collection accounts	60	123	158
Adjustment accounts	4	291	89
Prepaid expenses	51	49	69
Accrued income	321	325	847
Deferred charges	1	0	0
Other	2,269	4,587	893
TOTAL	**2,706**	**5,374**	**2,057**

IV.8.2.2 Deferred income and accrued charges

in € millions	12/31/2008	12/31/2007	12/31/2006
Collection accounts	155	177	123
Adjustment accounts	382	201	105
Deferred income	133	116	93
Accrued expenses	555	390	366
Day-one profit(1)	65	71	87
Other	637	1,571	985
TOTAL	**1,928**	**2,525**	**1,758**

(1) Day-one profit relates exclusively to the Natixis sub-group. Changes in day-one profit, which is calculated on the basis of non-observable parameters, were as follows in 2007 and 2008:

in € millions	12/31/2008	12/31/2007
Day-one profit at the start of the period	71	87
Day-one profit on new transactions	19	23
Released to income during the year(1)	(27)	(27)
Other changes	2	(12)
DAY-ONE PROFIT AT THE END OF THE PERIOD	**65**	**71**

(1) Day-one profit relates exclusively to the Natixis sub-group. Changes in day-one profit, which is calculated on the basis of non-observable parameters, were as follows in 2007 and 2008:

The sensitivity of day-one profit depends on the amortization profile of the transactions. The income-statement impact of shortening the period over which day-one profit is recognized was as follows at December 31, 2008:

INCOME-STATEMENT IMPACT AT 12/31/2008

in € millions	Equities	Fixed-income
1-year reduction	2.1	1.8
5-year reduction	23.5	17.1
10-year reduction	26.9	25.8

IV.8.3 Accruals and prepayments – insurance companies

IV.8.3.1 Accrued income and prepaid expenses – insurance companies

in € millions	12/31/2008	12/31/2007	12/31/2006
Reinsurers' share of technical reserves	152	102	98
Insurance receivables	104	138	186
Reinsurance receivables	20	47	40
Accrued premium income	61	220	52
Deferred acquisition costs	53	39	36
Deferred participation liability	331	10	10
TOTAL	**721**	**555**	**421**

IV.8.3.2 Deferred income and accrued charges – insurance companies

in € millions	12/31/2008	12/31/2007	12/31/2006
Insurance liabilities	97	55	95
Reinsurance liabilities	37	40	33
Cash deposits received from reinsurers	28	4	5
Other liabilities	1	1	2
TOTAL	**163**	**101**	**135**

IV.9 Investments in associates

Holdings in equity affiliates mainly consist of holdings in the Caisse d'Epargne banks, which are 20%-owned by Natixis through its ownership of cooperative certificates of investment. Applying the Group's ownership percentage of Natixis, its stake in these banks is 7%.

in € millions	12/31/2008	12/31/2007
Financial institutions	**3,675**	**3,522**
• Caisse d'Epargne (cooperative certificates of investment)	1,695	1,684
of which goodwill	*106*	*104*
• Banque Populaire banks (cooperative certificates of investment)	1,644	1,551
of which goodwill	*282*	*281*
• Volksbank International AG	309	267
of which goodwill	*20*	*20*
• Other	26	22
Non-financial companies	**26**	**38**
TOTAL	**3,701**	**3,560**

IV.10 *Investment real estate*

IAS 40 defines investment real estate as real estate held to generate rental income, or for capital appreciation, or both.

As is the case for property, plant and equipment *(see note IV.10)*, investment real estate is recognized as an asset when it meets the following conditions:

- it is probable that future economic benefits associated with the asset will flow to the enterprise;
- the cost of the asset can be measured reliably.

Investment real estate is measured in the same way as property, plant and equipment (cost less accumulated depreciation and impairment losses) by all Group entities except the Natixis Assurance subgroup, which measures its investment properties at fair value with changes in fair value recognized through profit and loss. Fair value is calculated using a multi-criteria approach, by capitalizing rent at market interest rates and through comparisons with the transaction market.

In accordance with Article R332-20-1 of the Code des Assurances, valuations are carried out every five years by an independent valuer accredited by ACAM *(Autorité de Contrôle des Assurances et des Mutuelles)*. Between valuations, the market value of buildings is certified by valuers every six months.

Investment real estate leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset. Gains or losses on disposal of investment real estate are recognized in profit or loss under the line item "net income or expenses on other activities".

	12/31/2008			12/31/2007			12/31/2006
in € millions	Cost	Depreciation and impairment	Net (2)	Cost	Depreciation and impairment	Net	Net
INVESTMENT REAL ESTATE							
Fair value(1)	187	////////	187	204	////////	204	205
Cost	295	(115)	180	251	(108)	143	193
TOTAL	**482**	**(115)**	**367**	**454**	**(108)**	**346**	**398**

(1) Insurance company investments. Changes in fair value give rise to the symmetrical recognition of a deferred participation reserve equal, on average, to 92% of the base concerned.
(2) The fair value of investment real estate is obtained by capitalizing the rental income at the market yield:

	12/31/2008	
in € millions	Net	Fair value
Operating leases	173	309
Finance leases – TUP *	3	4
Other	4	4
TOTAL	**180**	**317**

* *TUP: Temporarily unlet properties.*

IV.11 *Property, plant and equipment and intangible assets*

This item includes owner-occupied property, equipment owned and used in the business, equipment acquired under operating leases, property acquired under finance leases and assets temporarily unlet under finance leases, and interests in non-trading real estate companies (SCIs).

In accordance with IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognized as assets only if they meet the following conditions:

- it is probable that future economic benefits associated with the asset will flow to the enterprise;
- the cost of the asset can be measured reliably.

In accordance with IFRS 1, the Group elected not to measure these assets at fair value in the 2004 opening balance sheet. They were maintained at cost, which is defined as the purchase price plus directly attributable transaction expenses (transfer duties, fees, commissions and registration expenses). Borrowing costs are not capitalized.

Software developed in-house is included in assets under "intangible assets" at their direct development cost. This cost includes spending on hardware and services, along with the cost of staff directly involved in the production and preparation of the software with a view to using it. Spending during the development phase is capitalized if the project meets the criteria set by IAS 38: technical feasibility, intention to complete the intangible asset and use or sell it, probability of future economic benefits, availability of resources and the ability to measure reliably development expenditure. Expenses incurred during the research phase are recognized as expenses when they are incurred.

A specific depreciation schedule is drawn up for each significant component of an item of property, plant and equipment which has a different useful life or rate of consumption of future economic benefits than the item as a whole. Useful life is not necessarily the same as the depreciation period for tax purposes, nor the asset's economic life. The following significant components and depreciation periods have been identified:

Components	**Depreciation period**
Land	N/A
Indestructible elevations	N/A
Walls, roofing, weatherproofing	20 – 40 years
Foundations, frameworks	30 – 60 years
External rendering	10 – 20 years
Equipment and installations	10 – 20 years
Internal fixtures and fittings	8 – 15 years

Other items of property, plant and equipment are depreciated over their estimated useful life, which ranges from five to ten years.

The depreciable amount of each component is cost less residual value. Residual value is the present value of the asset at the end of its estimated useful life. The Banque Fédérale des Banques Populaires Group does not believe it can reliably measure the residual value of items other than land and indestructible elevations.

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful lives, which may not exceed eight years in the case of software. Amortization begins as soon as the asset is ready for use. No residual value is assigned. Intangible assets with an indefinite useful life, including purchased goodwill, are not amortized but tested for impairment at least once a year. Leasehold rights are amortized on a straight-line basis over the residual term of the lease (with no extension) and tested for impairment by comparing the net present value of market rents and actual rents. The charge to depreciation or amortization is recognized in the income statement under the heading "depreciation, amortization and impairment of property, plant and equipment and intangible assets".

Non-current assets undergo an impairment test if objective evidence of impairment appears and at least once per year for intangible assets with finite useful lives. Checks are carried out to look for evidence of impairment at each balance sheet date. If evidence exists, the recoverable value of the isolated asset, or if it cannot be isolated that of the CGU to which it belongs, is estimated. Recoverable value is the higher of fair value less disposal costs and the value in use calculated as the present value of future cash flows. The recoverable amount is estimated on an asset-by-asset basis, but not allocated to components of an asset.

Impairment losses are recognized in the income statement under the heading "depreciation, amortization and impairment of property, plant and equipment and intangible assets". They may be reversed if conditions change (e.g. evidence of impairment no longer exists). Impairment losses are deducted from the depreciable or amortizable amount of the asset and therefore have an impact on the future depreciation or amortization schedule.

Gains or losses on the sale of property, plant and equipment or intangible assets are recognized in the income statement under the heading "gains or losses on other assets".

Assets held under finance leases (Group as lessee) are recognized in the consolidated balance sheet under property, plant and equipment if their amount is material. At inception of the lease, they are measured at the lower of fair value or the net present value of minimum future lease payments. Leased assets are depreciated over the same period as other assets in the same category. Assets leased under operating leases (Group as lessor) are recognized as assets on the balance sheet as property, plant and equipment.

IV.11.1 Property, plant and equipment and intangible assets

	12/31/2008			12/31/2007			12/31/2006
in € millions	Cost	Depreciation, amortization and impairment	Net	Cost	Depreciation, amortization and impairment	Net	Net
Property, plant and equipment	**997**	**(464)**	**534**	**780**	**(358)**	**423**	**316**
Assets held under finance leases	***42***	***0***	***42***	***43***	***(25)***	***18***	***19***
Buildings	42	0	42	43	(25)	18	19
Other	0	0	0	0	0	0	0
Owned assets	***955***	***(464)***	***492***	***738***	***(333)***	***405***	***297***
Shares in non-trading real estate companies	0	0	0	0	0	0	0
Land and buildings	565	(235)	330	426	(165)	261	201
Other	390	(228)	162	311	(168)	144	96
Intangible assets	**1,157**	**(239)**	**918**	**546**	**(187)**	**359**	**152**
Leasehold rights	12	(0)	12	15	(7)	8	9
Trade goodwill(1)	202	(7)	195	178	(6)	172	9
Software	302	(173)	129	248	(137)	110	90
Other	641	(59)	582	106	(37)	69	44
Assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Property, plant and equipment	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
TOTAL	**2,154**	**(702)**	**1,452**	**1,327**	**(545)**	**782**	**467**

(1) Including FONCIA contribution in 2007 and 2008.

IV.11.2 Movements in property, plant and equipment and intangible assets during the year

in € millions	Cost 12/31/2007	Increase	Decrease and other disposals	Change in scope(1)	Exchange differences	Other(2)	Cost 12/31/2008
Property, plant and equipment	**780**	**173**	**(23)**	**105**	**1**	**(40)**	**997**
Assets held under finance leases	***43***	***0***	***0***	***0***	***0***	***0***	***43***
Buildings	43	0	0	0	0	0	42
Other	0	0	0	0	0	0	0
Owned assets	***738***	***173***	***(23)***	***105***	***1***	***(40)***	***954***
Shares in non-trading real estate companies	0	0	0	0	0	0	0
Land and buildings	426	104	(16)	84	0	(32)	565
Other	311	69	(7)	21	1	(8)	387
Intangible assets	**546**	**108**	**(58)**	**9**	**4**	**549**	**1,157**
Leasehold rights	15	2	(0)	3	0	(8)	12
Trade goodwill	178	13	(3)	2	0	13	202
Software	248	57	(33)	0	1	29	302
Other(2)	106	37	(22)	3	2	515	641
TOTAL	**1,327**	**281**	**(81)**	**114**	**5**	**509**	**2,154**

(1) Movements arising from changes in scope relate mainly to the consolidation of Société Marseillaise de Crédit, which was acquired on July 2 from HSBC France.

(2) Other movements in intangible assets relate mainly to the identification of amortizable and non-amortizable intangible assets within the goodwill initially recognized by the Banque Fédérale des Banques Populaires Group when consolidating FONCIA. (see note IV.12.3.2):

	465
Building management	156
Rental management	219
FONCIA brand	90

IV.11.3 Seized collateral

Seized collateral totaled €10 million at December 31, 2008, and consisted of investment real estate.

IV.12 *Goodwill*

IV.12.1 Accounting treatment

Goodwill is the surplus of the cost of the business combination over the buyer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition.

Goodwill is maintained in the balance sheet at its historic value in the currency of origin and translated into euros at the year-end rate. Adjustments to goodwill are made within twelve months of the date of acquisition.

Negative goodwill is recognized immediately in the income statement under "Changes in value of goodwill".

Goodwill is not amortized but tested for impairment whenever there is objective evidence that its value may be impaired, using the discounted cash flow method.

IV.12.2 Cash generating units (CGUs)

For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). The Group's CGUs correspond to the segments defined for the purpose of segment reporting *(see note VIII):*

- "Corporate and investment banking and project finance", represented by Natixis and consisting of six core businesses: "corporate and investment banking", "Private Equity and Private Banking", "Services", "Receivables Management", "Asset Management" and "Guarantees". These core businesses represent six CGUs;
- "Federal and other activities", relating mainly to the activities of Banque Fédérale des Banques Populaires and its other directly owned subsidiaries apart from Natixis, mainly FONCIA, MA BANQUE, BICEC and, since being acquired from HSBC France, Société Marseillaise de Crédit. At December 31, 2008, goodwill in this segment related solely to FONCIA, which constitutes a separate CGU, and to Société Marseillaise de Crédit.

IV.12.3 Summary

At December 31, 2008, the total carrying value of goodwill was €3.7 billion. The main changes arose from:

- impairment of the "corporate and investment banking" CGU within the "Corporate and investment banking and project finance" segment;
- the acquisition of Société Marseillaise de Crédit from HSBC France on July 2, 2008 and the partial allocation of goodwill arising from the FONCIA acquisition to identified amortizable assets in other activities.

	12/31/2008		12/31/2007	
	Value *(in € millions)*	Weighting	Value *(in € millions)*	Weighting
Investment banking and project finance	1,796	48%	2,071	60%
Federal and other activities	1,918	52%	1,397	40%
TOTAL	**3,714**	**100%**	**3,469**	**100%**

IV.12.3.1 Investment banking and project finance

The change in goodwill in the "Corporate and investment banking and project finance" segment, consisting solely of the Natixis sub-group, arose mainly from the impairment of all goodwill relating to the "corporate and investment banking" CGU, i.e. €324 million *(see note IV.12.4, "Impairment testing").*

IV.12.3.2 Federal and other activities

Société Marseillaise de Crédit

On July 2, 2008, the Banque Populaire Group acquired seven regional banks from HSBC France. These banks carry out retail banking operations in client segments very similar to those of the Banque Populaire banks: Société Marseillaise de Crédit, Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy, de Parseval, Banque Pelletier and Crédit Commercial du Sud-Ouest.

Banque Fédérale des Banques Populaires owns 100% of Société Marseillaise de Crédit, which was consolidated from the second half of 2008. When the Group acquired Société Marseillaise de Crédit, it measured its assets, liabilities and contingent liabilities at their fair value. Given the value of its adjusted shareholders' equity and the purchase price for Banque Fédérale des Banques Populaires (€1,118 million), goodwill totaling **€797 million** was recorded on the consolidated balance sheet.

Banque Fédérale des Banques Populaires owns 49% of the other six regional banks acquired from HSBC, having undertaken to sell a 51% stake in them to the Banque Populaire banks in 2009. Given that these six regional banks were only temporarily wholly owned by Banque Fédérale des Banques Populaires at end-2008, they are not included in its scope of consolidation.

FONCIA

At December 31, 2007, goodwill on FONCIA totaled €1,398 million, including €1,116 million recorded by the Banque Fédérale des Banques Populaires Group on FONCIA and €281 million by FONCIA on its subsidiaries.

Taking into account acquisitions during the period, goodwill recorded by FONCIA on its subsidiaries increased by €28 million, taking total gross goodwill, before allocation, to €1,425 million at December 31, 2008.

In 2008, the Group allocated part of the goodwill recognized when FONCIA was first consolidated.

This allocation caused the Group to recognize:

- intangible assets by capitalizing building management and rental management contracts, which generate stable revenues. These assets correspond to future cash flows from contracts in force at the time of acquisition. They were measured using the discounted cash flow method and gave rise to a gross value, amortizable over 30 years, of €156 million for building management contracts and €219 million for rental management contracts;
- intangible assets relating to the FONCIA brand in a gross, non-amortizable amount of €90 million, measured on the basis of discounted cash flows generated by the brand;
- synergies with Retail Banking, measured in a gross, non-amortizable amount of €159 million through the discounting of future cash flows from those synergies.

All assets identified in this way, before deferred tax, amount to €624 million. The remaining goodwill on FONCIA falls to €961 million after the allocation.

Overall, goodwill allocated to FONCIA activities, to synergies with Retail Banking and to amortizable intangible assets amount to €1,425 million and break down as follows:

TOTAL GROSS GOODWILL BEFORE ALLOCATION				**1,425**
Residual goodwill on FONCIA activities			**961**	
• Group on FONCIA activities		651		
• FONCIA on subsidiaries		310		
Goodwill on synergies (FONCIA) with Retail Banking			**159**	
Intangible items (net of deferred tax)			**306**	
• Gross intangible items		466		
Building management assets	156			
Rental intangible items	220			
FONCIA brand	90			
• Deferred tax		(160)		

IV.12.4 Impairment testing

All goodwill is subject to impairment testing, based on the value in use of the cash-generating units (CGUs) to which it is allocated.

The impairment loss is equal to the difference between the carrying amount of a CGU (which includes a portion of goodwill) and its recoverable amount, defined as the higher of fair value and value in use.

If recoverable value is lower than carrying value, impairment is recorded in consolidated income for the period and charged first against the goodwill allocated to the CGU and then against the assets of the CGU proportional to their net carrying values. Impairment losses charged against goodwill are definitive.

At December 31, 2008, the measurement methods and assumptions used in these tests are as follows:

Corporate and investment banking and project finance

At December 31, 2008, and after the impairment of all goodwill on the Corporate and Investment Banking CGU, an impairment test was performed on residual goodwill.

This test, based on Natixis' latest business plan (December 2008), shows residual goodwill of €1bn.

Impairment tests were carried out using the discounted cash flow method.

Remaining goodwill was calculated for each CGU as follows:

- recoverable value was determined by discounting free cash flows arising from the business plan, using discount rates for each business area ranging between 9.7% and 10.3%;
- expenses not relating to business segments and allocated capital are deducted from recoverable value to obtain residual goodwill;
- the long-term growth rate used is 2%.

SUMMARY

in € millions

INVESTMENT BANKING AND PROJECT FINANCE		Net value of the CGU		Goodwill	Residual value of the CGU
		Natixis (100%)	Group share		
Cash generating units (CGUs)	**Discount rate**	*a*	*b = a x 35,78%*	*c*	*d = b - c*
Asset management	9,7%	3,522	1,260	1,225	35
Private equity and private banking	10,3%	1,145	410	32	378
Services	10,2%	1,523	545	290	255
Guarantees	10,3%	320	115	56	59
Receivables management	10,3%	1,377	493	185	308
Other*	-	26	9	9	0
TOTAL		**7,914**	**2,831**	**1,796**	**1,035**

* *Gross residual goodwill stated at carrying value.*

FONCIA

The Group performed an impairment test on the residual goodwill amount of €961 million in accordance with IAS 36, based on the latest strategic plan for 2009-2012, in line with the Group Strategic Plan.

Value in use is mainly determined by discounting the expected future cash flows from the CGU on the basis of the medium-term business plans drawn up by the Group for strategic planning purposes.

- Expected future cash flows for the next seven years are discounted: cash flows for the first three years are taken from the business plan, and those for the next four years are extrapolated on the basis of the business plan.
- The discount rate used is 8.83%. This rate corresponds to the weighted average cost of capital, which is the weighted average cost of equity and debt.
- The perpetual growth rate is 2.5%.

The test was performed in late 2008 and did not give rise to any impairment.

IV.12.5 Detailed analysis of goodwill

	12/31/2008						
in € millions	Opening balance	Acquisitions	Impairment	Allocation of goodwill	Other movements	Exchange differences	Closing balance
INVESTMENT BANKING AND PROJECT FINANCE	**2,071**	**8**	**(325)**	**(22)**	**43**	**20**	**1,796**
Corporate and investment banking	**324**	**0**	**(324)**	**0**	**0**	**0**	**0**
Natixis SA	294		(294)		0		0
Natexis Bleichroeder Inc.	10		(10)		(0)		0
Other subsidiaries	20		(20)		0		0
Private equity and private banking	**24**	**0**	**0**	**0**	**7**	**0**	**32**
Compagnie 1818	16				7		22
Natixis Private Equity	5				0		5
Natixis Investissement	3				0		3
Other subsidiaries	1				0		1
Asset management	**1,185**	**8**	**(1)**	**(1)**	**17**	**17**	**1,225**
Natixis Global Asset Management	1,185	8	(1)	(1)	16	17	1,225
Receivables management	**171**	**0**	**0**	**0**	**13**	**0**	**184**
Coface SA	82				3		85
Coface Services	30				2		32
Coface Krédit	29				1		30
kompass	13				0		13
Coface Collections North America, Inc.	5				0		5
Coface Austria Holding AG	2				0		2
Other subsidiaries	10				7		17
Services	**302**	**0**	**0**	**(21)**	**6**	**3**	**290**
CACEIS	206			(21)	5	3	192
Natixis Financement	48				0		49
Natexis Interépargne	11				0		11
ABP Vie	6				0		6
Natexis Assurances	25				2		27
Natexis Intertitres	2				0		2
Natixis Consumer Finance	1				0		1
Other subsidiaries	4				(2)		2
Guarantees	**56**	**0**	**0**	**0**	**0**	**0**	**56**
Natixis Garanties	56				0		56
Other	**9**	**0**	**0**	**0**	**0**	**0**	**9**
FEDERAL AND OTHER ACTIVITIES	**1,397**	**826**	**0**	**(306)**	**1**	**0**	**1,918**
Residential real-estate services	**1,397**	**29**	**0**	**(306)**	**(158)**	**0**	**962**
FONCIA SA	1,116			(306)	(159)		651
FONCIA SA subsidiaries	281	29			1		311
Retail banking		**797**	**0**	**0**	**159**	**0**	**956**
Société Marseillaise de Crédit		797					797
FONCIA/Retail Banking synergies					159		159
TOTAL	**3,469**	**834**	**(325)**	**(328)**	**44**	**20**	**3,714**

Comments on table IV.1.2.5

Due to anomalies in allocation, corrections have been made to the breakdown of goodwill by CGU at December 31, 2007, with no impact on total goodwill:

- *Corporate and investment banking: €324 million compared with €347 million at December 31, 2007*
- *Private equity and private banking: €24 million compared with €20 million at December 31, 2007*
- *Receivables management: €171 million compared with €175 million at December 31, 2007*
- *Services: €302 million compared with €341 million at December 31, 2007 (including Guarantees)*
- *Guarantees and other: respectively €56 million and €9 million compared with €0 million at December 31, 2007*
- *Asset management: €1,184 million compared with €1,186 million at December 31, 2007*

IV.13 *Deposits from banks and customer deposits*

Deposits from banks and customer deposits are presented by nature and divided into demand or time deposits. They are measured in accordance with IAS 39 as other financial liabilities using the amortized cost method and the effective interest rate method.

At initial recognition, these liabilities are measured at fair value, which corresponds to market rates for the Group. Accordingly, no discount or premium is recognized at inception. For liabilities with an initial maturity of more than one year, fair value includes transaction costs if they are material. After initial recognition, deposits are measured at amortized cost, which consists of reducing the liability by the amount of repayments. Accrued interest is recognized in profit or loss under the heading "interest expense" whether or not the liability is hedged.

The fair value of deposits from banks and customer deposits is calculated by discounting future cash outflows. The discount rate used is the market rate on the reporting date. If a quoted price is available that meets the criteria of IAS 39, the quoted price is used.

The fair value of liabilities with an initial maturity of less than one year and of variable-rate liabilities corresponds to the carrying amount.

IV.13.1 Deposits from banks

Deposits and borrowings from banks are deemed to pay interest at market rates. Accordingly, no discount is recognized. Repurchase agreements and pledged securities are accounted for in the same way as in the separate financial statements. Securities sold or pledged are not derecognized by the vendor or pledgor as the risks and rewards have not been transferred.

in € millions	**12/31/2008**	12/31/2007	12/31/2006
Current accounts in credit	**13,851**	**11,067**	**10,811**
Accounts and deposits	**30,505**	**28,280**	**25,030**
Demand	*1,567*	*2,566*	*3,111*
Time	*28,938*	*25,714*	*21,919*
Pledged securities	**160**	**1,019**	**394**
Demand	*0*	*0*	*7*
Time	*160*	*1,019*	*387*
Securities sold under repurchase agreements	**11,224**	**20,171**	**22,432**
Demand	*422*	*1,158*	*881*
Time	*10,801*	*19,013*	*21,551*
Other liabilities	**35**	**27**	**17**
Accrued interest payable	**324**	**504**	**413**
TOTAL	**56,098**	**61,068**	**59,098**

IV.13.2 Customer deposits

Customer deposits amounted to €25,382 million at December 31, 2008 against €22,056 million at December 31, 2007:

in € millions	12/31/2008	12/31/2007	12/31/2006
Current accounts in credit	**7,415**	**5,584**	**5,021**
Demand	*6,187*	*4,212*	*2,937*
Time	*1,228*	*1,373*	*2,083*
Accounts and deposits	**6,777**	**4,835**	**5,048**
Demand	*3,561*	*1,614*	*672*
Time	*3,216*	*3,221*	*4,376*
Pledged securities	**0**	**0**	**4**
Demand	*0*	*0*	*4*
Time	*0*	*0*	*0*
Repurchase agreements	**8,648**	**10,250**	**6,681**
Demand	*1,556*	*2,156*	*2,559*
Time	*7,092*	*8,094*	*4,121*
Special savings accounts	**1,335**	**363**	**302**
Factoring liabilities	**646**	**589**	**431**
Accrued interest payable	**69**	**80**	**45**
Other	**490**	**353**	**118**
TOTAL	**25,382**	**22,056**	**17,650**

IV.14 *Debt securities in issue*

Debt securities in issue (interest-bearing notes, interbank market instruments, etc.) are broken down by nature, apart from subordinated debt, which is recorded separately in a specific line item.

Debt securities are measured at fair value at inception, i.e. at their issue price less transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

No internal income or expenses are included in the effective interest rate. Transaction costs include external expenses where they are material. Debt securities are issued at market rates and no market discount is recognized.

Premiums and discounts representing the difference between the issue price and the redemption price are included in the calculation of the effective interest rate. The discount is deferred on an actuarial basis and released to income under net banking income. Accrued interest on debt securities is recognized in profit or loss and recorded in an accrued interest account in the balance sheet.

The fair value of variable-rate debt securities is equal to their carrying amount on the balance sheet. Fixed-rate debt securities are discounted using the rate available in the market on the reporting date for a liability with the same residual maturity.

in € millions	12/31/2008	12/31/2007	12/31/2006
Interbank market instruments	**0**	**1**	**2**
Money market instruments	**5,597**	**16,894**	**15,498**
MTNs	*1,036*	*1,175*	*3,901*
CDs	*4,561*	*15,719*	*11,597*
Bonds	**18,204**	**4,584**	**1,336**
Other debt securities	**2,154**	**1,251**	**2,410**
Accrued interest payable	**296**	**206**	**182**
TOTAL	**26,251**	**22,936**	**19,428**

At December 31, 2008, the fair value of debt securities in issue, determined in accordance with note IV.4, was €26,245 million.

IV.15 *Insurance companies' technical reserves*

Insurance companies cover their liabilities towards policyholders by building up technical reserves calculated on a statistical basis:

- **mathematical reserves** principally comprise:
  - unearned premium reserves which correspond to the proportion of premiums written during the year but relating to a subsequent financial period,
  - life insurance reserves which correspond to total premiums received, plus investment income distributed to policyholders, less benefits paid. They also include a reserve to cover future administration costs;
- **loss reserves for life insurance** correspond to the compensation due following a claim. For credit insurance, loss reserves also include an amount to cover the estimated total cost of reported claims not settled at the period end. A reserve is also recorded for claims incurred but not reported, determined by reference to claims experience in prior underwriting years;
- **deferred participation reserves** represent the share of investment income due to policyholders that has not yet been distributed. These reserves must be distributed within a period of eight years. Unrealized gains and losses on investments representing contracts with a discretionary participation feature are largely offset (about 92%) by the recognition of a deferred participation liability under the shadow accounting principle permitted by IFRS 4, as a proportion of these gains and losses will accrue to the policyholders through the return on their contract;
- **other technical reserves** comprise reserves for financial uncertainties and reserves for deferred acquisition costs.

in € millions	**12/31/2008**	**12/31/2007**	**12/31/2006**
Mathematical reserves	**11,081**	**10,687**	**9,548**
Life insurance business	*9,304*	*8,653*	*7,728*
Unit-linked business	*1,777*	*2,034*	*1,820*
Loss reserves	**465**	**446**	**339**
Other technical reserves(1)	**460**	**772**	**804**
TOTAL	**12,007**	**11,905**	**10,690**

(1) Other technical reserves include deferred participation reserves. They fell sharply in 2008 because of the substantial decline in equity markets and the widening in credit spreads on fixed-income instruments. Because of shadow accounting, these developments caused the recognition of deferred participation assets in 2008. Property and casualty insurance reserves were reclassified at the start of the period from mathematical reserves to other technical reserves, with an impact of €211 million after applying the proportionality rule.

IV.16 *Provisions and impairment charges*

IV.16.1 Summary

in € millions	12/31/2007	Increase	Utilization	Surplus released	Changes in scope[1]	Exchange differences and other[2]	12/31/2008
Impairment charges deducted from assets	***910***	***1,000***	***(24)***	***(209)***	***152***	***325***	***2,154***
Performing loans	297	195	0	(140)	9	5	367
Loans in default	315	457	(24)	(17)	117	45	892
Other	104	45	(0)	(11)	18	(88)	68
Other-than-temporary impairment on AFS securities	195	303	0	(41)	7	363	828
Provisions recognized as liabilities	***348***	***449***	***(112)***	***(44)***	***43***	***1***	***686***
Provisions	**264**	**431**	**(112)**	**(17)**	**41**	**1**	**608**
Counterparty risk	35	241	(3)	(12)	12	8	280
Impairment risk	8	6	(1)	(5)	1	13	21
Employee benefits	162	14	(34)	0	25	(0)	167
Operating risks	59	170	(73)	0	3	(19)	139
Provisions for current income tax	**84**	**19**	**0**	**(27)**	**3**	**0**	**79**
TOTAL	**1,258**	**1,450**	**(136)**	**(253)**	**195**	**325**	**2,841**
Impact on net income [3]				**(1,061)**			

(1) At December 31, 2008, the impact of changes in the scope of consolidation arose mainly from the integration of Société Marseillaise de Crédit, which was acquired on July 2, 2008.

(2) Other changes in impairment deducted from assets related mainly to €440 million of other-than-temporary impairment on shares in CIFG, recognized after CIFG was deconsolidated in 2008 (see note III.1.1.2), and a negative impact of €85 million from reclassifications arising from the application of the amendment to IAS 39 and IFRS 7 dated October 15, 2008 (see note IV.6).

(3) Impact of impairment and provisions on the income statement. Given the presentation of the financial statements, charges to and reversals of provisions may impact on each line item on the income statement. The table below shows the impact (excluding deferred tax) of movements in provisions on the main consolidated income statement item.

in € millions	Charges	Reversals	Net impact
Net banking income	**(383)**	**42**	**(341)**
Operating expenses	(89)	61	(28)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets	(23)	1	(22)
Gross operating income	**(494)**	**161**	**(331)**
Impairment charges and other credit provisions	(937)	258	(679)
Gains or losses on other assets	0	0	0
Income before income taxes	**(1,431)**	**362**	**(1,069)**
Income taxes	(19)	27	8
NET INCOME	**(1,451)**	**389**	**(1,061)**

IV.16.2 Provisions

A provision is a liability of uncertain timing or amount. A liability is a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits that can be reliably measured.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation on the reporting date. This amount is discounted where the effect is material.

Provisions are reviewed on each reporting date and adjusted if necessary to reflect the best estimate on that date.

Provisions are not recognized for future operating losses or major repairs. No contingent assets or liabilities have been recognized.

Restructuring provisions are recognized if the general criteria for recognizing provisions, set out above, are met and if the following conditions are satisfied:

- there is a formal, detailed restructuring plan setting out:

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- the activities concerned,
- the main sites affected,
- the roles and approximate number of staff who will be compensated with respect to their employment contract,
- the expenditure to be incurred, and
- the time at which the plan will be implemented;

- the plan and its terms have been revealed to the persons concerned;

Restructuring provisions only include expenditure directly related to restructuring. Restructuring provisions were recognized in Natixis' financial statements at December 31, 2008 with respect to:

- the employment adjustment plan adopted for Natixis SA employees in September 2008;
- the plan to transform the Corporate and Investment Banking business, adopted by the Supervisory Board on December 18, 2008.

In accordance with IAS 37, a provision is taken against a financing commitment if there is a risk that the counterparty might default during the commitment period. The provision covers the risk of future default, as the financing commitment is irrevocable.

Provision charges and reversals are recognized in the income statement on the line items corresponding to the nature of future expenditure.

in € millions	Notes	12/31/2007	Increase	Utilization	Surplus released	Changes in scope	Exchange differences and other	12/31/2008
Counterparty risk		**35**	**241**	**(3)**	**(12)**	**12**	**8**	**280**
Financing and guarantee commitments		8	70	(2)	(4)	1	2	76
Customer disputes		21	0	(1)	(4)	11	(3)	24
Other provisions		4	171	0	(4)	0	8	179
Impairment risk		**8**	**6**	**(1)**	**(5)**	**1**	**13**	**21**
Non-current financial assets		1	0	(1)	0	0	0	(0)
Real estate development		0	0	0	0	0	0	0
Other provisions		7	6	0	(5)	1	13	21
Employee benefits	VII.3	**162**	**14**	**(34)**	**0**	**25**	**0**	**167**
Operating risk		**59**	**170**	**(73)**	**0**	**3**	**(19)**	**139**
Restructuring		5	60	(10)	0	0	(0)	55
Other provisions		54	110	(63)	0	3	(19)	84
TOTAL		**264**	**431**	**(112)**	**(17)**	**41**	**2**	**608**

IV.17 *Subordinated debt*

Subordinated debt ranks after all other secured or unsecured liabilities but before participating loans and notes and deeply subordinated notes. It is measured at amortized cost.

Preferred shares may be classified as either debt or equity depending on their characteristics. All the preferred shares issued by the Banque Fédérale des Banques Populaires Group are recognized as subordinated debt whereas they were recognized as minority interests in the French GAAP consolidated financial statements.

IV.17.1 Amounts outstanding

Deeply subordinated notes with fixed maturities mainly consist of Redeemable Subordinated Notes.

Under IAS 32, financial instruments in issue are classified as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash to holders of the securities. This obligation must result from clauses and conditions in the contract, not just from "economic compulsion".

Other issues include a "dividend pusher" clause, which specifies the mandatory payment of interest in the event of a dividend payment to shareholders, the payment of any capital securities or the payment of a coupon on any security ranked pari passu. Their remuneration is thus subordinated to the obligation to remunerate another debt instrument (linked instrument). Given that the contractual link between the instruments, along with the contractual obligation to pay interest on the instrument, creates an obligation to remunerate the basic instrument, these issues are classified as debt instruments.

In its financial sector support plan, approved by the European Commission, the French government has set up a system to strengthen banks' capital through Société de Prise de Participation de l'Etat (SPPE), which is authorized to buy newly issued subordinated debt that can be included in the issuing banks' core capital.

On December 11, 2008, Banque Fédérale des Banques Populaires issued €950 million of perpetual deeply subordinated bonds paying a fixed rate of interest annually until 2013, and an adjustable rate of interest (3-month Euribor + 5.29%) from March 2014. Because the issue included discretionary clauses relating to interest payments, the bonds are classified as equity instruments and are included in consolidated reserves.

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Subordinated debt with fixed maturities		5,098	5,174	4,702
Deeply subordinated notes[(1)]		1,330	563	300
Perpetual subordinated debt	IV.17.2	122	138	317
Preferred shares[(1)]		122	182	194
Mutual guarantee deposits		3	5	3
Accrued interest		130	123	107
TOTAL		**6,806**	**6,185**	**5,623**

(1) Au 31 décembre 2008, les encours de titres hybrides, net des opérations intragroupes et effectivement encaissés (règlement 90-02 art. 4 alinéa c) dernier paragraphe) retenus dans les fonds propres Tier one s'élèvent à 2 316 millions d'euros et sont composés des Titres Super-Subordonnés et des actions de préférence :

- At December 31, 2008, the outstanding amount of deeply subordinated notes in the Natixis sub-group was **€1,244 million (A)** after applying the proportionality rule:

		100%	x 35.78%
Non-innovative deeply subordinated notes		1,605	**574**
December 2004	142		
January 2005	300		
April 2008	213		
December 2008	950		
Innovative deeply subordinated notes		1,871	**670**
December 2004	418		
October 2007	750		
November 2007 (CACEIS)	20		
March 2008	150		
April 2008 ($750m)	533		
			1,244

- At December 31, 2008, preferred shares related solely to those issued by the Natixis sub-group. Of these, the Group's 35.78% share was worth **€122 million (B)** after the total reimbursement of preferred shares at Natixis AMBS Company LLC.

		100%	x 35,78%
Innovative		200	**72**
Natixis Preferred Capital I LLC	200		
Non-innovative		142	**51**
Natixis Preferred Capital IIII LLC	142		
			122

- On December 11, 2008, Banque Fédérale des Banques Populaires issued **€950 million (C)** of deeply subordinated notes, which were bought by Société de Prise de Participation de l'Etat as part of the financial sector support plan. Total hybrid securities included in Tier I capital **(A+B+C): €2,316 million**.

IV.17.2 Movements in other subordinated debt during the year

in € millions	12/31/2006	12/31/2007	Issues[1]	Redemptions[2]	Exchange differences	Change in scope	Other[3]	12/31/2008
Other subordinated debt with fixed maturities	**4,702**	**5,174**	**9**	**(274)**	**7**	**81**	**101**	**5,098**
Subordinated notes	4,299	4,769	9	(273)	7	71	99	4,682
Subordinated borrowings	403	405	0	(1)	0	10	2	416
Other perpetual subordinated debt	**317**	**138**	**0**	**(20)**	**1**	**1**	**2**	**122**
Subordinated notes	309	138	0	(20)	1	1	3	122
Subordinated borrowings	7	1	0	0	0	0	(1)	0
TOTAL	**5,019**	**5,312**	**9**	**(294)**	**7**	**82**	**103**	**5,220**

(1) Issues:
issues by the Natixis sub-group: €100 million (group share: €25 million) issued by CACEIS (March 2008, maturing March 29, 2018), i.e. €9 million taking into account the Group's 35.78% stake in Natixis.

(2) Redemptions:
Redemption at maturity:
- redemption by Banque Fédérale des Banques Populaires of the redeemable subordinated notes issued in may 1998 (€149 million), July 1998 (€69 million) and October 1998 (€47 million);
- redemption by Natixis of redeemable subordinated notes issued in may 1998 and July 1998.
Early redemption:
- redemption of redeemable subordinated notes by the Natixis sub-group: CACEIS concerning €200 million of notes issued in April 2005 (Group share: €50 million), giving an impact of €18 million taking into account the Group's stake in CACEIS, and Natixis Coficiné concerning €0.8 million of notes issued in April 1997 (€0.3 million impact for the Banque Fédérale des Banques Populaires Group) and €0.8 million issued in December 1998 (€0.3 million impact for the Banque Fédérale des Banques Populaires Group).

(3) Other movements in other subordinated debt mainly comprise the change in elimination of intragroup transactions, where other consolidated entities have taken up the subordinated debt issued by the Group and the revaluation of subordinated debt subject to fair-value hedges.

IV.18 *Assets and liabilities by residual maturity*

IFRS 7 requires the disclosure of information on exposure to interest rate risk. The table below shows the contractual maturity of all the Group's assets and liabilities.

Assets and liabilities with no specific maturity, such as accrued interest, current accounts or receivables due on demand, appear in the "demand" column.

	12/31/2008							
in € millions	< 1 month	> 1 month < 3 months	> 3 months < 1 year	> 1 year < 2 years	> 2 years < 5 years	> 5 years	Indefinite	Total
ASSETS								
Cash and due from central banks	779	0	0	0	0	0	0	**779**
Financial assets at fair value through profit and loss	11,180	3,817	5,203	2,577	4,912	9,416	14,468	**51,573**
Derivative trading instruments	35,792	1,851	3,173	2,576	10,855	12,665	0	**66,912**
Derivative hedging instruments	167	0	5	20	54	20	0	**266**
Available-for-sale financial assets	92	132	515	599	1,472	5,210	3,168	**11,189**
Loans and advances to banks	22,104	6,603	3,742	5,515	8,507	14,081	108	**60,660**
Loans and advances to customers	11,392	5,347	4,165	4,406	9,638	9,982	0	**44,932**
Held-to-maturity financial assets	33	112	283	188	422	1,212	0	**2,249**
TOTAL ASSETS	**81,539**	**17,863**	**17,087**	**15,881**	**35,859**	**52,586**	**17,745**	**238,560**
LIABILITIES								
Due to central banks	298	0	0	0	0	0	0	**298**
Financial liabilities at fair value through profit and loss	15,869	10,281	2,281	1,594	4,254	6,029	0	**40,309**
Derivative trading instruments	37,066	1,850	2,842	2,386	10,284	11,896	0	**66,324**
Derivative hedging instruments	58	3	10	4	0	22	0	**98**
Deposits from banks	31,410	8,951	4,311	3,001	4,944	3,481	0	**56,098**
Customer deposits	15,270	5,980	771	1,142	680	1,538	0	**25,382**
Debt securities in issue	4,132	2,755	1,137	4,606	4,689	8,929	2	**26,251**
Subordinated debt	251	100	225	535	645	2,613	2,436	**6,806**
TOTAL LIABILITIES	**104,355**	**29,920**	**11,577**	**13,269**	**25,497**	**34,508**	**2,439**	**221,564**

IV.19 *Other information relating to financial assets and liabilities*

IV.19.1 Financial assets given as collateral

The table below shows the carrying value of securities and bills pledged to guarantee liabilities. Instruments pledged to guarantee liabilities are kept on the consolidated balance sheet in the various financial asset items in which they have been included since their initial recognition. The carrying value of financial assets pledged to guarantee liabilities breaks down as follows:

in € millions	12/31/2008	12/31/2007
Equity instruments	1,934	1,414
Debt instruments	15,679	29,150
Loans and advances	6,202	903
Other	3	0
TOTAL	**23,818**	**31,466**

IV.19.2 Financial assets received as collateral that can be assigned or repledged as collateral

At December 31, 2008, the Banque Populaire Group did not have any material amount of on-balance sheet assets received as collateral as part of financial guarantee contracts that include a right of reuse which may be exercised provided that the owner of the guarantee does not default. The French regulatory framework for these contracts is determined by order 2005-171 of February 24, 2005.

IV.19.3 Financial assets that have been transferred but not derecognized

Transfers of assets without derecognition (total or partial) are transfers that do not meet the derecognition terms set out in sections 15–37 of IAS 39. These transfers are carried out mainly as part of synthetic securitization transactions.

Cash securitizations are not concerned if the special-purpose entity is included in the scope of consolidation. Synthetic securitizations in which risk is transferred through credit derivatives (CDSs) are also not concerned, since there is no transfer of cash flows. Partial derecognitions of assets resulting from ongoing involvement are covered by section 13 of IFRS 7, but do not concern the Group.

With the exception of pledged assets, which are covered by a specific note (note IV.18.1), the Group does not hold assets whose cash flows would have been transferred within the meaning of IAS 39 and would not be derecognized (fully or in part) as a result of the Group retaining control of those assets or substantially all of the benefits and risks attached to those assets.

IV.19.4 Restructured financial assets

This table shows restructured loans classified as performing. Restructuring differs from commercial renegotiation due to the initial counterparty risk.

in € millions	12/31/2008	12/31/2007
Loans and advances to banks	8	10
Loans and advances to customers	19	35
TOTAL	**27**	**45**

IV.19.5 Past-due but non-impaired financial assets

Past-due assets are those on which past-due payments exist, but that have not been impaired. The amount stated is the total amount of outstandings, including overdue repayments. Overdrafts are counted as past due from the time this is notified to the customer, and the amount stated is the entire overdraft. Payments overdue for technical reasons, with no relation to the counterparty's financial position, are excluded. The amount of time for which an item is considered past due is counted from the date of the first payment not made on the item in question.

	12/31/2008				
	Items past due				
in € millions	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total
Debt instruments	0	0	0	0	0
Loans and advances	35	5	3	18	60
Other financial assets	1	2	0	0	4
TOTAL	**36**	**6**	**3**	**18**	**64**

	12/31/2007				
	Items past due				
in € millions	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total
Debt instruments	0	0	0	0	0
Loans and advances	27	1	1	15	43
Other financial assets	0	0	0	0	0
TOTAL	**27**	**1**	**1**	**15**	**43**

IV.19.6 Fair value of financial assets and liabilities

IAS 39 establishes a hierarchy of methods for determining fair value:

- quoted market prices in an active market are the best evidence of fair value. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions;
- if a market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. These techniques include recent market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, equity valuation models and any valuation technique commonly used by market participants.

A market is deemed inactive on the basis of qualitative criteria contained in the CNC's recommendation of October 15, 2008 and the report by the panel of experts on October 31, 2008, which calls for judgment, taking into account indicators including the following:

- decline in trading volumes;
- wide dispersal of available prices over time and between market participants;
- absence of recent transactions;
- existence of forced sales.

Valuation models must make maximum use of market inputs. In the case of certain structured products, which are often custom-made, parameters non-observable in the market are sometimes input into the valuation model. No profit or loss can be recorded on these instruments at initial recognition. Any day-one profit must be deferred in this situation, and recognized over the instrument's life.

Instruments whose fair value is calculated using a valuation technique not based on market data are those whose day-one profit has been deferred and those whose day-one profit has not been deferred for the sole reason that the non-observable criterion has no impact on the valuation.

Carrying value is deemed to represent market value in the following cases:

- variable-rate assets or liabilities where changes in interest rates have no significant influence on fair value as rates are frequently adjusted to market rates;
- short-term financial assets and liabilities (whose initial term is one year or less) to the extent that sensitivity to interest-rate and credit risk is not material during the period;
- demand liabilities;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value based on listed prices is obtained on the valuation date with direct reference to prices published on an active market to which the entity has access. Where fair value is based on a valuation technique, there must be a distinction based on whether the valuation is based on observable or non-observable data.

Some products, particularly derivatives, are valued on the basis of valuation models. The valuations obtained can be deemed equivalent to market prices where they are based on observable parameters and models recognized as standard in the market (i.e. models whose valuation techniques are widely accepted) for the financial instrument concerned. Where one of these two conditions is not met, the valuation obtained will be regarded as marked-to-model, not marked-to-market.

Within the meaning of IAS 39, a parameter is defined as observable if it is non-proprietary: data must come from an easily accessible source external to the entity: Data must be easily accessible, for example via data providers supplying data that are regularly available and based on consensus forecasts or market transactions (completed transactions or based on quotes that represent an undertaking by a counterparty). The observable nature of the data is gauged with respect to each individual source or combination of sources.

The valuation of derivatives traded on regulated markets is established on the basis of quoted prices. However, over-the-counter derivatives like swaps and options are valued using valuation techniques based on market data. However, complex derivatives are valued using internal models.

The fair value of securities on a non-active market is determined using internal valuation techniques.

Special case relating to customer loans and deposits

The fair value of customer loans and deposits has been systematically entered in the "Fair value determined using valuation techniques not based on observable market data" column, given the lack of generalized external ratings for these portfolios. The fair value of loans is determined using internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term, at the interest rate at which loans are produced in the given month, for loans in the same category and with the same maturities.

The table below sets out the fair value of all financial assets and liabilities, recognized at fair value or otherwise in the December 31, 2008 balance sheet. This information is broken down according to the hierarchy set out in IAS 39 for determining an instrument's fair value.

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FINANCIAL ASSETS

	12/31/2008					
		Fair value				
					Based on internal valuation models	
in € millions	Carrying value	Total	Based on quoted prices	Based on a valuation technique	Fair value	Change in fair value taken to income
Financial assets held for trading	98,068	98,068	19,970	78,097	1,007	195
Financial assets designated as at fair value through profit and loss	20,418	20,418	10,020	10,398	636	0
Derivative hedging instruments (assets)	266	266	0	266	0	0
Available-for-sale financial assets	12,683	12,683	10,561	2,122	800	////////
Loans and advances to banks	60,660	60,844	0	60,844	60,844	////////
Loans and advances to customers	44,932	43,581	0	43,581	43,581	////////
Held-to-maturity assets	2,249	2,277	2,174	103	32	////////
TOTAL FINANCIAL ASSETS	**239,276**	**238,137**	**42,726**	**195,411**	**106,900**	**195**

FINANCIAL LIABILITIES

	12/31/2008					
		Fair value				
					Based on internal valuation models	
in € millions	Carrying value	Total	Based on quoted prices	Based on a valuation technique	Fair value	Change in fair value taken to income
Financial liabilities held for trading	75,509	75,509	9,268	66,241	717	(462)
Financial liabilities designated as at fair value through profit and loss	31,123	31,123	10	31,113	0	0
Derivative hedging instruments (liabilities)	98	98	0	97	0	0
Financial liabilities at amortized cost – Deposits from banks	56,098	56,181	0	56,181	56,181	////////
Financial liabilities at amortized cost – Deposits from customers	25,382	25,363	0	25,363	25,363	////////
Debt securities in issue	26,251	26,246	0	26,246	26,246	////////
Subordinated debt	6,806	6,660	0	6,660	6,660	////////
TOTAL FINANCIAL LIABILITIES	**221,266**	**221,179**	**9,279**	**211,900**	**115,166**	**(462)**

IV.19.7 Derecognition of assets and liabilities

IV.19.7.1 Assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available for immediate sale and its sale must be highly probable within a period of one year, evidenced by an active plan to locate a buyer and complete the sale.

Non-current assets or groups of assets held for sale are no longer amortized. Impairment charges are taken corresponding to the difference between the carrying amount and fair value less costs to sell.

Net gains or losses generated by discontinued operations are identified separately in the income statement under the line item "discontinued operations and non-current assets held for sale". The net gain or loss includes net income generated by discontinued operations up to the date of discontinuation, plus gains or losses on revaluing assets or groups of assets held for sale at their fair value less costs to sell, or gains or losses on actual disposal, and the corresponding tax charge.

IV.19.7.2 Derecognition of financial assets and liabilities

If substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the Group then determines whether it has retained control of the financial asset. If control is not retained, the financial asset is derecognized. If control is retained, the financial asset continues to be recognized to the extent of the Group's continuing involvement.

Continuing involvement is evidenced by the existence of contractual conditions such as an option or obligation to repurchase the assets transferred or receipt of financial compensation related to the performance of the asset transferred.

A financial liability is derecognized when it is settled, discharged, cancelled or expires.

Repurchase agreements

Vendor: The securities sold are not derecognized. The Group recognizes a liability representing the commitment to return the cash received ("securities sold under repurchase agreements"). This financial liability is measured at amortized cost, not fair value.

Purchaser: Securities purchased are not recognized on the balance sheet. The amount disbursed in respect of the asset is recognized under "securities bought under repurchase agreements". This financial asset is treated for accounting purposes as "loans and advances".

On subsequent reporting dates, the vendor continues to measure the securities sold in accordance with the rules governing their original category. The purchaser recognizes the receivable at face value under loans and receivables.

Stock lending

Stock lending/borrowing transactions do not qualify as transfers of financial assets within the meaning of IASs. Accordingly, the securities loaned are not derecognized. Under IASs, loaned securities are not separately identified; but recognized in their original category and measured accordingly. Borrowed securities are not recognized by the borrower.

Note V Notes to the income statement

V.1 Net interest income

The line items "interest and similar income" and "interest and similar expense" comprise interest receivable on fixed-income securities classified as available-for-sale financial assets, interest receivable on loans and advances to banks and customers, and interest payable on deposits from banks and customer deposits.

They also include interest receivable on held-to-maturity financial assets, although this is a minority category for the Group and concerns insurance subsidiaries only.

Financial assets and liabilities measured at amortized cost give rise to the recognition of interest calculated on the basis of the effective interest rate.

	12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	Income	Expense	Net	Income	Expense	Net	Net
Central banks and post offices	**14**	**(9)**	**4**	**47**	**(11)**	**35**	**12**
Securities	**983**	**(1,095)**	**(112)**	**907**	**(1,404)**	**(497)**	**(119)**
Loans and advances	**5,653**	**(4,445)**	**1,208**	**5,806**	**(4,711)**	**1,096**	**742**
Banks and other credit institutions	3,369	(3,524)	(154)	3,502	(3,824)	(322)	(245)
Customer accounts	2,139	(911)	1,228	2,135	(876)	1,259	884
Finance leases	145	(10)	134	169	(11)	158	103
Subordinated debt		**(355)**	**(355)**		**(289)**	**(289)**	**(264)**
Other	**0**		**0**	**80**		**80**	**2**
Hedging instruments	**623**	**(526)**	**97**	**346**	**(243)**	**103**	**79**
Discontinuation of hedging relationship (CFH)	53	(45)	7	5	(5)	0	0
Accrued interest on derivatives	571	(481)	90	341	(238)	103	79
Interest on impaired receivables including rescheduled loans	**(0)**		**(0)**	**1**		**0**	**1**
TOTAL	**7,272**	**(6,430)**	**842**	**7,187**	**(6,657)**	**530**	**454**

V.2 Net fee and commission income

The accounting for fees and commissions received for services or financial instruments depends on the purpose for which the service was provided and the method of accounting for the financial instruments associated with the service. Fees for provision of an immediate service are recognized as income when the service has been provided; fees for provision of an ongoing service, such as bank card fees, guarantee fees and management fees, are recognized pro rata over the term of the service.

Fees and commissions that form an integral part of the effective yield of the instrument, such as commitment fees or loan set-up fees, are recognized as an adjustment to the effective interest rate over the term of the loan. Accordingly, these fees are recognized as interest income rather than fee and commission income.

Fees and commissions for trustee transactions and similar activities are those that arise from holding or investing assets in the name of individuals, pension plans or other institutions. Trustee transactions cover the activities of asset management and custody for third parties.

	12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Net**
Interbank transactions	9	(20)	(11)	4	(9)	(5)	(1)
Customer transactions	309	(128)	181	235	(138)	96	56
Securities transactions	94	(62)	33	116	(37)	79	119
Payment services	128	(33)	95	77	(22)	55	52
Financial services	261	(232)	29	142	(97)	45	105
Trustee transactions	676	(7)	669	928	(212)	717	564
Financing, guarantee, securities, and derivatives commitments	65	(17)	48	53	(20)	32	24
Other	12	(2)	10	15	(2)	14	10
TOTAL	**1,555**	**(502)**	**1,053**	**1,570**	**(536)**	**1,034**	**929**

V.3 Net gains or losses on financial instruments at fair value through profit and loss

This item includes gains and losses on financial assets and liabilities at fair value through profit and loss, whether held for trading or designated as at fair value through profit and loss, including interest.

The "hedging instruments" item includes changes in fair value of FVH derivatives, including interest, as well as symmetrical revaluation of the items hedged. It also includes the ineffective portion of cash-flow hedges.

in € millions	**12/31/2008**	**12/31/2007**	**12/31/2006 Proforma**
Net gains on financial assets and liabilities excluding hedging instruments[1]	**(996)**	**(311)**	**742**
Net gains on financial assets and liabilities held for trading[1]	(645)	408	1,143
o/w derivatives held for trading	*(103)*	*(613)*	*159*
Net gains on other financial assets and liabilities designated as at fair value	(563)	(646)	(112)
Other	211	(73)	(289)
Hedging instruments and changes in value of hedged items	**20**	**4**	**(12)**
Ineffective portion of cash-flow hedges (CFH)	4	3	2
Ineffective portion of fair-value hedges (FVH)	16	1	(14)
Changes in value of fair-value hedges	*279*	*1*	*(107)*
Changes in value of hedged items	*(263)*	*(0)*	*93*
TOTAL	**(976)**	**(307)**	**730**

(1) At December 31, 2008, the line item "Net gains on financial assets and liabilities held for trading" includes, as the proportionate contribution of the Natixis subgroup:
- reductions agreed with monoline insurers in the fair value of CDS contracts, in the amount of €465 million;
- losses resulting from remeasurement of CDOs of ABSs with subprime components, in the amount of €234 million;
- losses resulting from remeasurement of RMBSs with subprime components, in the amount of €118 million.

V.4 Net gains or losses on available-for-sale financial assets

Net gains or losses on available-for-sale financial assets comprise mainly gains or losses on disposal and impairment losses on variable income securities (other-than-temporary impairment).

Variable-income securities classified as available-for-sale are tested for impairment, and an impairment charge is recognized if the carrying amount is lower than the recoverable amount.

Impairment losses on fixed income securities are recognized under impairment charges and other credit provisions.

This item also includes dividends on variable income securities, where the Group's right is established.

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Dividends	**117**	**88**	**74**
Gains and losses on disposal	**(10)**	**159**	**76**
Impairment losses on variable-income securities	**(269)**	**(100)**	**(24)**
TOTAL	**(162)**	**148**	**126**

V.5 Income and expenses from other activities

Income and expense of other activities comprise mainly incidental income and expense relating to finance leases and income and expense relating to investment real estate.

This item also includes income and expense relating to insurance activities, in particular life insurance premium income, paid benefits and changes in insurance companies' technical reserves.

		12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	Notes	Income	Expense	Net	Income	Expense	Net	Net
Finance leases	V.5.1	50	(42)	8	54	(82)	(27)	4
Operating leases		20	(12)	8	18	(15)	3	4
Investment real estate		0	0	0	34	(0)	34	12
Other non-operating assets		2	(10)	(8)	0	(1)	(1)	0
SUBTOTAL – REAL ESTATE ACTIVITIES		**72**	**(64)**	**8**	**106**	**(97)**	**9**	**20**
Change in insurance companies' technical reserves		0	0	0	0	(613)	(613)	(564)
Other insurance income and expense	V.5.2	1,553	(1,082)	471	1,963	(1,347)	616	764
SUBTOTAL – INSURANCE		**1,553**	**(1,082)**	**471**	**1,963**	**(1,961)**	**3**	**202**
Other related income and expense	V.5.3	953	(176)	777	786	(126)	660	275
TOTAL		**2,578**	**(1,322)**	**1,256**	**2,854**	**(2,185)**	**671**	**497**

V.5.1 Finance leases

	12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	Income	Expense	Net	Income	Expense	Net	Net
Gains and losses on disposal	0	(2)	(2)	7	(45)	(39)	(2)
Impairment	0	(1)	(1)	2	(2)	0	1
Other related income and expense	49	(38)	11	45	(34)	11	5
TOTAL	**50**	**(42)**	**8**	**54**	**(82)**	**(27)**	**4**

V.5.2 Other operating income and expenses

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Life insurance premium income	1,094	1,554	1,528
Personal risk insurance premium income	99	73	22
Credit insurance premium income	313	278	259
Paid benefits and claims	(1,032)	(1,330)	(1,071)
Other net income	(4)	42	28
TOTAL	**471**	**616**	**764**

V.5.3 Other related income and expense

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Real estate activities	1	6	9
Income from real estate services(1)	523	369	0
IT development and other services (1)	85	18	17
Credit management services	59	56	50
Other activities	108	209	199
TOTAL	**777**	**658**	**275**

(1) Since December 31, 2007, this item has included income from the following activities of FONCIA:
- building management of properties for which FONCIA is the agent (syndic);
- management of the relationship between owner landlords and tenants;
- intermediary in the sale of real estate assets.

V.6 General operating expenses

Operating expenses comprise mainly payroll costs, including wages and salaries net of rebillings *(see note VII.1)*, social security charges and employee benefits *(see note VII.3)* such as pensions (defined benefit plans) and share-based payments *(see note VII.4)*, in accordance with IFRS 2.

This item also includes all administrative expenses and external services.

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006 Proforma
Payroll costs				
Wages and salaries		(973)	(935)	(772)
o/w payments in shares		*(1)*	*(4)*	*(2)*
Post-employment and other benefits		(45)	(45)	(37)
Social security charges		(264)	(227)	(178)
Incentive and profit-sharing plans		(38)	(99)	(91)
Payroll-based taxes		(53)	(49)	(38)
Workforce adaptation plan (1)		(52)	-	-
Other		1	(2)	(5)
TOTAL PAYROLL COSTS	VII. 1	**(1,423)**	**(1,357)**	**(1,121)**
Other operating expenses				
Taxes other than on income		(56)	(65)	(54)
Other general operating expenses		(945)	(879)	(693)
Merger-related costs		0	0	0
Other		(59)	3	14
TOTAL OTHER OPERATING EXPENSES		**(1,060)**	**(941)**	**(733)**
TOTAL		**(2,483)**	**(2,299)**	**(1,853)**

(1) Estimated cost of the workforce adaptation plan at Natixis: €144 million, provisioned in full in the 2008 financial year, or €52 million for the 35.78% proportionate share of the BFBP Group.

V.7 *Impairment charges and other credit provisions*

This item comprises mainly charges to and reversals of specific and collective impairment allowances relating to loans and receivables *(note IV.4)*, plus amounts written off during the year and recoveries of amounts previously written off as uncollectible.

The line item "Impairment on individual receivables" includes impairment of securities classified as loans and advances as well as impairment of securities reclassified as such under the amendment of October 13, 2008.

	12/31/2008				
in € millions	Charges	Net releases	Write-offs not provided for	Recoveries of receivables written off	Net
Provisions	**(153)**	**11**			**(143)**
Financing commitments	(70)	5			(65)
Other	(83)	6			(78)
Financial assets at amortized cost	**(568)**	**151**	**(5)**	**59**	**(363)**
Loans and advances	(568)	151	(5)	59	(363)
Specific impairment	*(528)*	*151*	*(5)*	*59*	*(323)*
Collective impairment of performing loans	*(39)*	*0*			*(39)*
Available-for-sale financial assets	**0**	**0**			**0**
Other	**(170)**	**0**			**(170)**
IMPAIRMENT CHARGES AND OTHER CREDIT PROVISIONS	**(891)**	**161**	**(5)**	**59**	**(675)**
o/w:					
• Released not applicable		161			
• Utilized		50			
subtotal – reversals:		**211**			
• Write-offs provided for		(50)			
total net releases:		**161**			

	12/31/2007				
in € millions	Charges	Net releases	Write-offs not provided for	Recoveries of receivables written off	Net
Provisions	**(9)**	**9**			**(0)**
Financing commitments	(4)	5			0
Other	(5)	4			(1)
Financial assets at amortized cost	**(177)**	**82**	**(3)**	**5**	**(93)**
Loans and advances	(177)	82	(3)	5	(93)
Specific impairment	*(52)*	*22*	*(3)*	*5*	*(28)*
Collective impairment of performing loans	*(125)*	*60*			*(65)*
Available-for-sale financial assets	**0**	**1**			**0**
Other	**(5)**	**0**			**(5)**
IMPAIRMENT CHARGES AND OTHER CREDIT PROVISIONS	**(192)**	**92**	**(3)**	**5**	**(98)**
o/w					
• Released not applicable		92			
• Utilized		37			
subtotal – reversals:		**129**			
• Write-offs provided for		(37)			
total net releases:		**92**			

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	12/31/2006 Proforma				
in € millions	Charges	Net releases	Write-offs not provided for	Recoveries of receivables written off	Net
Provisions	**(10)**	**7**			**(3)**
Financing commitments	(5)	3			(2)
Other	(5)	4			(0)
Financial assets at amortized cost	**(121)**	**92**	**(6)**	**6**	**(29)**
Loans and advances	(121)	92	(6)	6	(29)
Specific impairment	*(48)*	*19*	*(6)*	*6*	*(29)*
Collective impairment of performing loans	*(73)*	*73*			*1*
Available-for-sale financial assets	**(0)**	**11**			**11**
Other	**(1)**	**0**			**(1)**
IMPAIRMENT CHARGES AND OTHER CREDIT PROVISIONS	**(131)**	**110**	**(6)**	**6**	**(21)**
o/w					
• Released not applicable		110			
• Utilized		136			
subtotal – reversals:		**246**			
• Write-offs provided for		(136)			
total net releases:		**110**			

V.8 *Share of results of associates*

in € millions	**12/31/2008**	**12/31/2007**
Financial institutions	168	222
• Banques Populaire banks[(1)]	51	77
• Caisses d'Epargne banks[(1)]	88	123
• Volksbank International AG (VBI)	17	13
• Other	13	9
Non-financial companies	0	3
TOTAL	**169**	**225**

(1) The Caisses d'Epargne banks are included in the consolidation at 7.15% via the CCIs held by Natixis. The contribution of the Banque Populaire banks is stated after neutralization of the proportionate share of dividends (that is, after subtraction of €22 million in 2008 and €23 million in 2007).

V.9 *Gains or losses on other assets*

This item comprises capital gains and losses on disposal of property, plant and equipment and intangible assets, as well as capital gains and losses on disposal of investments included in the scope of consolidation.

	12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	Investments in associated companies	Property, plant and equipment and intangible assets	Total	Investments in associated companies	Property, plant and equipment and intangible assets	Total	TOTAL
Net gains on disposal	138	3	140	118	121	239	19
Net losses on disposal	9	(4)	5	(24)	(20)	(44)	(18)
TOTAL	**147**	**(1)**	**146**	**94**	**101**	**195**	**1**

At December 31, 2008, net gains on disposal consisted essentially of the €95 million accretion gain over the period, corresponding to the increase of 1.12 percentage points (from 34.66% to 35.78%) in the Banque Fédérale des Banques Populaires Group's equity interest in Natixis.

At December 31, 2007, the main net gains on disposals relating to other assets were as follows:

- the gain on sale of the Saint-Dominique building, (€101 million);
- restructuring of the Asset Management segment (-€62 million);
- other asset disposals (€32 million).

V.10 *Changes in value of goodwill*

This item includes goodwill impairment losses. An impairment loss is recognized whenever there is objective evidence of impairment.

At December 31, 2008, impairment testing led the Banque Fédérale des Banques Populaires Group to write off all of the Natixis goodwill relating to the corporate and investment banking cash-generating unit, amounting to €324 million. Of this impairment loss, €24 million was taken at the level of Natixis (€69 million in Natixis' financial statements) and €300 million at the level of the Group *(see note IV.12.4 – Testing for impairment).*

V.11 *Income tax*

V.11.1 Income tax expense

The tax expense for the period comprises:

- tax payable by French companies at the standard rate of 34.43% and by foreign companies and branches at the local rate;
- deferred taxes arising on temporary differences existing in the separate financial statements between the book value and the tax value of assets and liabilities on the balance sheet, or arising on specific consolidation adjustments, calculated using the liability method.

Deferred income tax assets and liabilities are set off at the level of each tax entity. The tax entity may either be a single entity or a group of entities that have elected for group tax relief.

The Group does not recognize net deferred tax assets unless it is reasonably certain that they will be used to offset a future tax charge. Accordingly, the effect of tax losses is not recognized if the tax entity has incurred losses in the previous two years, as it is presumed that the future tax benefit will not be recovered. The capitalization reserve recognized in the separate financial statements of insurance companies is intended to defer capital gains realized on the sale of certain bonds for the purpose of offsetting later capital losses. The portion presumed to have a high probability of never being used is reclassified in equity.

However, under IAS 12, it is treated as a temporary difference that gives rise to a deferred tax liability.

All temporary differences have been recognized regardless of the recovery or payment date. The net deferred tax balance is recognized in the balance sheet as a deferred tax asset or liability.

V.11.2 Reconciliation between tax expense in the financial statements and theoretical tax expense

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006 Proforma
+ Net income attributable to equity holders of the parent		(1,140)	141	718
+ Net income attributable to minority interests		36	50	41
+ Income tax expense		(193)	(175)	274
+/- Other permanent differences		70	(316)	(82)
- Share of income of associates		(169)	(225)	(243)
= CONSOLIDATED TAXABLE INCOME		**(1,396)**	**(525)**	**708**
* Standard tax rate		33,33%	33,33%	33,33%
= THEORETICAL TAX EXPENSE		**465**	**175**	**(236)**
+ Tax assets		5	8	10
+ Impact of tax consolidation		6	(3)	(23)
+ Social security charges		13	6	(4)
+ Income taxed at reduced rates		1	(14)	(5)
+ Tax reassessments		20	(5)	(17)
+ Differences in foreign tax rates		(19)	12	1
+ Change in deferred tax assets, restricted for prudence(1)		(335)	3	(2)
+ Tax on cooperative investment certificates (CCIs)		(24)	0	0
+ Tax on previous years(2)		63	0	0
+ Other		(1)	(7)	2
= TAX EXPENSE FOR THE PERIOD		**194**	**175**	**(274)**
o/w • current tax expense		(60)	(204)	(226)
• deferred tax expense	Note IV.6	253	378	(48)

At December 31, 2008:

(1) The change in deferred taxes restricted by prudence is attributable mainly to the financial crisis: losses widened both in France and abroad. The tax losses not recognized on the balance sheet for reason of prudence relate to Great Britain (€54 million), the United States (€97 million) and France (€174 million).

(2) Consists primarily of €48 million of deferred tax assets booked in the United States.

Note VI Risk management

Information on risk management required by IFRS 7 is presented in the "risk management" section (section 2) of the management report.

It forms an integral part of the financial statements certified by the statutory auditors.

In addition, at the request of the AMF *(Autorité des Marchés Financiers)*, information about the financial crisis is also provided in the management report in section 2.1 ("Effects of the financial crisis").

Note VII Payroll costs, number of employees, compensation and employee benefits

VII.1 *Payroll costs*

Payroll costs amounted to €1,423 million in 2008 against €1,357 million in 2007.

Payroll costs include wages and salaries net of rebilled expenses, social security charges, incentive and profit-sharing payments, payroll-based taxes, share-based payments in accordance with IFRS 2, and employee benefits such as expenses relating to defined contribution pension plans and the annual charge for defined benefit pension plans, including:

- incremental benefit entitlement for all employees;
- interest cost (impact of discounting);
- gross return on plan assets;
- amortization of actuarial gains or losses (corridor method) and past service costs.

VII.2 *Number of employees*

The number of full-time equivalent staff at the year end by business segment was as follows:

Number	**12/31/2008**	**12/31/2007**	**12/31/2006**
Natixis (1)	22,096	21,959	21,138
Federal activities and other(2)	7,974	7,160	1,285

(1) Natixis employees have been counted at 100%.
(2) The increase in the number of employees derived chiefly from acquisition-led growth at FONCIA (rise of 945) owing to acquisitions of firms.

VII.3 *Employee benefits*

In accordance with IAS 19, the Banque Fédérale des Banques Populaires Group provides for all its obligations with respect to employee benefits.

VII.3.1 Liabilities at year-end 2008

Supplementary banking pension

The Banque Populaire Group's "CAR" pension scheme was closed to new entrants as of December 31, 1993, pursuant to the banking industry agreement of September 13, 1993, the terms of which were applied to the Banque Populaire banks through an internal agreement dated January 7, 1994. This scheme also covered Natexis employees previously employed by the former Caisse Centrale des Banques Populaires.

The Group's obligations towards active and retired employees concern supplementary pension benefits payable under the Banque Populaire Group plan and the portion of benefits due under the banking industry scheme closed to new entrants on December 31, 1993 that is not covered by the Social Security system, as well as the ARRCO and AGIRC obligatory supplemental pension plans.

Concerning the specific Natixis pension plans, the assets of the former BFCE pension fund are equal to the projected benefit obligation while those of the former Crédit National fund are slightly lower than the projected benefit obligation.

The total amount of contributions payable with respect to the CAR plan in 2009 is estimated at €1 million.

An expected return is allocated to each asset class (fixed-income, equities, money market and real estate) based on macro-economic forecasts drawn up at the beginning of the year by the strategic planning committee, which includes members of the executive management, the heads of each asset class and the Group's economist.

At December 31, 2008, the assets of the BP CAR pension plan broke down as follows:

- 28% in equities;
- 37% in fixed income;
- 35% in money market;
- 0% in real estate.

The expected return on all assets in 2009 is 3.4%.

End-of-career allowances

For end-of-career allowances, consolidated entities cover all or part of their commitments through insurance policies with Natixis Assurance, a proportionally consolidated insurance subsidiary of the Group.

Provisions are recognized in the consolidated financial statements for all obligations of Group entities not covered by insurance policies.

The end-of-career contracts of the Group's entities are mainly funded by ABP Vie's "General Fund", with the following asset structure: 87% in bonds and fixed or adjustable rate money market debt securities, 10% in equity and diversified mutual funds and 3% in real estate.

The 2008 Act removes the transitional system set up by the 2007 Act for the period between January 1, 2010 and January 1, 2014. Retirement before the age of 65 at the employer's initiative and with the employee's agreement will no longer be possible after January 1, 2010, and charges will be applied to voluntary departures before the age of 65.

In addition, a new social security levy has been introduced on compensation paid for departures at the employer's initiative before or after age 65 (25% of the amount from October 11, 2007 to December 31, 2008 and 50% thereafter).

This change in the obligation is deemed a change in plan conditions, and the gradual charging of the obligation at December 31, 2007 is only taking place from 2008 (since the law was enacted in late 2007).

The Banque Fédérale des Banques Populaires Group has adopted a systematic voluntary retirement assumption since January 1, 2009.

Long-service awards

Long-service awards are payable to all Group employees who reach 20 years, 30 years, 35 years and 40 years of service with the Group.

The amount payable is based on the number of years' service. The Group's obligation is determined using the projected unit credit method, similar to that used for end-of-career allowances.

Other benefits

Other employee benefits principally comprise:

- mutual health plan for retirees and early retirees:

  Under IAS 19, the employer's contribution paid by some consolidated companies in the Banque Populaire Group to mutual health funds on behalf of retirees and early retirees is treated as a post-employment benefit. The liability is therefore provided for in the consolidated financial statements;
- senior executives:

  This new plan, which was set up in late 2007, is intended for executive committee members of the Group's units. It is backed by an insurance policy signed by BFBP and Natixis Assurance. It represents a funded policy (external transfer of the annuity risk upon settlement of an annuity and of the reversibility risk). The plan provides for a defined benefit subject to employment conditions within the Group upon settlement of the pension rights;
- pensions for Banque Fédérale des Banques Populaires Group senior managers or equivalent (FCR plan):

  The obligation relates to both active and retired employees. BFBP has opted to harmonize the operation of its FCR pension plans on a funded basis;
- executive officers' plan

  The plan switched to funded status, with plan-related obligations no longer being borne by the Banque Fédérale des Banques Populaires Group but transferred to an external insurer. This external transfer was made in return for a charge by the insurer to the capital required to set aside the annuities currently being serviced. The gradual accumulation of an asset to cover retirements is planned with the aim of 80% liability coverage in 2013;
- plan for Banque Populaire bank chairmen

  This plan was set aside in 1986 has been covered by provisions since 2006. A new contract was signed in late 2007 with Natixis Assurance. The immediate consequence of this change is that BFBP must cover benefits already paid by making a payment to the fund. As soon as the insurer has delivered a life annuity, it must set aside a technical provision and must have the necessary financing, otherwise it must recognize a loss. This coverage has been passed on to the Banque Populaire banks from 2007.

VII.3.2 Determination and recognition of the provision

The provision for employee benefits recognized in the balance sheet is equal to:

- the amount of the actuarial liability in respect of post-retirement and similar benefits for active and retired employees;
- less the market value of plan assets;
- plus or minus any actuarial gains or losses arising from:
  - experience adjustments in respect of demographic variables,
  - changes in actuarial assumptions: discount rate, employee turnover and future salary increases,
  - differences between the actual return and expected return on plan assets.

The main actuarial assumptions made as at December 31, 2008 are as follows:

	Supplementary banking pension	End-of-career allowances	Pension benefits for senior managers or equivalent	Senior executives	Chairmen's plan	Executive officers' plan
Discount rate	3.82%	2.75% – 3.82%	2.39%	3.54%	3.18%	2.83%
Inflation rate	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Expected return on plan assets	3.40%	3.51%	4.00%	4.00%	4.00%	4.00%
Residual maturity	///	8-20 years	2.4 years	9.3 years	6.3 years	6.7 years
Maturity	14.6 years	///	2.2 years	8.5 years	6.7 years	4.6 years
Mortality tables	TGH05/TGF05	TF0002	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05

For end-of-career allowances and long service awards, employee turnover is calculated by age bracket and grade based on a three-year average. The rate is 0% for employees over 55. Future salary increases are estimated by grade based on a constant population and a three-year average. Actuarial assumptions are updated annually.

Actuarial gains and losses are recognized in income using the "corridor" method. Under this method, the portion that exceeds 10% of the greater of the Group's obligation or the fair value of plan assets is deferred over the remaining working lives of the employees participating in the plan. The "corridor" method is not used for other long-term employee benefits such as long-service awards.

The Group has used the option available under IFRS 1 to recognize all as-yet-unrecognized actuarial gains or losses in equity in the opening balance sheet at January 1, 2004.

The change in liability recognized in income therefore corresponds to:

- incremental benefit entitlements (expenses);
- benefits paid during the period (income);
- interest cost on the opening liability (expenses);
- expected return on plan assets;
- amortization of actuarial gains and losses outside the corridor.

The Banque Fédérale des Banques Populaires Group uses an independent actuary to measure its main liabilities.

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VII.3.3 Summary of liabilities and provisions

	2008				
in € millions	Supplementary pensions	End-of-career allowances	Long-service awards	Other	Total
IAS liability at January 1, 2008					
Provisions recognized	**34**	**57**	**15**	**54**	**160**
Unrecognized actuarial gains or losses[1]	**5**	**1**		**29**	**35**
Difference at January 1, 2008		**0**			
Deferral of changes in plan[4]	**(1)**	**3**		**2**	**5**
TOTAL LIABILITY AT JANUARY 1, 2007	**39**	**61**	**15**	**85**	**200**
Benefits paid in the period	(4)	(6)	(1)	(4)	(15)
Incremental benefit entitlement	1	4	1	3	9
Interest cost	4	3	1	4	12
Expected gross return on plan assets	(3)	(1)		(1)	(5)
Change in management fees	0	(0)			(0)
Contribution to fund	(5)	(1)		(18)	(23)
Contribution-related expenses	0	0			0
Impact of change in plan conditions recognized during the period	0	2	(0)	1	3
Actuarial gains and losses	0	(1)	(0)	2	2
Other items	1	(9)	(0)	4	(4)
CHANGE RECOGNIZED IN "PAYROLL COSTS"[2]	**(5)**	**(8)**	**0**	**(9)**	**(22)**
Actuarial gain or loss on liabilities	7	3		2	12
Actuarial gain or loss on return on plan assets	9	1			10
Other actuarial gains or losses	1	4		(4)	1
CHANGE IN ACTUARIAL GAINS OR LOSSES NOT RECOGNIZED[1]	**16**	**8**		**(2)**	**22**
Impact of change in plan during the period	1	9		1	11
Other	1	1		(1)	0
COST NOT YET RECOGNIZED[1]	**2**	**10**		**(0)**	**11**
Changes in scope – impact on liability	(1)	8	2	14	24
Changes in scope – impact on actuarial gains or losses					
Changes in scope – impact on changes in plan					
CHANGES IN SCOPE AND RECLASSIFICATIONS[3]	**(1)**	**8**	**2**	**14**	**24**
Provisions recognized	**28**	**57**	**18**	**60**	**162**
Unrecognized actuarial gains or losses[1]	**21**	**10**		**27**	**58**
Deferral of changes in plan	**1**	**11**		**2**	**14**
TOTAL LIABILITY AT DECEMBER 31, 2008[5]	**50**	**78**	**18**	**89**	**234**

(1) Pursuant to IAS 19.

(2) As these provisions are recognized as liabilities in the balance sheet, increases/(expense) are shown as positive amounts and reversals/(income) are shown as negative amounts in brackets.

(3) The impact reflects reallocations of data concerning the addition of SMC to the Banque Fédérale des Banques Populaires Group scope.

(4) The "deferral of changes in plan" item relates to both changes in plan at the start of the period arising from the Social Security Financing Acts for 2007 and 2008.

(5) Change in fair value of assets held to cover post-employment benefits granted:

in € millions	Supplementary pensions	End-of-career allowances	Other	Total
Fair value at January 1, 2008	**70**	**31**	**21**	**121**
Expected return on plan assets	3	1	3	7
Actuarial gains and losses generated during the period	(8)	(1)	(2)	(12)
Contributions paid		1		1
Exchange differences				
Benefits paid – change in scope of consolidation	21	3	0	23
Transfers and other		0		0
Fair value at December 31, 2008	**85**	**34**	**21**	**140**

	2007				
in € millions	Supplementary pensions	End-of-career allowances	Long-service awards	Other	Total
Provisions recognized	**30**	**47**	**12**	**38**	**128**
Unrecognized actuarial gains or losses(1)	**8**	**8**		**7**	**24**
Deferral of changes in plan		**2**		**1**	**3**
TOTAL LIABILITY AT JANUARY 1, 2007	**38**	**57**	**12**	**47**	**155**
Benefits paid in the period	(2)	(2)	(1)	(1)	(6)
Incremental benefit entitlement		4	2	3	9
Interest cost	4	2	0	4	10
Expected gross return on plan assets	(3)	(1)		(0)	(4)
Change in management fees		0			0
Contribution to fund	(0)	(1)	(0)	(14)	(15)
Contribution-related expenses					
Impact of change in plan conditions recognized during the period		0	0	(2)	(1)
Actuarial gains and losses	0	0	(0)	2	3
Other items	0	(0)	(0)	(1)	(2)
CHANGE RECOGNIZED IN "PAYROLL COSTS"(2)	**(1)**	**3**	**1**	**(9)**	**(6)**
Actuarial gain or loss on liabilities	(3)	(1)		(3)	(6)
Actuarial gain or loss on return on plan assets	0	0		0	0
Other actuarial gains or losses	(0)	(6)		25	18
CHANGE IN ACTUARIAL GAINS OR LOSSES NOT RECOGNIZED(1)	**(3)**	**(7)**		**22**	**12**
Impact of change in plan during the period	(1)	1		0	1
Other		(0)		1	1
COST NOT YET RECOGNIZED(1)	**(1)**	**1**		**1**	**2**
Changes in scope – impact on liability	5	8	2	24	39
Changes in scope – impact on actuarial gains or losses					
Changes in scope – impact on changes in plan				(1)	(1)
CHANGES IN SCOPE AND RECLASSIFICATIONS(3)	**5**	**8**	**2**	**23**	**38**
Provisions recognized	**34**	**57**	**15**	**54**	**160**
Unrecognized actuarial gains or losses(1)	**5**	**1**		**29**	**35**
Deferral of changes in plan	**(1)**	**3**		**2**	**5**
TOTAL LIABILITY AT DECEMBER 31, 2007	**39**	**61**	**15**	**85**	**200**

(1) Pursuant to IAS 19.

(2) As these provisions are recognized as liabilities in the balance sheet, increases/(expense) are shown as positive amounts and reversals/(income) are shown as negative amounts in brackets.

(3) Impacts arise from data relating to entities being reallocated to the correct items and FONCIA's addition the Banque Populaire Group's scope of consolidation.

(4) The "deferral of changes in plan" item relates to both changes in plan at the start of the period arising from the Social Security Financing Acts for 2007 and 2008.

VII.4 *Share-based payment plans*

VII.4.1 Stock option plans

The Banque Fédérale des Banques Populaires Group grants stock options to certain of its employees. As required by IFRS 2, stock options granted after November 7, 2002, which have not vested at the balance sheet date, are valued at their fair value on the grant date using the Black & Scholes model.

The fair value is expensed in payroll costs on a straight-line basis over the vesting period with a corresponding increase in equity. Fair value is reviewed on each reporting date and adjusted if subsequent information indicates a change to the initial estimate of vested rights. The expense is then adjusted for the current and future years.

The Banque Fédérale des Banques Populaires Group has four stock option plans covered by IFRS 2. The options are on Natixis shares and are exercisable over a period of three years after a lock-up period of four years.

GLOBAL SCOPE (INCLUDING NATIXIS AND SUBSIDIARIES)

	Plan details			Number of options		Amount *(€)*
Year	Date of grant	Vesting date	Expiration date	Granted	Outstanding at year-end 2008	Exercise price
2004	11/17/2004	11/17/2008	11/16/2011	6,930,000	6,361,740	5.79
2005	11/15/2005	11/15/2009	11/14/2012	7,700,000	7,543,690	7.74
2007	01/28/2007	01/28/2011	11/28/2014	11,550,000	11,245,696	14.38
2008	01/21/2008	01/21/2012	01/21/2015	3,726,800	2,858,240	8.27

The charge for 2008 recognized in "payroll costs" amounted to €1 million versus €4 million in 2007.

Following the capital increase carried out in September 2008, Natixis' Management Board decided on December 8 to adjust the terms of exercise and number of shares covered by options (1.54 options for 1 share).

These adjustments are intended to protect the rights of stock subscription rights holders without any additional advantage being granted to beneficiaries:

- that applying to the exercise price is simply intended to factor in a decline in the value of the share following detachment of the preferential subscription right;
- the adjustment of the number of options, based on an unchanged ratio of 1 option for one share, keeps the amount of the beneficiary's investment unchanged before and after the adjustment.

VII.4.2 Stock options granted to the top 10 beneficiaries

The number of stock options over Natixis shares exercised by the 10 employees (excluding executive officers) of Banque Fédérale des Banques Populaires who exercised the highest number of options was zero in 2008.

VII.4.3 Bonus share grant to employees

Natixis's general shareholders' meetings of November 17, 2006, and May 24, 2007, set the framework for bonus grants of Natixis shares to its employees as well as employees of the Banque Populaire Group and the Caisse d'Epargne Group. The bonus share grants are based on two French laws enabling employees to become shareholders in the company they work for free of charge, and therefore be more closely involved in their company's expansion.

On November 12, 2007, Natixis' Management Board adopted the terms of the allotment relating to vesting and holding periods, in accordance with the law. Banque Populaire Group staff were given the right to receive 60 shares after a two-year vesting period. At the end of this period, shares allocated to employees must be held for two years before they become available (holding period). The shares will be available from November 14, 2011. Holders will be able to keep or sell the shares from that date.

Natixis will charge BFBP, in November 2009 when the bonus shares are granted to employees of the Banque Populaire banks and of i-BP, the cost of purchasing the shares to be used in the bonus share grant.

At December 31, 2007, a €1 million provision for employee benefits was set aside for this deferred charge, based on the price that Natixis paid for the shares and the estimated employee turnover rate of 3.5% for the Banque Populaire Group.

As part of the September 2008 capital increase, the preferential subscription rights, which were attached to the treasury shares held in the portfolio, were sold. To protect the rights of beneficiaries under the bonus share grant plan, Natixis' Management Board decided at its December 8, 2008 meeting to make an adjustment to this plan. This resulted in the grant of 33 additional Natixis shares in addition to the 60 initially awarded.

Pursuant to IFRS 2, this latest grant increases the total fair value of the grant program. As a result, the fair value of the obligation corresponding to the 33 additional shares granted to Natixis group employees should be recognized in addition to the IFRS 2 charge in respect of the first 60 shares granted by deferral over the remaining duration until effective grant (i.e. November 12, 2009).

Note VIII Segment reporting

IAS 14 requires the disclosure of information broken down by business or geographical segments that are subject to different risks and returns.

The Banque Fédérale des Banques Populaires Group's primary reporting format is business segment *(see note VIII.1)* and its secondary format is geographical segment *(see note VIII.2)*.

Segment reporting is based on financial aggregates taken from the balance sheet and income statement and reconciled with the consolidated financial statements.

VIII.1 *Segment reporting analysis*

The Banque Fédérale des Banques Populaires Group is organized into two sectors (or levels):

Level 1: Corporate and investment banking and project finance

This level comprises Natixis, the corporate and investment banking and services bank owned jointly by the Banque Populaire Group and the Caisse d'Epargne Group.

Until the third quarter of 2008, Natixis adopted five business segments representing the five core businesses recognized in Natixis' organizational structure to that point in time.

During the fourth quarter of 2008, the Corporate and Investment Banking (CIB) businesses were split into "CIB continuing activities", which house the core business activities due to be developed, and another part which comprises segregated "Workout Portfolio Management" (GAPC) activities. This separation is geared to ensuring optimal proactive management of the segregated assets, protecting the core assets to be retained within the Group and highlighting the performance of CIB continuing activities. The CIB business line now comprises two segments, i.e. CIB continuing activities and CIB-GAPC.

At December 31, 2008, Corporate and investment banking and project finance broke down into six business lines, aside from retail banking, and an "other businesses" unit:

Corporate and investment banking (CIB)

CIB continuing activities

CIB continuing activities thus offer its clients, businesses institutional investors, insurers and banks, a full range of financing and capital market products incorporating all Natixis' expertise in advisory services, organization, structuring and distribution. This segment is organized into three business lines and two regional platforms:

- corporate and institutional relationships: handles the relationship with clients in France and in international markets and directly manages conventional lending, flow products, and mergers and acquisitions;
- debt and financing: encompasses the structured financing and commodities, real estate, debt solutions and structured credit and securitization activities;
- capital markets: is organized around units of expertise in the bond, currency, commodities, credit and equity markets;
- two regional platforms, North America and Asia, have dedicated resources enabling them to support each of the business lines with their international expansion in a controlled manner.

Segregated CIB assets-GAPC

The segregated CIB assets segment was set up within the CIB business line to handle the run-off of assets worst affected by the crisis and, secondly, those identified as no longer fitting with the core business based on Natixis' new strategic choices aimed at focusing on client-related activities. This notably concerns: the proprietary credit and structured credit investment activities, the credit-linked activities, the mortgage-backed securities portfolios of the ABM Corp. subsidiary in New York and the most complex activities at the equity and interest-rate derivatives business lines.

Private equity and private banking

This core business comprises:

- the private equity business, which has its own sales force serving a clientele of small and medium-sized, mostly unlisted companies. It is active in expansion capital (mature companies), buy-ins and buyouts, venture capital (young, innovative companies) and international private equity;
- private banking in France and Luxembourg, providing advice, planning and asset management services for a clientele of high-net-worth individuals, mostly clients of the Caisses d'Epargne and Banque Populaire networks, but also of Natixis.

Services

This business line combines all the service activities, which are geared mainly to the Caisses d'Epargne and Banques Populaires networks and Natixis' other business lines:

- securities back-office services: custody services (account administration, securities back-office outsourcing, depository control), fund administration and accounting, issuer services, order receipt and transmission, office service;
- payment systems: electronic payments, issuance and collection of low-volume electronic transfers and check processing;
- insurance: life, property/casualty and personal risk insurance;
- employee benefits planning (comprehensive range for companies), and employee savings plans: employee account-keeping, fund administration and accounting; group life insurance, service vouchers;
- specialized financing: the specialized financing business comprises the leasing activities (transferred from CIB to services) and consumer finance;
- financial guarantees: this business is handled by Natixis Garanties. The business mainly includes: guarantees on personal and business mortgages granted by the Caisses d'Epargne network, legal guarantees and financial guarantees;
- international banking services: services provided to businesses via Pramex and expansion of the retail network in Algeria (transferred from CIB to services).

Receivables management

This business line was restructured in 2007. Initially, there was a merger between GCE Affacturage and Natixis Factor, consolidating the latter's number-three ranking in the French factoring market. Secondly, Coface Holding was set up, and now houses all receivables management subsidiaries within a unified legal structure. The business line includes trade receivables management and offers clients tailored products to manage, protect and finance their receivables.

More than half of revenues come from outside France, where there remains substantial growth potential.

The main activities are: credit insurance, factoring, business information and credit rating (solvency and marketing), trade receivables management (from issuance to recovery) and management of public procedures on behalf of the French State.

Training in receivables management techniques is another growing business area. The business line has an extensive distribution network:

- it has its own distribution network (64 countries), supported by the Crédit Alliance network (91 countries) developed by Coface;
- it also uses the Banque Populaire and Caisses d'Epargne banking networks, which are a major source of factoring business in France and offer substantial development potential for other activities.

Asset Management

Asset management activities are grouped within Natixis Global Asset Management. They cover all asset classes and are carried out mainly in the USA and France. Activities take place through a federation of autonomous entities (specialist asset management companies and specialist distribution structures) controlled by a holding company responsible for providing guidance and ensuring consistency throughout the Group. Its companies can thus focus on their core business generating performance while continuing to build up their own clientele of institutional clients and benefiting from the division's other support functions, with appropriate business models. A number of these companies are highly reputed, such as Harris Associates, Loomis Sayles, Ixis AEW and Natixis Asset Management.

Together, these specialist asset management companies enable the Group to offer a comprehensive array of expertise that meets the demands of all client categories. Distribution to these various client groups is optimized through the Advisors/Global Associates platform, as well as the business franchises historically built up by the asset management companies, particularly serving Group clients. However, the asset management companies themselves are responsible for distribution to the shareholders' banking networks in France.

Other businesses

Other activities not covered by these five core businesses are grouped under "Other businesses", which primarily comprise the functional departments (information systems, human resources, finance and internal audit). Profits from the Banques Populaires and Caisses d'Epargne banks, accounted for under the equity method through CCI cooperative certificates of investment, go to this business line.

Level 2: Federal activity of the Group and other

This level encompasses:

- the activities of Banque Fédérale des Banques Populaires, which guarantees the consistency and financial solidarity of the Group through its function as central body and holding company of Natixis (jointly with Caisse Nationale des Caisses d'Epargne);
- international retail banking activities, performed by subsidiaries owned by Banque Fédérale des Banques Populaires;
- Société Marseillaise de Crédit, wholly-owned by Banque Fédérale des Banques Populaires;
- residential real estate activities performed by FONCIA;
- the joint IT subsidiaries shared by the Banques Populaires banks (i-BP) and Société Centrale du Crédit Maritime Mutuel.

VIII.1.1 Segmental analysis of the income statement

NET INCOME (YEAR ENDED DECEMBER 31, 2008)(1)

		Corporate and investment banking and project finance							
in € millions	Federal activities and other[2]	Corporate and investment banking[3]	Asset Management	Private equity & private banking	Services	Receivables management	Other activities	Total	Total BFBP Group
Net banking income	**966**	**(213)**	**486**	**68**	**528**	**286**	**(109)**	**1,047**	**2,012**
Year-on-year change 2008/2007	*ns*	*(135)%*	*(21)%*	*(63)%*	*1%*	*(14)%*	*ns*	*(45)%*	*(73)%*
Operating expenses	**(817)**	**(692)**	**(345)**	**(61)**	**(342)**	**(249)**	**(120)**	**(1,808)**	**(2,626)**
Year-on-year change 2008/2007	*ns*	*(6)%*	*(24)%*	*0%*	*5%*	*4%*	*ns*	*(2)%*	*(56)%*
Gross operating income	**149**	**(904)**	**141**	**8**	**187**	**37**	**(228)**	**(761)**	**(610)**
Year-on-year change 2008/2007	*ns*	*(650)%*	*(9)%*	*(94)%*	*(6)%*	*(59)%*	*ns*	*ns*	*(139)%*
Income before income taxes	**253,0**	**(1)**	**120**	**3**	**185**	**36**	**(446)**	**(1,550)**	**(1,297)**
Year-on-year change 2008/2007	*ns*	*(629)%*	*(24)%*	*(97)%*	*(5)%*	*(60)%*	*ns*	*ns*	*ns*

(1) Results for each segment comprise directly attributable operating income and expenses, including transactions with other Group segments.
(2) Including Société Marseillaise de Crédit, a wholly-owned subsidiary of BFBP.
(3) Changes between 2008 and 2007 do not take account of the change in Banque Populaire des Banques Fédérales' stake in Natixis.
(4) Following the reorganization of Corporate and Investment Banking (CIB) and reorientation of its operations, its results are now split between CIB continuing activities and the segregated CIB activities (Workout Portfolio Management). At 31 December 2008, they broke down as follows:

in € millions	CIB continuing activities	Segregated CIB assets-GAPC	Total CIB
Net banking income	**1,022**	**(1,235)**	**(213)**
Operating expenses	(629)	(63)	(692)
Gross operating income	**393**	**(1,298)**	**(904)**
Income before income taxes	**153**	**(1,601)**	**(1,447)**

VIII.1.2 Segmental analysis of the balance sheet

ASSETS (AT DECEMBER 31, 2008)(1)

		Corporate and investment banking and project finance							
in € millions	Federal activities and other[2]	Corporate and investment banking[3]	Asset Management	Private equity & private banking	Services	Receivables management	Other activities	Total	Total BFBP Group
Assets at fair value through profit and loss	16,385	98,455	235	628	2,570	46	166	102,101	118,485
Available-for-sale financial assets	1,789	2,803	111	73	7,463	395	(1,446)	9,400	11,189
Loans and advances to banks	40,758	20,866	50	147	1,046	68	(2,275)	19,902	60,660
Loans and advances to customers	3,587	33,357	1	378	3,841	2,435	1,333	41,344	44,932
Held-to-maturity financial assets	0	0	0	0	2,262	32	(45)	2,249	2,249
Goodwill	1,919	0	1,191	27	316	185	77	1,796	3,715
Other assets	7,900	8,433	(1,043)	(185)	739	102	6,031	14,075	21,976
TOTAL ASSETS	**72,338**	**163,913**	**545**	**1,069**	**18,237**	**3,263**	**3,841**	**190,868**	**263,206**

(1) Each segment is presented according to its contribution to the consolidated financial statements of the Banque Fédérale des Banques Populaires Group. Intragroup transactions between segments are eliminated at the level of each business line.
(2) Including Société Marseillaise de Crédit, a wholly-owned subsidiary of Banque Fédérale des Banques Populaires and contributing to the Group's income only from the second half given the date of its acquisition from HSBC France (July 2008).
(3) Following the reorganization of CIB and the refocusing of its activities, results are now broken down between CIB continuing activities and activities housed within the Workout Portfolio Management Structure (GAPC).

LIABILITIES (AT DECEMBER 31, 2008)[1]

		Corporate and investment banking and project finance							
in € millions	Federal activities and other[2]	Corporate and investment banking[3]	Asset Management	Private equity & private banking	Services	Receivables management	Other activities	Total	Total BFBP Group
Financial liabilities at fair value through profit and loss	9,302	97,933	0	26	307	10	(946)	97,331	106,632
Deposits from banks	24,920	29,227	125	231	3,097	1,482	(2,984)	31,178	56,098
Customer deposits	4,361	17,270	0	273	2,180	659	639	21,020	25,382
Debt securities in issue	13,870	12,421	(28)	61	(317)	244	1	12,381	26,251
Insurance companies' technical reserves	0	39	0	0	11,530	438	0	12,007	12,007
Subordinated debt	2,566	4,679	0	4	242	9	(694)	4,239	6,806
Other liabilities	17,319	2,345	447	475	1,198	422	7,825	12,712	30,031
TOTAL LIABILITIES AND EQUITY	**72,338**	**163,913**	**545**	**1,069**	**18,237**	**3,263**	**3,841**	**190,868**	**263,206**

(1) Each segment is presented according to its contribution to the consolidated financial statements of the Banque Fédérale des Banques Populaires Group. Intragroup transactions between segments are eliminated at the level of each business line.

(2) Including Société Marseillaise de Crédit, a wholly-owned subsidiary of Banque Fédérale des Banques Populaires and contributing to the Group's income only from the second half given the date of its acquisition from HSBC France (July 2, 2008).

(3) Following the reorganization of Corporate and Investment Banking (CIB) and reorientation of its operations, its results are now split between CIB continuing activities and the segregated CIB activities (Workout Portfolio Management). The balance sheet at December 31, 2008 was as follows:

in € millions	CIB continuing activities	Segregated CIB assets-GAPC	Total CIB
Assets at fair value through profit and loss	72,600	25,855	98,456
Available-for-sale financial assets	2,083	719	2,803
Loans and advances to banks	20,740	126	20,866
Loans and advances to customers	30,508	2,848	33,356
Other assets	7,519	915	8,432
TOTAL ASSETS	**133,450**	**30,463**	**163,913**

in € millions	CIB continuing activities	Segregated CIB assets-GAPC	Total CIB
Financial liabilities at fair value through profit and loss	79,145	18,788	97,933
Deposits from banks	20,107	9,120	29,227
Customer deposits	16,069	1,201	17,270
Debt securities in issue	12,421	0	12,421
Insurance companies' technical reserves	39	0	39
Subordinated debt	4,679	0	4,679
Other liabilities	990	1,354	2,344
TOTAL LIABILITIES AND EQUITY	**133,450**	**30,463**	**163,913**

VIII.2 *Analysis by geographical segment*

The Banque Fédérale des Banques Populaires Group has a large domestic banking network through the Banque Populaire banks, but also a significant international business through Natixis' offices abroad (including Coface).

The Group has identified four main geographical segments:

- France;
- other EU countries;
- North America (Canada, US);
- other OECD countries.

Each legal entity has been allocated to a geographical segment based on its country of location.

VIII.2.1 Analysis of the income statement by geographical segment

INCOME STATEMENT (YEAR ENDED DECEMBER 31, 2008)

in € millions	France	Other EU countries	North America	Other OECD countries	Unallocated[1]	Total
Net banking income	**1,326**	**288**	**268**	**24**	**106**	**2,013**
Operating expenses	(1,926)	(259)	(350)	(31)	(59)	(2,625)
Gross operating income	**(599)**	**29**	**(82)**	**(7)**	**47**	**(612)**
Impairment charges and other credit provisions	(295)	(217)	(161)	(1)	(1)	(675)
Operating income	**(895)**	**(187)**	**(243)**	**(8)**	**45**	**(1,287)**
Share of results of associates	161	4	4	0	0	169
Gains or losses on other assets	151	(5)	(0)	(0)	0	146
Changes in value of goodwill	0	0	0	(0)	(324)	(324)
Income before income taxes	**(583)**	**(189)**	**(240)**	**(8)**	**(278)**	**(1,297)**
Income taxes	200	(56)	65	(2)	(13)	193
Net income	**(384)**	**(245)**	**(175)**	**(9)**	**(291)**	**(1,104)**
Minority interests	(18)	(1)	(8)	(0)	(9)	(36)
Net income attributable to equity holders of the parent	**(401)**	**(246)**	**(183)**	**(9)**	**(300)**	**(1,140)**

VIII.2.2 Analysis of the balance sheet by geographical segment

ASSETS (AT DECEMBER 31, 2008)

in € millions	France	Other EU countries	North America	Other OECD countries	Unallocated[1]	Total
Assets at fair value through profit and loss	89,661	10,714	17,519	30	561	118,486
Available-for-sale financial assets	11,270	1,222	161	19	(1,483)	11,189
Loans and advances to banks	59,852	3,113	497	27	(2,828)	60,660
Loans and advances to customers	27,107	8,925	7,102	81	1,716	44,932
Held-to-maturity financial assets	2,272	22	0	0	(45)	2,249
Goodwill	2,549	177	199	1	787	3,714
Other assets	25,042	(40)	540	(5)	(3,561)	21,976
TOTAL ASSETS	**217,753**	**24,132**	**26,019**	**154**	**(4,852)**	**263,206**

(1) Intragroup balances and transactions between geographical segments (IAS 14 para 24) and countries outside the four identified geographical segments are not broken down by geographical segment.

LIABILITIES (AT DECEMBER 31, 2008)

in € millions	France	Other EU countries	North America	Other OECD countries	Unallocated[(1)]	Total
Financial liabilities at fair value through profit and loss	81,058	8,298	17,398	30	(152)	106,632
Deposits from banks	51,814	10,497	(3,350)	88	(2,951)	56,098
Customer deposits	15,294	4,165	5,159	6	759	25,382
Debt securities in issue	19,280	352	6,224	2	393	26,251
Insurance companies' technical reserves	11,260	677	21	11	37	12,007
Subordinated debt	6,958	457	23	2	(635)	6,806
Other liabilities	32,089	(313)	544	15	(2,306)	30,030
TOTAL LIABILITIES AND EQUITY	**217,753**	**24,132**	**26,019**	**154**	**(4,852)**	**263,206**

(1) *Intragroup balances and transactions between geographical segments (IAS 14 para 24) and countries outside the four identified geographical segments are not broken down by geographical segment.*

Note IX Commitments

IX.1 *Guarantees*

A financial guarantee that is not a qualified derivative financial instrument is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. The exercise of these rights is subject to the occurrence of an uncertain future event.

In accordance with paragraph 43 of the amendment to IAS 39 and IFRS 4 (published by the IASB in August 2005 and adopted by the European Union), financial guarantees given are carried at their fair value plus any transaction costs directly attributable to the issuance of the guarantees. For independent agreements entered into at market rates, in line with the Group's practice, fair value at the inception of the agreement is in principle equal to the amount of the premium(s) received. All guarantees issued by the Banque Fédérale des Banques Populaires Group are priced at market rates.

Subsequently, financial guarantees are measured at the higher of:

- the amount initially recognized less the amount of any amortization recorded according to the principles of IAS 18, Revenue. Such amortization corresponds to pro-rating of the fees received over the period of the guarantee;
- the value determined in accordance with IAS, Provisions, Contingent Liabilities and Contingent Assets, which is the amount the entity would reasonably pay to extinguish the obligation or to transfer it to a third party.

The amount stated is the nominal value of the commitment.

All financial guarantees issued by insurance subsidiaries that meet the definition of an insurance contract have been accounted for in accordance with the requirements of IFRS 4, Insurance Contracts, as permitted in paragraph AG64(a) of the amendment thereto.

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Guarantees given			
To banks and other credit institutions:	*1,061*	*987*	*1,210*
• Confirmed documentary credits	371	518	425
• Other guarantees	690	469	785
To customers:	*37,921*	*85,586*	*52,277*
• Real estate guarantees	438	553	224
• Tax and other bonds	271	272	327
• Other bonds and endorsements	29,415	75,574	42,910
• Other guarantees	7,798	9,187	8,815
TOTAL GUARANTEES GIVEN	**38,982**	**86,573**	**53,487**
GUARANTEES RECEIVED FROM BANKS AND OTHER CREDIT INSTITUTIONS	**14,008**	**13,540**	**5,313**

IX.2 *Financing commitments*

In accordance with IAS 39 (para 2), financing commitments outside the scope of IAS 39 are recognized in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

- The following financing commitments fall within the scope of IAS 39:

– commitments classified as financial liabilities at fair value through profit and loss. If an entity has a past practice of reselling or securitizing loans shortly after origination, these loans are subject to IAS 39 from the commitment phase,

– commitments that can be fulfilled by a net settlement (i.e., a sale),

– commitments to provide a loan at a below-market interest rate.

The Banque Fédérale des Banques Populaires Group has no commitments of this type.

- Other financing commitments covered by IAS 37:

Financing commitments given by the Banque Fédérale des Banques Populaires Group are for loans at market rates. These commitments constitute contingent liabilities and are recorded in accordance with IAS 37. At initiation, they are not recognized in the balance sheet. A provision for contingencies and losses, recorded under liabilities, is recognized subsequently in the event that default by the counterparty becomes probable during the commitment period.

The nominal value of commitments governed by IAS 37 is as follows:

in € millions	**12/31/2008**	**12/31/2007**	**12/31/2006 Proforma**
Financing commitments given			
To banks and other credit institutions:	*3,480*	*1,304*	*874*
To customers:	*16,894*	*18,455*	*17,596*
• Documentary credits	621	945	737
• Other confirmed lines of credit	13,844	15,113	14,594
• Other commitments	2,429	2,397	2,265
TOTAL FINANCING COMMITMENTS GIVEN	**20,373**	**19,759**	**18,470**
Financing commitments received			
• from banks and other credit institutions	6,298	952	8,169
• from customers	0	0	0
FINANCING COMMITMENTS RECEIVED	**6,298**	**952**	**8,169**

IX.3 *Other commitments*

Acquisition of Natexis Bleichroeder Inc.

In 2002, Banque Fédérale des Banques Populaires issued a guarantee relating to the shares issued by Natixis on the acquisition of Natexis Bleichroeder Inc. in December 2002.

The acquisition of Natexis Bleichroeder Inc. (formerly Arnhold & Bleichroeder Inc.) was paid for through the issuance of 1,401,082 new Natixis shares. The share issue, carried out on December 6, 2002, represented a capital increase of 3%.

Arnhold & Bleichroeder Holdings, the former owner of Natexis Bleichroeder Inc., committed to retain at least 45% of these shares for a minimum of five years.

The other 55% of the shares may be sold gradually over a period of seven years, in accordance with predetermined "windows" and "level": at most 10% of the shares may be sold between six months and one year after the transaction date; a cumulative maximum of 35% of the shares may have been sold between one year and two years after the transaction date; a cumulative maximum of 45% between two years and three years; and a cumulative maximum of 55% between three years and seven years after the transaction date.

Arnhold & Bleichroeder Holdings and Banque Fédérale des Banques Populaires have also signed a Value Protection Agreement stating that if any of the 55% of the shares referred to above are sold at a price below their value at the date of issue, i.e. €7.556, Banque Fédérale des Banques Populaires will transfer additional Natixis (formerly Natexis Banques Populaires) shares to Arnold & Bleichroeder Holdings for no consideration. At December 31, 2008, this floor price was estimated at €5.454 after payout of dividends and sale of preferential subscription rights.

This value protection agreement will apply only if the shareholders of Arnold & Bleichroeder Holdings have refused an offer to repurchase the Natixis shares at a price previously proposed to them by Banque Fédérale des Banques Populaires. In such case, the Natixis shares may not be sold to a third party at a price lower than that offered by Banque Fédérale des Banques Populaires.

In 2008 Arnhold & Bleichroeder Holdings exercised this value guarantee, which had been provisioned at the amount estimated to be at risk.

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Funding from Société de Financement de l'Économie Française (SFEF)

The Banque Populaire Group has benefited from funding made available to banks by the French national government under the financial sector support plan enacted as part of the Finance Act of October 16, 2008 (Article 6) and approved by the European Commission.

SFEF, owned 34% by the French State and 66% by the main French banks, has been set up to ensure medium-term refinancing of French banks by raising funds on the market through issues of medium-term notes guaranteed by the State. On behalf of the Group, Banque Fédérale des Banques Populaires has signed two agreements, a loan agreement and a guarantee beneficiary agreement. Banque Fédérale des Banques Populaires receives the funds but immediately passes them through to the Banque Populaires Regional Banks. The borrower beneficiary (the term used in the agreement) is the regional Banque Populaire bank, not Banque Fédérale des Banques Populaires.

Loans from SFEF are secured by the pledging of receivables as collateral, under the legal provisions set forth in Article 421-7-3I of the French Monetary and Financial Code. A conveyance with immediate transfer of title is not involved, nor is a Dailly conveyance of security. In the event of default, that is, if the regional Banque Populaire bank fails to repay the SFEF loan, the receivable pledged as collateral become the property of SFEF. The receivables provided as collateral must be sound, not non-performing.

The receivables provided as collateral are of various kinds: consumer loans, housing loans, equipment loans. A haircut depending on the kind of loan is applied to determine the amount of the borrowing from SFEF.

At December 31, 2008, the carrying amount of the portfolio of loans pledged to SFEF was €361million, of which €357million applied to Natixis after taking into account the Group's proportionate share of ownership.

Note X Related parties

Related parties are companies consolidated in the Banques Populaires Group (regardless of consolidation method), as well as the corporate officers and Board members of Banque Fédérale des Banques Populaires (BFBP), the Banque Populaire Group's parent company.

X.1 *Compensation of corporate officers and Board members*

X.1.1 Compensation, benefits, loans, and Director's fees paid to Banque Fédérale des Banques Populaires (BFBP) corporate officers

X.1.1.1 Compensation, stock options, and performance shares paid to each corporate officer (Table 1)

Compensation for the year		2008	2007
Philippe DUPONT **BFBP Chairman and Chief Executive Officer, and Chairman of the Natixis Management Board**	For services at BFBP	€301,721	€410,642
	For services at Natixis	€350,000	€350,000
	TOTAL	**€651,721**	**€760,642**

Value of stock options received during the year (under IFRS 2)		2008 (1)	2007
Philippe DUPONT **Executive Chairman**	For services at BFBP	N/A (1)	€324,765
	For services at Natixis	€0	€881,505
	TOTAL	**N/A (1)**	**€1,206,270**

(1) Philippe Dupont has renounced any stock options as compensation for his services at BFBP in 2008.

The value of stock options calculated under IFRS 2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options granted as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		**2008**	**2007**
Philippe Dupont	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**None**	**None**

Compensation for the year		**2008**	**2007**
Bruno Mettling **BFBP Deputy Chief Executive Officer**	For services at BFBP	€345,525	€500,806
	For services at Natixis	€23,000	€26,600
	TOTAL	**€368,525**	**€527,406**

Value of stock options received during the year		**2008** (1)	**2007**
Bruno METTLING	For services at BFBP	N/A(1)	€324,765
	For services at Natixis	€0	€0
	TOTAL	**N/A(1)**	**€324,765**

(1) Bruno Mettling has renounced any stock options as compensation for his services at BFBP in 2008.

The value of stock options calculated under IFRS 2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options given as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		**2008**	**2007**
Bruno METTLING	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**None**	**None**

The gross compensation paid to BFBP corporate officers includes a fixed portion and a variable portion. These portions are set in accordance with the Banque Populaire Group's executive compensation policy.

X.1.1.2 Summary of compensation paid to each corporate officer (Table 2)

	2008		2007	
Philippe Dupont	**Amount due(5)**	**Amount paid(6)**	**Amount due(5)**	**Amount paid(6)**
Fixed compensation(1)	**€595,000**	**€595,000**	**€595,000**	**€595,000**
For services at BFBP	€245,000	€245,000	€245,000	€245,000
For services at Natixis	€350,000	€350,000	€350,000	€350,000
Variable compensation(1)(2)	**€0**	**€110,000**	**€110,000**	**€110,000**
For services at BFBP	€0	€110,000	€110,000	€110,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation(1)(4)	**€0**	**€0**	**€0**	**€0**
Director's fees(7)	**€11,484**	**€11,040**	**€11,040**	**€11,285**
For services at BFBP subsidiaries	€0	€0	€0	€586
For services at BFBP	€11,484	€11,040	€11,040	€10,699
Benefits(3)	**€45,237**	**€45,237**	**€44,602**	**€44,602**
For services at BFBP	€45,237	€45,237	€44,602	€44,602
For services at Natixis	€0	€0	€0	€0
TOTAL	**€651,721**	**€761,277**	**€760,642**	**€760,887**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.

(3) Corporate car and housing for Philippe Dupont.

(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

	2008		2007	
Bruno Mettling	**Amount due(5)**	**Amount paid(6)**	**Amount due(5)**	**Amount paid(6)**
Fixed compensation(1)	**€290,000**	**€290,000**	**€290,510**	**€290,510**
For services at BFBP	€290,000	€290,000	€290,510	€290,510
For services at Natixis	€0	€0	€0	€0
Variable compensation(1)(2)	**€0**	**€130,000**	**€130,000**	**€130,000**
For services at BFBP	€0	€130,000	€130,000	€130,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation(1)(4)	**€0**	**€0**	**€0**	**€0**
Director's fees(7)	**€32,792**	**€62,163**	**€61,163**	**€62,600**
For services at BFBP subsidiaries	€9,792	€34,563	€34,563	€20,000
For services at BFBP	€23,000	€27,600	€26,600	€42,600
Benefits(3)	**€45,733**	**€45,733**	**€45,733**	**€45,733**
For services at BFBP	€45,733	€45,733	€45,733	€45,733
For services at Natixis	€0	€0	€0	€0
TOTAL	**€368,525**	**€527,896**	**€527,406**	**€528,843**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.

(3) Corporate car and housing expense reimbursement for Bruno Mettling.

(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

Neither Philippe Dupont, Michel Goudard, nor Bruno Mettling currently receives any allowances or benefits from companies controlled by BFBP.

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X.1.2 Director's fees and other compensation paid to BFBP Board members

X.1.2.1 Director's fees and Other compensation paid to non-executive Board members (Table 3)

	Amount due in 2008 and paid 2009[1]		Amount due in 2007 and paid 2008[1]	
	Director's fees	**Other compensation**	**Director's fees**	**Other compensation**
Thierry Cahn	€8,820	-	-	-
Jean Clochet	€41,523	-	€40,036	-
Pierre Delourmel	€17,468	-	€8,832	-
Pierre Desvergnes	€18,168	-	€12,436	-
Jean-Claude Detilleux	€13,284	-	€12,840	-
Michel Doligé	€16,690	-	€11,124	-
Bernard Fleury	€18,540	-	€15,624	-
Stève Gentili	€36,175	-	€44,001	-
Yves Gevin	€16,525	-	€18,738	-
Jacques Hausler	€21,885	-	€17,005	-
Marc Jardin	€18,540	-	€13,824	-
Bernard Jeannin	€35,003	-	€41,652	-
Yvan de La Porte du Theil	€53,350	-	€58,862	-
François Moutte	€8,352	-	€5,520	-
Christian du Payrat	€17,934	-	€13,536	-
Philippe Queuille	€5,500	-	-	-
Jean-Louis Tourret	€29,005	-	€47,090	-
Gonzague de Villèle	€5,532	-	-	-
TOTAL	**€382,294**		**€361,120**	

(1) *Fees paid as compensation for positions held on the Board of Directors and Board Committees of BFBP and the companies it controls.*

X.1.3 Stock options

No options on BFBP shares have been granted to date. However, corporate officers have been granted options on Natixis shares as compensation for their services at BFBP and the companies it controls.

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X.1.3.1 Stock options granted by the Group and all Group companies to each corporate officer during the year (Table 4)

	Plan date and No.	Type of option (purchase or subscription)	Value of options recognized in the consolidated financial statements		Number of options granted during the year(1)		Strike price	Exercise period
			For services at BFBP	For services at Natixis	For services at FBP	For services at Natixis		
Philippe Dupont	Jan. 21, 2008 Natixis Plan 2	Subscription	N/A(2)	€0	N/A(2)	0	€8.27	Jan. 21, 2012 Jan. 21, 2015
Bruno Mettling	Jan. 21, 2008 Natixis Plan 2	Subscription	N/A(2)	-	N/A(2)	-	€8.27	Jan. 21, 2012 Jan. 21, 2015

(1) After adjusting for the share issue in September 2008.
(2) Philippe Dupont and Bruno Mettling have renounced any stock options as compensation for their services at BFBP in 2008.

X.1.3.2 Stock options exercised by each corporate officer during the year (Table 5)

	Plan date and No.	Number of options exercised during the year	Strike price
Philippe DUPONT	N/A	None	
Bruno METTLING	N/A	None	

X.1.3.3 Performance shares granted to each corporate officer (Table 6)

Performance shares granted during the year by the AGM of the Group and all Group companies to each corporate officer	Plan date and No.	Number of shares granted during the year	Value of shares recognized in the consolidated financial statements	Acquisition date	Vesting date	Performance criteria
	N/A			None		

Vested performance shares owned by each corporate officer (Table 7)	Plan date and No.	Number of shares vested during the year	Vesting terms
	N/A	None	

The number of Natixis stock options allocated to the Banque Populaire Group is determined by the Natixis Executive Board and AGM.

X.1.3.4 Stock option grants since 2002 (Table 8)

STOCK OPTION DETAILS

	2002	2003	2004	2005	2007	2008
Natixis AGM date	05/31/2001	05/31/2001	05/27/2004	05/19/2005	11/17/2006	05/24/2007
Natixis Management Board decision date	09/10/2002	09/10/2003	11/17/2004	11/15/2005	01/29/2007	01/21/2008
Number of stock options granted on the Natixis Management Board decision date to Banque Populaire Group employees, with the number granted to specific individuals listed below*	2,630,474	2,648,800	2,771,230	3,187,800	4,142,600	3,726,800
Corporate officers and Board members						
Corporate officers						
Philippe Dupont	169,400	184,800	192,500	215,600	400,400	N/A
• For services at Banque Populaire Group	84,700	92,400	92,400	107,800	107,800	N/A
• For services at Natixis	84,700	92,400	100,100	107,800	292,600	0
Bruno Mettling	-	-	-	77,000	107,800	N/A
Non-executive Board members						
Jean Clochet	-	-	-	15,400	20,020	N/A
Steve Gentili	10,780	10,780	10,780	15,400	20,020	N/A
Yvan De la Porte du Theil	43,120	43,120	43,120	47,740	61,600	N/A
Bernard Jeannin	43,120	43,120	43,120	47,740	61,600	N/A
Thierry Cahn	7,700	10,780	10,780	15,400	20,020	N/A
Pierre Delourmel	-	10,780	10,780	15,400	20,020	N/A
Pierre Desvergnes	-	-	-	-	-	-
Jean-Claude Detilleux	0	38,500	38,500	43,120	58,520	-
Michel Dolige	10,780	10,780	10,780	15,400	20,020	N/A
Bernard Fleury	9,240	9,240	9,240	13,860	20,020	N/A
Yves Gevin	43,120	43,120	43,120	47,740	61,600	N/A
Jacques Hausler	43,120	43,120	43,120	47,740	61,600	N/A
Marc Jardin	10,780	10,780	10,780	15,400	20,020	N/A
François Moutte	38,500	38,500	38,500	47,740	61,600	N/A
Christian Du Payrat	15,400	38,500	38,500	43,120	58,520	N/A
Philippe Queuille	43,120	43,120	43,120	47,740	61,600	N/A
Jean-Louis Tourret	7,700	9,240	9,240	13,860	18,480	N/A
Gonzague de Villele	15,400	13,860	18,480	43,120	58,520	N/A
Exercise period start date	09/10/2006	09/10/2007	11/17/2008	11/15/2009	01/29/2011	01/21/2012
Expiration date	09/09/2009	09/09/2010	11/16/2011	11/14/2012	01/28/2014	01/20/2015
Adjusted strike price *(in euros)***	4.71	5.41	5.79	7.74	14.38	8.27
Exercise terms if there are several tranches	N/A	N/A	N/A	N/A	N/A	N/A
Number of stock options exercised by Banque Populaire Group employees at 12/31/2008 (after accounting for employee mobility)	2,009,407	589,897	107,030	21,560	-	-
Cumulative number of stock options cancelled or expired (after accounting for employee mobility)	46,970	31,108	18,480	3,850	-	868,560
Cumulative number of unexercised stock options held by Banque Populaire Group employees (after accounting for employee mobility)	635,466	2,063,985	2,677,752	3,179,330	4,107,334	2,846,690

* *After adjusting for the Natixis share issue in September 2008.*

** *Equal to the average Natixis share price over the 20 stock market trading days preceding the date of the Management Board's decision.*

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Table 9. Stock options granted to and exercised by the ten employees who are not corporate officers receiving the highest number of options	Total stock options granted/exercised	Average weighted strike price	Plan 1	Plan 2
Stock options granted to these employees during the year by the Group and all Group companies in the stock option scope	337,260(1)	€8.27	01/21/2008	-
Number of these stock options exercised during the year	-	-	-	-

(1) *After adjusting for the Natixis share issue in September 2008.*

X.1.4 Post-employment benefits granted to corporate officers

Philippe Dupont and Bruno Mettling receive retirement benefits under the French social security system, ARRCO, AGIRC, and a supplemental retirement plan. Post-employment benefits for BFBP's other corporate officers are described on the Group's investor relations website, *www.ir.banquepopulaire.fr* (in French), under "Rémunérations Différées des Dirigeants Sociaux."

Table 10	Employment contract(1)		Supplementary retirement plan (2)		Benefits due if the employee changes or leaves his or her position (3)		Allowances related to a non-competition clause	
Corporate officer	Yes	No	Yes	No	Yes	No	Yes	No
Philippe DUPONT **Chairman and** **Chief Executive Officer** Date appointed: August 8, 1999 Term expiration date: May 2011		X	X		X			X
Bruno METTLING **Deputy Chief Executive Officer** Date appointed: July 1, 2006 Term expiration date: March 2, 2009	X		X		X			X

(1) *Bruno Mettling's employment contract was suspended when he was appointed a corporate officer on July 1, 2006.*

(2) *Philippe Dupont, Bruno Mettling, and all Banque Populaire Group executives receive retirement benefits under a supplementary retirement plan in accordance with the Group's bylaws. The total retirement benefit paid to a Banque Populaire Group executive cannot exceed 70% (or 60% after the executive turns 70) of his or her salary, capped at €370,000. The percentage is 50% for executives appointed after July 1, 2004, such as Bruno Mettling.*

(3) *For more information, see the Group's investor relations website, www.ir.banquepopulaire.fr (in French), in the section "Rémunérations Différées des Dirigeants Sociaux."*

X.2 *Information about consolidated companies*

X.2.1 Transactions with consolidated companies

A list of consolidated companies can be found in note III.2.

Transactions with fully-consolidated companies are eliminated in consolidation and therefore not included in this note.

Transactions with proportionately consolidated joint venture companies are eliminated in proportion to the Group's interest in the assets and liabilities of the consolidated company. The uneliminated portion is shown in the tables below. These are mainly transactions with the Natixis subgroup.

Transactions with associated companies accounted for by the equity method are not eliminated. These transactions are mainly transactions with the Caisses d'Epargne banks but also with Volksbank International AG (VBI).

Transactions with other non-consolidated related companies are shown in the column headed "Other". These are mainly transactions with Caisse Nationale des Caisses d'Epargne.

X.2.1.1 Balance sheet transactions

ASSETS

in € millions	Joint ventures	Associates	Other
Assets at fair value through profit or loss	2,521	1,255	645
Available-for-sale financial assets	429	1,849	208
Loans and advances to banks	14,373	2,305	1,113
Loans and advances to customers	9	1	0
Held-to-maturity financial assets	0	16	0

LIABILITIES

in € millions	Joint ventures	Associates	Other
Financial liabilities at fair value through profit or loss	204	759	3,550
Deposits from banks	10,518	653	4,096
Customer deposits	(0)	1	1
Debt securities in issue	(0)	0	0
Subordinated debt	100	0	913

X.2.1.2 Income statement transactions

in € millions	Joint ventures	Associates	Other
Net banking income	**(395)**	**504**	**(441)**
General operating expenses	(1)	(11)	(4)
GROSS OPERATING INCOME	**(396)**	**492**	**(445)**

X.2.2 Results of joint venture companies and associates

The following table shows the total net income of joint venture companies and associates and the share attributable to the Group at December 31, 2008:

	2008			
	Joint ventures		Associates	
in € millions	100%	Group share	100%	Group share
NET INCOME (1)	**(2,828)**	**(1,323)**	**2,089**	**178**

(1) Net income from joint ventures at December 31, 2008 mainly comprises net income from Natixis and its subsidiaries. Net income from associates mainly comprises net income from Caisses d'Epargne banks (€918 million at 100% and €88 million Group share) and net income from the Banque Populaire banks (€1,101 million at 100% and €73 million Group share).

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	2007			
	Joint ventures		Associates	
in € millions	100%	Group share	100%	Group share
Net income [(1)]	179	(148)	3,318	223

(1) Net income from joint ventures at December 31, 2007 mainly comprises net income from Natixis and its subsidiaries, but also from CIFG (50%-owned by Banque Fédérale des Banques Populaires). Net income from associates mainly comprises net income from Caisses d'Epargne banks (€1,595 million at 100% and €123 million group share) and net income from the Banque Populaire banks (€1,340 million at 100% and €77 million Group share).

Note XI Preparation of the proforma financial statements

As Natixis was created on November 17, 2006, two sets of financial statements have been prepared:

- the statutory financial statements, which include the former Natexis Banque Populaire subgroup on a fully consolidated basis until November 17, 2006, and proforma financial statements, which include the new Natixis subgroup on a proportionately consolidated from November 17, 2006 to December 31, 2006. These two sets of financial statements are not comparable by nature and cannot provide a relevant or comparable analysis of performance between the two periods concerned;
- the proforma financial statements for the period ended December 31, 2006, showing the Group in its new configuration from January 1, 2005, by proportionally consolidating the Natixis subgroup in its new form at 34.44%.

The principles used to prepare the proforma income statements for 2006 and 2006 are provided below.

XI.1 *Principles of the 2006 proforma financial statements*

The 2006 proforma income statement includes all expenses and revenues for the year generated by the entities contributed or acquired as part of the merger.

Natixis is proportionately consolidated at 34.44% for the whole of 2006.

The cooperative certificates of investment are deemed to have been issued by the Banque Populaire banks on January 1, 2005. The theoretical return on reinvestment of the proceeds from January 1, 2006 to November 17, 2006 in the proforma financial statements is determined on the basis of 6-month Euribor +25 bp. Meanwhile, the cooperative certificates of investment acquired by Natixis are deemed to have been refinanced for the whole of 2006 on the terms and conditions of the refinancing transactions implemented between November 17, 2006 and December 31, 2006.

Lastly, the significant impacts on net income associated with the formation of Natixis in the published financial statements at December 31 2006 have been neutralized in the proforma financial statements. At issue is neutralization of the expenses and fees incurred on the transactions that created the new entity as well as the dilution gain (€1.7 billion) on consolidation resulting from the decrease in the Group's equity interest in Natixis from 80.87% to 34.44%.

XI.2 *Reconciliation of the 2006 published and proforma income statements*

		Proforma impacts					
				Other proforma adjustments			
in € millions	12/31/2006 Statutory	Caisse d'Epargne Group contributions(1)	Change of method of accounting(2)	Natixis subgroup(3)	Banque Populaire banks(4)	Other(5)	12/31/2006 Proforma
Net banking income	**3,755**	**1,124**	**2**	**(2,085)**	**(64)**	**4**	**2,736**
General operating expenses	(2,596)	(759)	(2)	1,380	8	44	(1,925)
Gross operating income	**1,159**	**365**	**1**	**(705)**	**(56)**	**47**	**811**
Impairment charges and other credit provisions	(81)	9	(0)	52		(1)	(21)
Net operating income	**1,078**	**374**	**0**	**(653)**	**(56)**	**47**	**790**
Share of results of associates	37	117	94	(6)		0	242
Gains or losses on other assets	1,538	1		(6)		(1,532)	1
Change in value of goodwill	0	(1)				0	(1)
Income before income tax	**2,653**	**491**	**94**	**(665)**	**(56)**	**(1,485)**	**1,032**
Income tax	(312)	(111)	(2)	193	(4)	(38)	(274)
Net income	**2,341**	**380**	**93**	**(472)**	**(60)**	**(1,524)**	**758**
Minority interests	(186)	(26)	0	162	9		(40)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**2,155**	**354**	**93**	**(310)**	**(51)**	**(1,523)**	**718**

Comments:

(1) Income and expense from January 1, to November 17, 2006 generated by the assets contributed by the Caisse d'Epargne Group to Natixis (corporate and investment banking and service subsidiaries and contribution of Caisse d'Epargne banks) have been included in the 2006 proforma income statement.

(2) Income and expense from January 1, to November 17, 2006 generated by the assets contributed by the Banque Populaire Group to Natixis (Novacrédit and contribution of Banque Populaire banks) have been included in the 2006 proforma income statement.

(3) Other proforma impacts concerning Natixis comprise mainly the cost of financing the cooperative certificates of investment issued by the Banque Populaire banks, i.e. €44 million recognized in net banking income, and the reclassification of €8 million in fee and commission income received from Natixis Garanties from net banking income to general operating expenses.

(4) Proforma impacts concerning Natixis mainly comprise the theoretical gain on reinvesting the proceeds of the Banque Populaire banks cooperative certificates of investment from January 1, 2006 to November 17, 2006, i.e. €70 million (€46 million net of deferred tax).

(5) Other proforma impacts relate mainly to neutralization of income and expense attributable exclusively to the transactions involved in the formation of Natixis, namely:
- *in the item "General operating expenses", neutralization of €41 million in expenses and fees incurred to form Natixis and place its securities on the market;*
- *in the item "Gains or losses on other assets", neutralization of (i) the dilution gain of €1.741 billion resulting from the decrease in the Group's proportionate share of equity in Natixis, and (ii) expenses of €68 million in commissions on the open price offer paid by SNC Champion to the Banque Populaire banks, Caisse d'Epargne banks, and capital market banks on the occasion of the placement of Natixis securities.*

8.1.4 Statutory Auditors' report on the consolidated financial statements

To the Shareholders of
Banque Fédérale des Banques Populaires SA
« Le Ponant de Paris » 5, rue Leblanc - 75511 PARIS CEDEX 15

Year ended December 31, 2008

Dear Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we hereby submit our report on the following items for the year ended December 31, 2008:

- our audit of the accompanying consolidated financial statements of Banque Fédérale des Banques Populaires;
- the justification of our assessment;
- specific verifications required by law.

The consolidated financial statements have been approved by your Company's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We performed our audit in accordance with professional standards applicable in France. These standards require that we carry out procedures to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis or through another method, the evidence supporting the amounts and disclosures presented in the financial statements. An audit also involves assessing the accounting principles and significant estimates used by management, as well as the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted in the European Union.

Without calling into question the opinion expressed above, we draw your attention to note IV.6 of the notes to the financial statements, which details the Group's change of accounting method in accordance with the amendment to IAS 39 of October 15, 2008, authorizing the reclassification of certain financial assets.

II - Justification of our assessment

The financial and economic crises during the year triggered a sharp rise in volatility and a reduction in liquidity in certain markets, and made it difficult to establish financial and economic forecasts. As a result, generating the Company's financial statements for 2008 proved particularly challenging, especially in terms of establishing accounting estimates. Therefore we bring the following items to your attention, in accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessment:

Change of accounting method

As explained in note IV.6, the Group has reclassified a portfolio of financial assets into the "Loans and advances" category in accordance with the requirements of the amendment to IAS 39 and IFRS 7 as adopted on October 15, 2008. We have assured ourselves that the conditions required for the application of these requirements are in place and that the accounting treatment used and information produced comply with the aforementioned amendment.

Accounting estimates made within the context of banking activities

The Group recognizes impairment charges to cover credit and counterparty risks inherent to its business activities (note IV.4.2 of the notes to the financial statements). We examined the control procedures applicable for monitoring credit and counterparty risks, impairment methodologies, assessing the risks of non-recovery and coverage of impairment losses by specific and collective impairment charges.

The Group uses internal models and methodologies to value financial instruments that are not traded on active markets, as well as to book certain impairment charges (note IV.1.1 of the notes to the financial statements). We have reviewed control procedures relating to determining the inactive character of a market, verifying models and determining the data used.

The Group recognizes impairment charges on available-for-sale assets when there is objective evidence of a prolonged or material reduction in the value of these assets (note IV.3 of the notes to the financial statements). We have reviewed control procedures relating to the identification of evidence of impairment, valuation of the most significant line items, and estimates leading, where applicable, to the coverage of impairment losses by provisions.

Other accounting estimates

The Group records provisions to cover employee benefits (see note VII.3 of the notes to the financial statements). We examined the methodology used to value these commitments, as well as the underlying assumptions and data used.

The Group reviewed its material intangible assets and goodwill recorded in the consolidated balance sheet (notes II.10, IV.12.4 and V.10 of the notes to the financial statements). We have reviewed the means of carrying out impairment testing, as well as the main assumptions leading, where applicable, to the recognition of impairment charges.

The Group has recognized deferred tax assets, particularly in respect of tax loss carryforwards (notes V.11.1 and IV.7 of the notes to the financial statements). We have reviewed the main estimates and assumptions leading to the recognition of these taxes.

Our assessment was performed as part of our audit of the financial statements taken as a whole, and assisted us in reaching the unqualified opinion expressed in the first part of this report.

III - Specific verifications

We also carried out the specific verifications required by law of the information provided in the Group's Management Report. We have no comments to make with respect to the fairness of their presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, April 24, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit	**KPMG Audit**
Agnès Hussherr	Fabrice Odent

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8.2 Banque Populaire Group financial report

8.2.1 Management report

1. *Summary of the Group in 2008*

1.1 Introduction

Accounting principles used

The consolidated financial statements to December 31, 2008, and to December 31, 2007 are both presented in accordance with IFRS and are fully comparable in terms of accounting standards.

Scope of consolidation

The Banque Populaire Group's scope of consolidation changed in 2008 as a result of:

- the acquisition on July 2, 2008 of seven regional banks from HSBC France, namely: Société Marseillaise de Crédit (SMC), Banque Chaix, Banque de Savoie, Banque Marze, Banque Dupuy de Parseval, Crédit Commercial du Sud-Ouest and Banque Pelletier. These banks, located in the south of France, operate in retail banking and focus on very similar client bases to the Banque Populaire banks. They were 100% consolidated in the second half of 2008;
- the sale of credit enhancement company CIFG, acquired jointly by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne in December 2007. The commutation agreement signed on January 22, 2009 diluted the stake held to less than 5%. The company has therefore been deconsolidated and made only a very marginal contribution to earnings for the period.

A key event of 2007 was the acquisition of FONCIA in the first half of the year.

1.2 Banque Populaire Group consolidated results

The Banque Populaire Group's consolidated results are broken down into the Group's three components:

- **Retail banking,** which comprises the financial statements of the Banque Populaire banks, their direct subsidiaries (including the seven regional banks acquired in 2008) and their mutual guarantee companies, after adjustments for consolidation purposes under IFRS and without eliminating transactions with Banque Fédérale des Banques Populaires;
- **Natixis's** contribution to the Banque Populaire Group proportionally consolidated at 35.78%;
- **Federal activities**, which comprise activities managed by Banque Fédérale des Banques Populaires, in particular international retail banking, FONCIA and CIFG (in 2007), and the elimination of dividends received by the Banque Populaire banks from Banque Fédérale des Banques Populaires.

	2008				
In € millions	Retail banking	Natixis	Federal activities	Total	%
Net banking income	**5,841**	**1,027**	**385**	**7,253**	**-4%**
General operating expenses	(3,870)	(1,791)	(624)	(6,285)	+5%
Gross operating income	**1,970**	**764**	**(239)**	**968**	**-39%**
Cost/inc.ratio	*66.3%*				*86.7%*
Impairment charges and other credit provisions	(527)	(650)	(27)	(1,204)	+148%
OPERATING INCOME	**1,443**	**(1,414)**	**(265)**	**(236)**	**-122%**
Share of income of associates	10	100	17	128	-17%
Income from other assets	1	4	108	143	
Goodwill	1	(324)	(1)	(324)	
Tax	(349)	252	(43)	(139)	
NET INCOME	**1,107**	**(1,352)**	**(184)**	**(429)**	**-138%**
Minority interests	(6)	(23)	(10)	(40)	+0%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,101**	**(1,375)**	**(194)**	**(468)**	**-144%**

* *2007 proforma, with Foncia over 12 months.*

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1.2.1 *Effects of the financial crisis on the Group's financial statements*

Although the financial crisis has only had a limited impact on its retail banking activities, the Banque Populaire Group incurred a cost before tax of around €2.2 billion as a result of the financial crisis, of which €1.8 billion is placed directly with Natixis (at 35.78%), in addition to goodwill impairment relating to Natixis's CIB business in the amount of €324 million.

- **For Natixis**, like all companies in the financial sector, 2008 was a year of two key phases:
  - until September 15, 2008, the date of the collapse of Lehman Brothers, the crisis concerned primarily underlying credit assets, in particular structured credit products. The majority of losses and value adjustments were in proprietary activities and principal finance and, to a lesser extent, in capital market activities. The profitability of CIB's other business lines and other divisions was still relatively intact at this stage,
  - after September 15, the collapse of Lehman Brothers triggered generalized dislocation in all of the markets, as a result of which the crisis gained pace dramatically and spread to nearly all of Natixis's business lines.

  The total impact of the financial crisis on Natixis's net banking income amounts to €3,573 million (at 100%, or €1,278 million for the Banque Populaire Group's share), with an impact on impairment charges and other credit provisions of €1,536 million (€550 million at 35.78%).
- **For the Banque Populaire banks** and other parts of the Group, the direct cost is limited to marginal exposure to major market events (Lehman Brothers, Icelandic banks) representing €66 million, in addition to the indirect impact relating to the crisis spreading to the entire French economy from the fourth quarter of 2008, reflected by a significant increase in refinancing spreads and a considerable decline in demand, which were visible in the Banque Populaire banks' lending activities and the fall in property transactions at FONCIA.

  However, the Banque Populaire Group's retail banking model proved resilient, combining the strengths of its local presence and knowledge of its customers, allowing it to remain loyal to its customers during times of crisis.

1.2.2 *Contribution of retail banking activities*

The retail banking business's financial statements comprise the financial statements of the Banque Populaire banks, their direct subsidiaries, including the Regional Banks in the south of France, and their mutual guarantee companies, after adjustments for consolidation purposes under IFRS and without eliminating transactions with Banque Fédérale des Banques Populaires.

INCOME STATEMENT

			Variation	
Retail banking	**2008**	**2007**	**Total**	**Excl. RBs ***
Net banking income	**5,841**	**5,839**	**+0%**	**-5%**
General operating expenses	(3,870)	(3,659)	+6%	+2%
Gross operating income	**1,970**	**2,181**	**-10%**	**-16%**
Cost.inc ratio	*66.3%*	*62.7%*	*+3.6%*	*+4.4%*
Impairment charges and other credit provisions	(527)	(388)	+36%	+33%
OPERATING INCOME	**1,443**	**1,793**	**-20%**	**-27%**
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,101**	**1,340**	**-18%**	**-25%**

* *RBs: Regional Banks acquired on July 2, 2008.*

Comments on the contribution of the Banque Populaire banks to the Banque Populaire Group's consolidated results

Net banking income

Retail banking net banking income totaled €5,841 million in 2008, stable compared with 2007 but down 5% excluding the contribution from the Regional Banks. Net banking income for the period was also impacted by negative fair value effects relating primarily to the limited recognition under IFRS of hedging with options in the amount of €265 million, as well as the reversal of a provision for homebuyers' savings plans of €50 million, compared with €90 million in 2007.

Excluding IFRS volatility (excluding BRED) and homebuyers' savings plans, retail banking net banking income came to €5,928 million, up 3% overall and stable excluding the Regional Banks.

On a like-for-like basis, excluding IFRS volatility and homebuyers' savings plans and after the elimination of dividends received from Banque Fédérale des Banques Populaires (€306 million compared with €329 million in 2007), net interest income from clients alone fell by 2.6% against the backdrop of fierce competition over the first nine months of the year and a significant increase in liquidity spreads in the fourth quarter:

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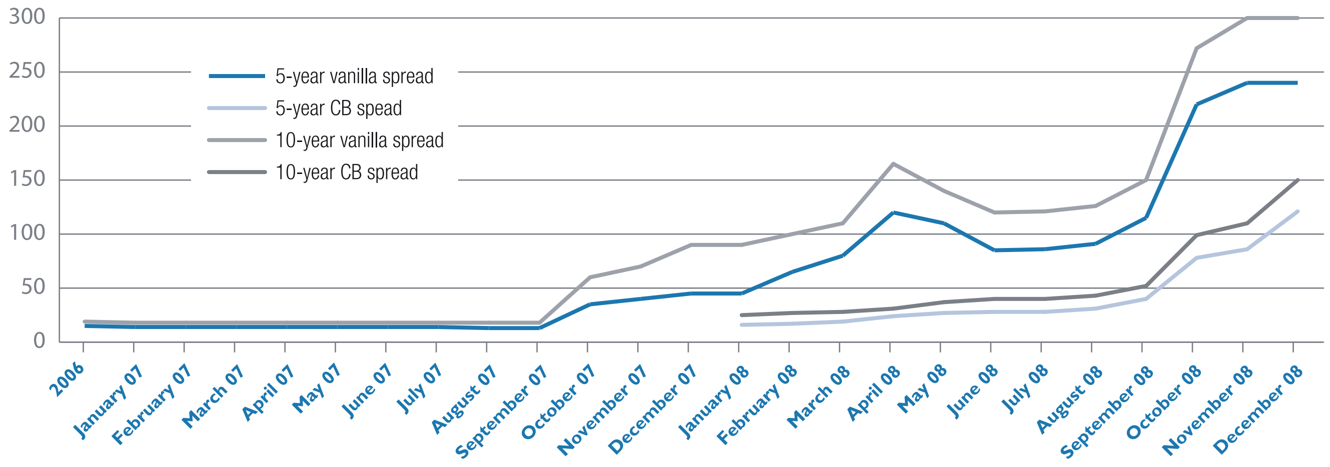


The customer interest margin fell by 33 basis points over the period to 2.08%.

Commission income remained the main growth driver, with an increase of 4% in 2008, excluding the Regional Banks and homebuyers' savings plans, representing 39% of net banking income compared with 36% in 2007. Growth in commission income was boosted in particular by commission received on services and electronic banking, while financial commission income fell by 9% against the backdrop of the severe market decline in 2008.

Customer loans

Customer loans saw further strong growth in 2008, increasing by over 12% to an average of €131 billion and reaching €139 billion at the end of the year. This increase concerns both home loans to personal customers and loans to businesses, particularly equipment loans.

			% change	
	Average loans outstanding		**Incl. RBs**	**Excl. RBs**
Customer loans *(in € millions)*	**Dec 2007**	**Dec 2008**	**Dec 2007**	**Dec 2007**
Personal loans	**62,191**	**70,213**	**+13%**	**+12%**
Home purchase loans	54,574	62,552	+15%	+14%
Consumer finance	7,617	7,661	+1%	0%
Business customers	**53,027**	**60,472**	**+14%**	**+13%**
TOTAL	**115,218**	**130,685**	**+13%**	**+12%**

However, the fourth quarter showed a severe slowdown in home loans due to a major slowdown in demand. In comparison, the decline in loans to businesses was not as severe and there was even an increase in loans to SMEs with revenues of less than €15 million, which represent the Group's historic target market.

Customer deposits

Customer deposits grew by over 10%, driven by a considerable surge in deposits at the market rate (up 35%) and a return to growth in demand deposits (up 4%), which make up 35% of total customer deposits.

			% change	
	Average deposits		**Incl. RBs**	**Excl. RBs**
Customer deposits *(in € millions)*	**Dec 2007**	**Dec 2008**	**Dec 2007**	**Dec 2007**
Demand deposits	34,995	36,926	+6%	+4%
Deposits at market rate	19,977	27,277	+37%	+35%
Regulated savings	39,695	41,172	+4%	+3%
TOTAL	**94,666**	**105,375**	**+11%**	**+10%**

Customer savings

Customer savings remained more or less stable over the period despite a sharp fall in mutual fund savings invested in equities, relating primarily to a valuation effect due to the decline in the CAC 40 over the period. Other areas held up well, with a 4% increase in life insurance and a 3% increase in money market mutual funds.

	Average savings		% change	
			Incl. RBs	Excl. RBs
Customer savings *(in € millions)*	**Dec 2007**	**Dec 2008**	**Dec 2007**	**Dec 2007**
Equity mutual funds	11,530	8,876	-23%	-24%
Money market mutual funds	21,325	22,111	+4%	+3%
SUB-TOTAL MUTUAL FUNDS	**32,856**	**30,987**	**-6%**	**-7%**
Life insurance	31,433	33,453	+6%	+4%
Employer savings	2,015	2,172	+8%	+8%
Other	1,715	1,552	-9%	-11%
TOTAL	**68,019**	**68,164**	**+0%**	**-1%**

Operating expenses and cost/income ratio

Operating expenses rose by 5.8% overall to €3,870 million, up 1.7% on a like-for-like basis, i.e. excluding the Regional Banks. Of this, payroll costs represented 57%, an increase of 1.8%, and other operating expenses represented 43%, up 1.5%.

On a like-for-like basis and excluding non-recurring items - primarily a €20 million cost relating to bonus shares awarded to employees and an €18 million cost relating to the VAT opt-out - general operating expenses increased by just 0.6%. This attests to tight control of expenses over the period, in particular IT costs, as a result of past investment in the creation of the I-BP platform, shared by 17 Banque Populaire banks and Crédit Maritime Mutuel.

Gross operating income and cost/income ratio

The cost/income ratio stood at 66.3%, an improvement of 360 basis points. Gross operating income fell by nearly 10% to €1,970 million.

On a like-for-like basis and excluding IFRS volatility, gross operating income fell by just 3% and the cost/income ratio was 65.3%.

Impairment charges and other credit provisions and operating income

Impairment charges and other credit provisions rose by 40% over the period to €527 million due to exceptional costs of €65 million relating to major market events linked to the collapse of Lehman Brothers (€40 million), the situation concerning Icelandic banks (€21 million) and the Madoff fraud (€5 million). Excluding costs relating to the crisis, impairment charges and other credit provisions rose by just 17% and represented just 34 basis points of loans outstanding, despite rising sharply to 48 basis points in the fourth quarter.

Including collective provisions of €376 million, the coverage ratio of non-performing loans was close to 64%, confirming the Banque Populaire banks' policy of caution.

Operating income was €1,443 million, an increase of 19.5% compared with 2007.

Net income

Taking into account tax of €349 million, the contribution of retail banking to net income attributable to equity holders of the parent fell by 18% to €1,101 million.

1.2.3 Natixis's contribution to the Banque Populaire Group's consolidated financial statements

Natixis's contribution reflects proportional consolidation at 35.78% and elimination of the share of income of associates relating to Banque Populaire CCIs within Natixis, which is already included by means of the contribution of retail banking activities to the Banque Populaire Group's consolidated results.

Natixis Contribution *(in € millions)*	**2008**	**2007**	**% change**
Net banking income	**1,027**	**1,923**	**-47%**
General operating expenses	(1,791)	(1,831)	-2%
Gros operating income	**(764)**	**92**	
Impairment charges and other credit provisions	(650)	(85)	
OPERATING INCOME	**(1,414)**	**8**	
Share of income of associates	100	133	-25%
o/w CEP CCFS	*73*	*123*	*-41%*
Income from other assets	34	190	
Goodwill	(324)	0	
Tax	252	29	
Discontinued operations		0	
NET INCOME	**(1,352)**	**360**	**-476%**
Minority interests	(23)	(44)	
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(1,375)**	**316**	**-536%**

Comments on the contribution of Natixis to the Banque Populaire Group's consolidated results

Net banking income

Natixis's contribution to the Banque Populaire Group's net banking income was €1,027 million in 2008, down 47% compared with 2007.

Net banking income was very low in the fourth quarter of the year at €43 million due to the crisis spreading to CIB's capital markets activities and the associated effects on Natixis's other business lines:

Business line	**Q1 2008**	**Q2 2008**	**Q3 2008**	**Q4 2008**	**2008**
CIB	142	(293)	101	(163)	(213)
Assets management	113	133	122	118	486
Services	137	145	121	125	529
Receivables management	87	82	76	41	286
Private equity and private banking	32	34	21	(19)	68
BUSINESS LINES	**511**	**101**	**441**	**102**	**1,156**
Other activities	(18)	(29)	(22)	(60)	(129)
TOTAL NATIXIS	**493**	**72**	**419**	**42**	**1,027**

The crisis dented net banking income by €457 million in the fourth quarter of 2008 and full-year net banking income by €1,278 million. Compared with previous quarters, the impact relating to structured credit instruments was relatively limited in the fourth quarter, while there was an explosion in exceptional trading losses (-€364 million over the quarter) in capital markets activities relating to the sharp increase in volatility and the rising cost of hedging.

In addition to this impact on net banking income, the crisis had an impact on impairment charges and other credit provisions of €359 million in the fourth quarter of 2008 and €550 million over the full year.

CIB's net banking income amounted to -€213 million in 2008, broken down between continuing activities and activities managed on a run-off basis, grouped together within the Workout Portfolio Management Structure (GAPC):

- CIB continuing activities generated net banking income of €1,022 million, up 11% compared with 2007, including revenues from CPM activities and taking account of the fact that losses in the Corporate Solutions business are allocated to impairment charges and other credit provisions, representing an amount of €136 million. Excluding the impacts of the crisis - CPM and losses relating to equity volatility in particular - CIB continuing activities generated net banking income of €941 million;

- due to the activities housed within the Workout Portfolio Management Structure (GAPC), this unit bore the brunt of the impact of the crisis, in particular value adjustments relating to structured credit portfolios and trading losses from complex interest rate and equity product activities. Net banking income for these activities totaled -€1,235 million in 2008. Excluding the effects of the crisis, GAPC's net banking income came to €113 million.

The other business lines, which had so far held up well against the crisis, were affected in the fourth quarter of 2008 by generalized market dislocation and the sharp rise in risk.

- **Asset management**: Net banking income fell by 21% year-on-year in 2008 to €486 million. At constant exchange rates, net banking income was down 17%, due to the decline in performance-related commission income (down 75%) and the fall in commission income on assets under management as a result of the decline in average assets under management (down 6%), coupled with a reduction in average commission rates.

  Assets under management totaled €446.7 billion at end-2008, down 20% compared with the previous quarter or 25.5% year-on-year at constant exchange rates;
- **Services**: Despite deterioration in financial and economic conditions, business momentum remained robust in most of the division's activities, in terms of both direct clients and improvement in the penetration rate of shareholder networks. However, the continuation of the financial crisis and severe deterioration in economic conditions in the fourth quarter of the year affected the division's revenues, particularly in securities and insurance activities.

  The Services division achieved a 1% year-on-year increase in net banking income to €529 million in 2008, compared with a 3% increase to end-September;
- **Receivables management**: The division was severely affected by the escalation of the crisis in the fourth quarter, due to not only the very sharp increase in claims - with a loss ratio rising from 59.2% at end-September 2008 to 72.6% at end-December 2008, a 23.5 point increase relative to 2007 - but also the decline in clients' revenues, as well as cuts in interest rates in the majority of countries. The division generated net banking income of €286 million in 2008, down 13.5% compared with 2007;
- **Private equity and private banking**: Net banking income fell by 63% year-on-year to €68 million.

  The private equity business generated net banking income of €29 million, down 79% compared with 2007. Capital gains on asset sales totaled €95 million, up sharply compared with 2007. However, the level of unrealized capital gains fell by €25 million as a result of the high volume of asset sales in 2008, much newer stock over the last two years and unfavorable economic conditions.

  The private banking business generated net banking income of €39 million in 2008, down 13% compared with 2007. Margins were affected by the "wait-and-see" stance among investors, the decline in assets under management relating to the equity market slump and the change in assets under management in favor of the most secure products but which generate the lowest margins.

The Banque Fédérale des Banques Populaires Group's share of Natixis's other net banking income was -€129 million in 2008, more or less stable relative to 2007.

Operating expenses

Operating expenses came to €1,791 million, stable in relation to 2007. Of these expenses, "underlying" expenses (excluding restructuring costs), which fell by 9% compared with 2007, should be distinguished from restructuring costs.

- In terms of underlying expenses, variable compensation (including incentive and profit-sharing plans) was halved (down 48%) in all divisions, with a particularly sharp fall in CIB (down 56%), asset management (down 50%) and other functional departments (down -24%). Fixed costs increased by a moderate 3.2%, or by 1.4% at constant exchange rates and like-for-like.

  Over the full year, significant job cuts were made in CIB with a reduction of 194 full-time equivalent employees or 3%, and in other activities, with a reduction of 131 full-time equivalent employees or 5%. The number of staff in other business lines increased slightly. The implementation of the PSE ("*Plan de Sauvegarde de l'Emploi*") redundancy plan as of end-September is only reflected in these figures to a limited extent due to the considerable gap between the date the plan was announced and redundancies becoming effective.
- Restructuring costs amounted to €88 million, including €34 million relating to the PSE plan, €24 million relating to voluntary redundancy, €24 million relating to the reorganization costs.

Impairment charges and other credit provisions

Impairment charges and other credit provisions totaled €650 million in 2008, with €550 million relating directly to the financial crisis, including:

- €109 million relating to monoline insurers and CDPCs;
- €104 million relating to Lehman Brothers;
- €33 million relating to Icelandic banks;
- €134 million relating to Madoff;
- €113 million relating to the default of two counterparties.

Net income

The share of income of associates totaled €100 million in 2008, including €73 million relating to Caisse d'Epargne CCIs, down 41%.

The change in the value of goodwill was negative at -€324 million due to the full write-down of goodwill recognized by the Banque Populaire Group in respect of CIB.

Less minority interests of €23 million, Natixis made a negative contribution to the Banque Populaire Group's consolidated net income of -€1,375 million in 2008 compared with a positive contribution of €316 million in 2007.

1.2.4 Contribution of federal activities and Banque Fédérale des Banques Populaires

The federal activities include a number of businesses that can be summarized as follows:

Contribution of federal activities	NBI	Gen. op.	GOI	Net income
CONTRIBUTIONS				
Foncia	525	(486)	40	24
BICEC	53	(28)	25	11
MA BANQUE	26	(23)	3	0
VBI				17
Federal activities	100	(82)	18	85
CONSOLIDATION ENTRIES				
Elimination of BFBP dividends	(319)		(319)	(319)
TOTAL	**385**	**(618)**	**(233)**	**(182)**

- **FONCIA,** a leading provider of residential real estate services, was acquired by Banque Fédérale des Banques Populaires on April 2, 2007. FONCIA's performance in 2008 shows robust revenue growth in all areas, apart from the transactions business, which suffered a severe slowdown in sales in the second half of 2008.

Foncia	2008	2007	%	Revenue structure
Co-ownership	163	146	+12%	31%
Rental management	129	115	+12%	25%
Sales	67	73	-9%	13%
Rentals	56	48	+18%	11%
International	36	35	+2%	7%
Services	35	32	+8%	7%
Customer accounts	26	23	+12%	5%
Other	11	10	+9%	2%
Franchises	1	1	+117%	0%
TOTAL	**525**	**484**	**+8%**	**100%**

After operating expenses, FONCIA made a contribution to consolidated net profit of €24 million in 2008 compared with €25 million in 2007.

- **MA BANQUE** is the result of a partnership between Banque Populaire Group, MAAF and Mutuelles du Mans, and is 66%-owned by Banque Fédérale des Banques Populaires. It generated net banking income of €26 million, down 5% compared with 2007;
- **International retail banking** includes BICEC in Cameroon and VolksBankInternational (VBI) in Central and Eastern Europe in partnership with Austria's Volksbank and Germany's DZ Bank.

  BICEC is 52%-owned by Banque Fédérale des Banques Populaires. Its net banking income rose by 1% to €53 million in 2008. VBI is 25%- owned by Banque Fédérale des Banques Populaires, and is accounted for under the equity method. Its contribution to consolidated net income was €17 million in 2008, an increase of 33% compared with 2007;
- **Banque Fédérale des Banques Populaires dividends**, gross dividends received by the Banque Populaire banks from Banque Fédérale des Banques Populaires (€306 million) and its subsidiaries (€13 million) are eliminated from consolidation, as they are intra-group transactions;
- **Other federal activities** mainly include Banque Fédérale des Banques Populaires' activities as central body Net income also includes a positive effect of €95 million from the increase in the stake held in Natixis from 34.66% at December 31, 2007 to 35.78% at December 31, 2008 as a result of purchases of shares on the market symmetrically with Caisse Nationale des Caisses d'Epargne.

1.3 Capital and solvency ratio

The Banque Populaire Group's regulatory capital totaled €17.7 billion at December 31, 2008, including Tier 1 capital of €14.4 billion.

Risk-weighted assets, calculated in accordance with the provisions of Basel II, amounted to €188.6 billion.

The Tier 1 ratio was therefore 7.7% with a Core Tier 1 ratio of 6.4%, compared with 9.4% and 8.9% respectively at December 31, 2007, in accordance with the same Basel II reference framework. The total ratio was 9.4% compared with 11.9% at December 31, 2007.

The fall in the ratio in 2008 was mainly due to the mobilization of capital for the acquisition of banks from HSBC France, as well as the effects of the crisis on net income for the period, partly offset by the €950 million super-subordinated bond issue on December 11, 2008, subscribed by Société de Prise de Participation de l'État.

Excluding the regulatory floor, i.e. calculating capital strictly according to Basel II provisions, the Banque Populaire Group's Tier 1 ratio would be 9.3% with a Core Tier 1 ratio of 7.8%.

2. *Risk management*

In the course of its business, on both a consolidated and sub-consolidated basis, the Group is exposed to five main categories of risks:

- credit risks arising from customer transactions;
- market risks arising from capital market transactions;
- interest rate, currency and liquidity risks arising from retail banking transactions;
- operational risks, in the strict sense;
- compliance risks.

In accordance with standard CRBF regulation 97-02, each bank has set up risk management and monitoring systems that are independent from operating units.

All Group banks have also set up their own systems of exposure limits and decision-making procedures, complying with the rules established at Group level (as set out in the credit risk manual updated in November 2008, the ALM risk manual updated in August 2008, the market risk manual validated in December 2008, and the operational risk manual updated in December 2008).

Each bank's risk policy is determined by the bank's executive management and approved by its Board of Directors. The banks are also responsible for exercising continuous control over risks, in accordance with the rules laid down by the Board of Directors of Banque Fédérale des Banques Populaires (BFBP) – dealing in particular with the role of the Group Risk Management Committee (CARG) – and by the banking regulator.

The Group's central body is responsible for assessing risk policies and management procedures according to standard principles and criteria. Risks are monitored at Group level as follows:

- Banque Populaire banks on a consolidated basis;
- Banque Fédérale des Banques Populaires subsidiaries on a consolidated basis;
- Crédit Maritime Mutuel on a consolidated basis.

The Basel II reform has impacted not only risk assessment and measurement systems. In 2005, the adoption of the Group charter on the organization of the credit risk control unit changed the role and positioning of the Risk Management and Exposure Departments and the Group Risk Management Committee. New bodies – the Group Credit Risks Committee and the Standards and Methods Committee – were created within Banque Fédérale des Banques Populaires in 2006, as well as a Group Assets and Liabilities Management Committee and a Federal Information Systems Risk Committee in 2008.

In addition to this consolidated risk monitoring system, the Group Audit and Risk Committee performs monthly assessments of material individual exposures at Group level or at the level of individual banks. Responsibility for performing credit reviews and the credit rating process may be delegated to the Banque Fédérale des Banques Populaires Risk Management Department. All Group entities are informed of the decisions made by the Group Credit Risk Management Committee. It also reviews periodical reports on credit risk.

Following the creation of Natixis, the Group Credit Risk Management Committee's responsibilities with regard to Natixis have been transferred to the Confederal Risk Management Committee, which comprises representatives of the executive bodies of Banque Fédérale des Banques Populaires, Caisse Nationale des Caisses d'Epargne and Natixis. The Group Credit Risk Management Committee reviews the minutes of meetings of the Confederal Risk Management Committee.

The Group Standards and Methods Committee, created in early 2006, is led by the Group Risk Management Department of Banque Fédérale des Banques Populaires. Its role is to validate all standards relating to risk (identification, measurement, organization and tools), as well as methods and models of a collective nature within the framework of prudential monitoring of the Banque Populaire Group's risks on a consolidated basis.

It oversees the maintenance and development of:

- risk mapping processes;
- control and reporting standards;
- methodologies and standards used by the Banque Populaire Group for financial risk, credit risk and operational risk, and any revisions required resulting from regulatory or prudential developments, new product creations or backtesting campaigns.

As a result of the creation of Natixis, certain duties of the Group Standards and Methods Committee have been transferred to a Standards and Methods Committee common to Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, with the systematic involvement of Natixis.

The ALM Committee meets quarterly (having shifted from a twice-yearly schedule in early 2008). Its role includes:

- reviewing interest rate and liquidity risk indicators for the Group and for each Banque Populaire bank;
- defining a standard framework for asset and liability management (modeling and reporting) and improvements to it;
- providing opinions to the Board of Directors on ALM policy guidance;
- defining how the ALM function works;
- revising or proposing limits and stress scenarios for asset and liability risks at least once a year. The ALM Committee's recommendations are then submitted to the Group Audit and Risk Management Committee for approval.

It also draws on the Banque Fédérale des Banques Populaires ALM department, which reports to the Finance Department and is responsible for:

- determining internal transfer pricing in close collaboration with the financial control department, in accordance with strict ALM run-off models;
- setting out ALM modeling rules for all Banque Populaire regional banks;
- calculating the home savings loan provision using the methodology that it has defined for it.

Banque Fédérale des Banques Populaires' ongoing role in preventing, monitoring and controlling risk is exercised through its power to set standards. This standard-setting power applies to the shared risk information system used by all Banque Populaire Group entities in order to enable risk assessment and monitoring on a consistent consolidated basis.

A Federal Information Systems Risk Committee has been set up within Banque Fédérale des Banques Populaires for this security rule-making task. At the behest of the head of Group Risk Management, who is in charge of second-tier permanent control within the meaning of CRBF regulation 97-02, and the head of the credit risk management organization instituted by decision of the Board of Directors of Fédérale des Banques Populaires on September 7, 2005, this Committee's role is to:

- direct the federal risk information system effort (development and maintenance);
- "frame" all risk management requirements at the federal level that involve IT systems development within the Banque Populaire Group, both in the federal information systems and in those of the Banque Populaires banks and Natixis, for activities (other than SISP) that all have to perform.

The Risk Management Department, which reports directly to Executive Management, is not involved in the commercial decision-making process. It leads the Banque Populaire Group's Risk Management activities in accordance with the permanent control charter drawn up in 2005 and updated in 2008. It is responsible for ensuring that the same rules are applied throughout the Group, deploying appropriate risk control and continuously monitoring the risks governed by CRBF regulation 97-02 (credit/counterparty risk, interest rate risk, liquidity risk and operational risk). It also oversees the Basel II approval process for the Banque Populaire Group, and it manages the Group's risk database and the software engines needed to produce internal ratings on all Group exposures.

Banque Fédérale des Banques Populaires' Group Risk Management Department, along with that of Caisse Nationale des Caisses d'Epargne, is responsible for preparing works in coordination with Natixis's Risk Management Department for the three permanent risk-related committees set up as part of the creation of Natixis - Standards and Methods, Risk Management and Information Systems Risks.

The organization of risk monitoring and control procedures is described in the "Chairman's Report on Internal Control Procedures".

More specifically for Banque Fédérale des Banques Populaires, within the framework of its duties, the Group Audit and Risk Committee reviews Banque Fédérale des Banques Populaires' balance sheet risks and the lessons to be learned from the monitoring of these risks. In addition, a Banque Fédérale des Banques Populaires Credit Risk Committee meets as and when required to look at all credit risk issues that directly concern Banque Fédérale des Banques Populaires.

A Subsidiaries CRC select committee for subsidiaries was created in July 2008, which meets on a weekly basis to review subsidiaries' loan records, which have to be submitted for approval before coming into force, in addition to a threshold fixed within applicable delegations.

The Subsidiaries CRC now has jurisdiction over Société Marseillaise de Crédit. Delegations of credit authority to subsidiaries are decided by the executive officer of Banque Fédérale des Banques Populaires in charge of risk functions upon the proposal of Group Risk Management, which informs executive management of the subsidiary of the decision.

A Banque Fédérale des Banques Populaires ALM committee meets on a quarterly basis. Its role includes:

- reviewing interest rate and liquidity risk indicators for Banque Fédérale des Banques Populaires;
- reviewing trends in risk and return on Banque Fédérale des Banques Populaires' own portfolio;
- determining policy directions for operational management by approving financial transactions to be made and ensuring that previous CRC policy directions are being followed.

As with the Group ALM Committee, the Banque Fédérale des Banques Populaires ALM Committee is supported by the ALM unit within the Group finance department and by the controls carried out by the financial risks unit within the Risk Management department of Banque Fédérale des Banques Populaires.

The role of the BFBP Market Risk Committee, established in September 2008, is to:

- approve financing programs proposed by the treasury committee: list of allowed products, amounts, limits, etc.;
- approve delegations of authority and market risk limits for products;
- oversee monitoring and control of market risks.

This committee meets once a month and when needed in the event of an emergency, in particular when limits are exceeded, in accordance with applicable procedures for handling over-limits.

The majority of the risks to which Banque Fédérale des Banques Populaires is exposed are however borne by Natixis. Other risks are immaterial, comprising primarily credit risks borne by Banque Fédérale des Banques Populaires, Société Marseillaise de Crédit, MA Banque and BICEC. Consequently, the following analysis of the group's risk management relates chiefly to Natixis.

Natixis's general risk management system

Natixis's risk management system has been implemented in accordance with banking regulations and with the Banque Populaire and Caisse d'Epargne Groups' corporate governance principles. The system comes under the supervision of the Natixis management board and is built around three tiers of coordinated control:

- internal control carried out by the operational or functional departments, under the supervision of their line management. Depending on the precise situation and activity, these so-called first-tier controls are conducted either by the line personnel themselves, or by an ad hoc control body such as a middle-office or accounting control body, or, where necessary, by both acting together;
- second-tier controls (as per Article 6-a of CRBF regulation 97-02) are carried out by dedicated bodies which act independently from operational divisions;
- third-tier controls, also known as periodic controls, are carried out by Internal Audit.

The senior officer responsible for ensuring the consistency and effectiveness of permanent control (in accordance with Article 7-1, sub-point 4 of CRBF regulation 97-02 as amended) is the Chief Executive Officer.

The Chairman of the Management Board chairs the committee that coordinates controls and which brings together all those involved in permanent control, together with the head of IT Systems Security, the Chief Financial Officer and the Corporate Secretary.

In keeping with commitments made to the CECEI, Natixis has a control system based on:

- separation of risk and control functions within the Natixis Group, including:
  - distinction between front and back office functions,
  - the existence of first-tier controls at an operational level,
  - distinction between periodic and permanent controls,
- a global organization of control units within the Natixis Group ensuring the consistency of internal procedures;
- a specific role for the central body assigned jointly to the Caisse d'Epargne Group and the Banque Populaire Group.

Permanent control is the responsibility of the Risk Management and Compliance departments. Governance of the control system comes under the supervision of the Natixis Management and Supervisory Boards, with the latter making use of the Audit Committee to carry out its duties.

The joint control system, which is aimed at ensuring Natixis's risks are consolidated and monitored on a consolidated basis by the central bodies, relies on the permanent confederal committees set up at the time Natixis was created at the end of 2006.

Natixis's Risk Management Department

Since Natixis was created on November 17, 2006, the Risk Management Department has been based on a unified organizational structure in terms of resources, methodologies and tools.

The Risk Management Department proposes a risk policy to the Management Board for validation, drawn up in accordance with the policies of its two central bodies.

It also submits proposals to the executive body concerning the following principles and regulations:

- procedures concerning decisions to take risks;
- delegations;
- risk assessment;
- risk monitoring.

It plays a key role within a mechanism of Committees, the main components of which are as follows:

- a general committee - the Group Risk Management Committee - which sets out the main tenets of the Group's risk policy;
- the Natixis Group Credit Committee;
- the Market Risk Committee;
- the Operational Risk Committee;
- the New Products and New Activities Committees, in respect of which it is responsible for the approvals process;
- the Limit Violation Committee;
- the Counterparty Watch List Committee.

It also plays an active role in Group Provisions Committees and the ALM Committee, which is chaired and organized by the Finance department.

Lastly, it reports regularly on its work, analyses and findings to Natixis's executive and decision-making bodies and to the Caisse d'Epargne Group and the Banque Populaire Group.

In order to perform its duties in terms of risk assessment, consolidation, monitoring and reporting, Natixis's Risk Management Department relies on a dedicated information system tailored to the activities of the Group's various business lines.

This system is based on risk management tools, which receive information from the management systems of each business line. The Risk Management Department is involved in designing management tools for operating business lines in order to ensure the quality and relevance of the information provided.

Risk management tools consist of a number of applications centered around three main functions:

- assessing and monitoring economic risks;
- calculating and managing regulatory risks;
- conveying information for management and reporting purposes.

In 2008, against the backdrop of deterioration in financial conditions, the role of the Risk Management Department consisted of reinforcing its vigilance measures.

The main measures taken during the year include:

- an in-depth review of existing limits with bank counterparties, with the implementation of any relevant measures;
- recalibration and development of stress scenarios and their impact measurements, taking account of recent changes observed in the markets in the area of both credit risk and market risk;
- risk monitoring and reporting support for limitation operations for certain corporate and investment banking activities;
- implementation of a new methodology for determining Value at Risk (VaR) on the basis of studies conducted in the light of changes in market behavior following the collapse of Lehman Brothers;
- finalization of the roll-out of the operational risk measurement, control and management target tool in all of Natixis's banking activities;
- further work with a view to developing risk monitoring and management tools based on Basel II advanced approaches.

As a result of these efforts, information has been provided to Natixis's bodies, its central bodies and, where applicable, the Commission Bancaire (work relating to VaR and Basel II).

2.1 The effects of the crisis

Although the financial crisis has only had a limited impact on its retail banking activities, the Banque Populaire Group has incurred a cost before tax of around €2.2 billion as a result of the financial crisis, of which €1.8 billion is placed directly with Natixis (at 35.78%).

Natixis

In the fourth quarter of 2008, Natixis created a Workout Portfolio Management Structure, the aim of which is to manage on a run-off basis CIB's non-target activities, primarily structured credit activities, structured interest rate and equity derivatives and structured derivative funds. The implementation of GAPC reclassified activities was finalized in accounting and analytical management at end-2008.

For Natixis, like all companies in the financial sector, 2008 was a year of two key phases:

- until September 15, 2008, the date of the collapse of Lehman Brothers, the crisis concerned primarily underlying credit assets, in particular structured credit products. The majority of losses and value adjustments were in proprietary activities and principal finance and, to a lesser extent, in capital market activities. The profitability of CIB's other business lines and other divisions was still relatively intact at this stage;
- after September 15, the collapse of Lehman Brothers triggered generalized dislocation in all of the markets, as a result of which the crisis gained pace dramatically and spread to nearly all of Natixis's business lines.

Effects in CIB

In December 2008, Natixis decided to transform its corporate and investment banking activities and to discontinue the majority of its proprietary activities and the most complex derivatives activities. These activities were segregated into an internal structure.

CIB's accounts are now split into "CIB continuing activities", which houses core business activities due to be developed, and another part which comprises segregated "Workout Portfolio Management" (GAPC) activities, as well as issuer spreads.

The aim of this separation is to ensure optimal pro-active management of the segregated assets, protecting the core assets to be retained within the group and highlighting the performance of CIB continuing activities. The main characteristics of CIB continuing activities are as follows:

- a renewed focus on core clients – especially corporate tier one clients in France and Southern Europe, corporate midcaps in France, financial institutions in Europe and structured lending clients in the international market;
- a product offering tailored to the new business and financial environment, with structured lending, simple market products that allow for cross-selling (which perform well during times of crisis), simple investment products and a heavily de-risked equity business that houses simple derivatives and brokerage activities under one roof;
- a narrower international presence, involving sharp cutbacks in Asia and the US, the closure of marginal offices and the mothballing of development projects;
- a reduced risk profile and stronger controls, with an end to most pure-proprietary business and high-volatility activities;
- enhanced operational efficacy, entailing a steep cut in headcount between now and end-2009.

The segregated assets are being managed proactively with the objectives of:

- isolating and running off assets that no longer fit in with Natixis's new strategic choices:
  - either because they offer no synergies with other activities,
  - or because they do not generate sufficient returns relative to the amount of capital or cash they tie up,
  - or because their risk profile no longer complies with management's guidelines,
- gradually and proactively externalizing segregated assets so as to optimize the balance between improving returns on capital and the resale price obtained for the assets concerned.

The crisis had a negative impact on CIB's net banking income of -€3,540 million in total (or €1,267 million based on a proportion of 35.78%), including a negative impact of -€1,283 million in the fourth quarter (or €459 million based on a proportion of 35.78%).

IMPACT OF THE CRISIS ON CIB (AT 100%)

In € millions	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q5 2008
CIB	**(408)**	**(1,507)**	**(342)**	**(1,283)**	**(3,540)**
RMBS / ABS CDO	(116)	(606)	(246)	(234)	(1,202)
Value adjustment relating to credit enhancers	(164)	(789)	(263)	(70)	(1,286)
Widening of spreads	(127)	(105)	30	(291)	(493)
Syndication discount	(24)	(15)	8	(11)	(42)
Structured equity and interest rate derivatives	(126)	-	(56)	(1,017)	(1,199)
Revaluation of issuer spread	+149	+8	+186	+250	+593
Other	-	-	-	+90	+90

This concerns primarily:

- the impact of the dislocation of the credit market (write-downs on RMBSs and ABS CDOs, value adjustments relating to credit enhancers, widening of spreads, syndication discount and revaluation of issuer spread), representing a total negative impact of €2,430 million (or €869 million based on a proportion of 35.78%);
- the effects of the sharp increase in correlations and volatility relating to structured interest rate and equity derivatives, representing a negative impact of €1,199 million, including €1,017 in the fourth quarter of 2008 (or €429 million and €364 million respectively based on a proportion of 35.78%).

The crisis had a negative impact on impairment charges and other credit provisions of €1,277 million (or €457 million based on a proportion of 35.78%), including a negative impact of €911 million in the fourth quarter (or €326 million based on a proportion of 35.78%). This comprises -€375 million relating to the Madoff fraud, -€186 million relating to Lehman Brothers, -€317 million relating to counterparties concerning corporate solution financing packages and -€94 million relating to exposure to Icelandic banks (or -€134 million, -€67 million, -€113 million and -€34 million respectively based on a proportion of 35.78%).

Other impacts

In the Group's other divisions, in addition to the implementation of measures to adapt to the financial crises such as targeted reorganization, and control of the number of employees and costs, the cost remained limited and concerned primarily the asset management business, which was impacted as follows:

- a negative impact on net banking income of €33 million (or €12 million based on a proportion of 35.78%);
- a negative impact on impairment charges and other credit provisions of €56 million (or €20 million based on a proportion of 35.78%).

Retail banking

For the Banque Populaire banks and other components of the Group, the direct cost of the financial crisis is limited to marginal exposures relating to major market events:

- following Lehman Brothers Holdings Inc.'s decision to file for Chapter 11 bankruptcy protection on September 14, 2008, the Banque Populaire banks valued their net exposure to the Lehman Brothers group at €27 million;
- the Banque Populaire banks' exposure to the Madoff fraud was limited to €10.5 million;
- lastly, as a result of deterioration in economic conditions in Iceland and the difficulties facing Icelandic banks, the Banque Populaire banks booked a provision of €24.8 million for total exposure of €26.6 million to Landsbanki and Kaupthing Bank.

Other activities

CIFG, the former monoline insurance subsidiary owned by Natixis, was acquired by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne on December 20, 2007. The two central bodies have been involved in redefining CIFG's risk management policy and analyzed the structured credit products underwritten by the monoline insurer.

Since the takeover, a task force has been set up to allow the central body to gain a better understanding of these new risks. The valuation models and stress scenarios used were reviewed with the help of external consulting firms.

In parallel, the two shareholders decided to revise their strategy, taking account of market developments and the situation at CIFG:

- the possibility of any additional support, on top of the support already provided, has been ruled out;
- a new management team has been appointed within the entity, mainly to steer negotiations with its main creditors;
- a commutation process (cancellation of commitments towards counterparties in exchange for a cash payment and/or conversion into capital) was initiated with creditors in the first half of 2008, overseen by the supervisory authorities.

On January 22, 2009, CIFG announced the signature of a commutation agreement with counterparties holding 98% of its outstanding exposure to certain derivative products backed by certain assets, primarily real estate assets, representing around $12 billion.

Under the terms of this agreement, the Banque Populaire Group and the Caisse d'Epargne Group reduce their respective equity interests in CIFG, and the main counterparties renounce their pecuniary rights under financial guarantees (credit default swaps and insurance policies) issued by CIFG in exchange for cash payments and equity interests in CIFG.

As a result, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne jointly hold an equity interest in CIFG of just over 10%, leading to the deconsolidation of CIFG from the Banque Populaire Group.

2.2 Credit risk

Over the last year and a half, the global economy has suffered a slowdown following three successive shocks: the real estate crisis originating in the United States, the sharp rise in commodities, energy and agricultural prices, and then the financial crisis, which has had a major impact on global economic conditions. This has had a number of effects, including a decline in consumer spending, amplified by weaker spending power as a result of price rises, and tougher lending conditions due to banks' liquidity problems.

Falling demand has led companies to cut back on their expenditure due to more drastic financing terms and a reduction in production capacity leading to a rise in unemployment. All business sectors have been affected, with the most severe difficulties in the real estate and automotive sectors. The number of business failures gained pace at the end of the year.

Credit risk control measures

Since January 1, 2006, the responsibilities of and relationships between the parties involved in credit risk management within the Banque Populaire Group have been governed by a charter.

Credit risk management in the banks is organized in accordance with the charter and the Banque Populaire Group's credit risk manual.

Each bank's risk policy is determined by the bank's executive management and approved by its Board of Directors. The banks are also responsible for exercising ongoing control over risks in accordance with the rules laid down by the Board of Directors of Banque Fédérale des Banques Populaires, particularly those dealing with the role of the Group Audit and Risk Management Committee and the Group Credit Risks Committee, and by the banking regulator.

1 2 3 4 5 6 7 8 9 10 11

In addition to the duties stated above, the Group Credit Risk Committee reviews interbank risks, for which Banque Fédérale des Banques Populaires collates details of the limits set by each bank as well as the quality and outstanding amount of commitments by counterparty. The Group Risk Management Department oversees the level of exposure to each counterparty. Any differences in assessments of risk levels within the Banque Populaire Group are reported monthly to the Group Credit Risk Management Committee for resolution. The Committee receives the minutes of meetings of the Group Standards and Methods Committee and the Confederal Standards and Methods Committee.

Following the creation of Natixis, the Group Credit Risk Management Committee's responsibilities with regard to Natixis have been transferred to the Confederal Risk Management Committee, which comprises representatives of the executive bodies of Banque Fédérale des Banques Populaires, Caisse Nationale des Caisses d'Epargne and Natixis. The Group Credit Risk Management Committee reviews the minutes of meetings of the Confederal Risk Management Committee.

The BFBP Credit Risk Committee meets as and when required to look at all credit risk issues that directly concern Banque Fédérale des Banques Populaires. Since July 2008, this has been enhanced by the creation of a Subsidiaries CRC select committee, which reviews its subsidiaries' loan records, in addition to a threshold fixed within applicable delegations, which have to be submitted for approval before coming into force. This currently includes Société Marseillaise de Crédit's loan records.

Diversification of risk at the Banque Populaire Group is ensured by internal as well as external rules. It is one of the fundamental rules of risk management. As required by the Group's risk management manual, each bank sets internal risk concentration limits based on its own specific characteristics, which are often lower than the limits authorized under banking regulations. In 2005, a single limit, lower than the regulatory limit, was introduced. It has been applied since June 30, 2006 to all Banque Populaire Group institutions on a consolidated basis.

At the end of 2003, the Banque Populaire Group introduced an internal credit rating system to comply with future regulatory requirements approved by regulatory authorities. The Banque Populaire Group has been authorized by the Commission Bancaire to calculate its regulatory capital requirements relating to credit risk using the advanced internal ratings-based approach (IRBA) for retail asset classes and the internal rating-based foundation approach (IRBF) for other asset classes as of January 2008.

These ratings systems are based on uniform methodologies throughout the Banque Populaire Group and centralized credit rating programs for the main client categories.

In addition, stress tests have been implemented for credit risks at Group level and at the level of each bank, for the corporate portfolio and all asset classes. As regards deterioration in the quality of the main counterparties or certain business sectors considered hardest hit by the financial crisis (construction, real estate development, transport, large-format retailing, public services, automotive), or applying deterioration of one, two or three notches to all ratings of all asset classes, these have made it possible to assess increases in expected loss and provisions, Basel II risk-weighted assets and capital requirements, and to verify the Group's ability to meet these requirements.

Group results

2.2.1 Global risks

	Value exposed to risk	
Banque Populaire Group Exposure category	*In € millions*	%
Other exposures included in the corporate category	75,030	23.7%
Other exposures included in the retail clients category	69,258	21.9%
Banks and financial institutions	68,579	21.7%
SMEs included in the retail clients category	30,405	9.6%
SMEs included in the corporate category	20,497	6.5%
Home loans secured by mortgages or guarantees	19,634	6.2%
Central government bodies and central banks	19,442	6.1%
Specialized financing	7,827	2.5%
Equities	4,215	1.3%
Renewable exposures	1,014	0.3%
Other institutions	418	0.1%

Source: Corep data.

2.2.2 Interbank risks

RISKS BY REGION

In € millions	2008	
North Africa & Middle East	491	2.2%
Sub-Saharan Africa	72	0.3%
North America	1,662	7.5%
Latin America & Caribbean	254	1.1%
Asia-Pacific	791	3.6%
Central & Eastern Europe	420	1.9%
Western Europe	14,329	64.6%
Not applicable	4,155	18.7%

Source: Risk IT data.

There has been little change in risk concentration, with volumes still relating primarily to counterparties in Western Europe.

In the current difficult climate, the quality of the Banque Populaire Group's clients remains high, with default rates remaining low.

RISK EXPOSURE BY RATING

In € millions	2008	
Investment grade	32,322	94.2%
Speculative grade	982	2.9%
o/w high risk	431	1.3%
Default	180	0.5%
No grade	403	1.2%

Source: Corep data.

2.2.3 Sovereign risks

Sovereign risk is the risk of a Government (and/or Central Bank) being unable to honor its debts. Sovereign borrowers almost never default on their loans; instead, they initiate negotiations with lenders, frequently leading to the waiver of interest and/or part of the outstanding principal.

RISKS BY REGION

In € millions	2008	
North Africa & Middle East	241	2.0%
Sub-Saharan Africa	32	0.3%
North America	876	7.2%
Latin America & Caribbean	76	0.6%
Asia-Pacific	254	2.1%
Central & Eastern Europe	5	0%
Western Europe	9,718	79.3%
No grade	1,048	8.6%

Source: Risk IT data.

The majority of risk still concerns Western Europe, the already high weighting of which has increased slightly. Risks taken in North America and Asia have increased, while those taken in North Africa and the Middle East have decreased significantly.

Risk quality is high overall, with a very low default rate.

RISK EXPOSURE BY RATING

In € millions	2008	
Investment grade	15,529	99.3%
Speculative grade	88	0.6%
Default	20	0.1%
No grade	9	0.1%

Source: Corep data.

2.2.4 *Customer risks*

Risk exposure by rating

CORPORATE CLIENT RISKS

Banque Populaire Group	SMEs included in the corporate category	Other exposures included in the corporate category
Investment grade	58.3%	63.2%
Speculative grade	38.3%	34.3%
o/w high risk	1.7%	8.5%
Default	3.4%	2.5%

RETAIL CLIENT RISKS

Banque Populaire Group	SMEs included in the retail clients category	Other exposures included in the retail clients category	Home loans secured by mortgages or guarantees	Renewable exposures
Performing	84.6%	94.5%	94.8%	85.8%
Performing but risky	6.7%	2.4%	3.6%	3.5%
Default	8.7%	3.1%	1.7%	10.7%

Source: Corep data.

The quality of retail client risks is generally better than the quality of corporate client risks. However, the situation differs depending on the category of exposure. SMEs included in the retail category have higher risk exposure and default rates than SMEs included in the corporate category. Non-SME corporate clients have a high rate of risky exposure. For retail clients, the default rate on renewable exposures is high but volumes are low, representing less than 1% of total retail client defaults.

Corporate client risks relate mainly to Western Europe (87.5%), followed by North America (7% of exposure). Retail client risks relate almost entirely to France.

SPECIALIZED FINANCING RISKS

Banque Populaire Group Weighting	% of EAD
50%	15.2%
70%	42.5%
90%	35.9%
115%	4.7%
250%	1.9%

Source: Corep data.

Specialized financing risks with a favorable rating (weightings of 50%, 70% and 90%) represent 93.5% of total risks.

BREAKDOWN BY INDUSTRY

Banque Populaire Group **Corporate and retail client risks**	**2008** *In € millions*	**2008** *(%)*	**2007** *(%)*
Finance & insurance	29,335	16.8%	14.3%
Real estate rental	24,309	14.0%	13.4%
Holding companies & diversified	22,915	13.2%	12.7%
Services	11,880	6.8%	7.4%
Construction & public works	11,608	6.7%	6.4%
Real estate	8,958	5.1%	6.3%
Consumer goods	7,716	4.4%	3.9%
Food	6,654	3.8%	3.9%
Retailing	5,809	3.3%	3.4%
Transport	5,657	3.2%	3.0%
Basic industries	5,485	3.1%	3.8%
Mechanical & electrical engineering	5,056	2.9%	2.5%
Pharmaceuticals & healthcare	4,900	2.8%	2.7%
Tourism, hotels & restaurants	4,553	2.6%	2.7%
Energy	3,076	1.8%	1.2%
Media	2,882	1.7%	1.5%
Government	2,234	1.3%	1.9%
Utilities	1,884	1.1%	1.0%
Technology	840	0.5%	0.7%
Not applicable	8,434	4.8%	7.3%

Source: Risk IT data.

Risk concentration was not affected by the changes to NAF codes at the start of the year. The finance and insurance, real estate rental (operating properties) and holding companies sectors remain predominant. The weighting of the real estate sector (developers) has declined.

CONCENTRATION BY BORROWER

Banque Populaire Group	**2008 breakdown** *(%)*	**Risk-weighted loans as a % of capital** *(%)*	**2007 breakdown** *(%)*	**Risk-weighted loans as a % of capital** *(%)*
Largest borrower	2.1%	11.4%	0.9%	13.2%
Top 10 borrowers	4.9%	56.2%	5.5%	77.0%
Top 50 borrowers	9.7%	140.2%	12.7%	177.8%
Top 100 borrowers	11.6%	175.9%	16.2%	227.1%

Source: Risk IT data.

The concentration of borrowers, excluding Natixis's exposure relating to the Caisse d'Epargne Group, is less significant than in 2007.

SME risks

Revenue and exposure limits

SMEs: €1.5 million < revenues < €50 million, irrespective of the level of risk or revenues < €1.5 million if risks > €1 million.

Very small enterprises: No information about revenues or < €1.5 million and risks <€1 million.

Excluded counterparties

- belonging to a Group;
- holding companies;
- revenues too old or with no NAF code.

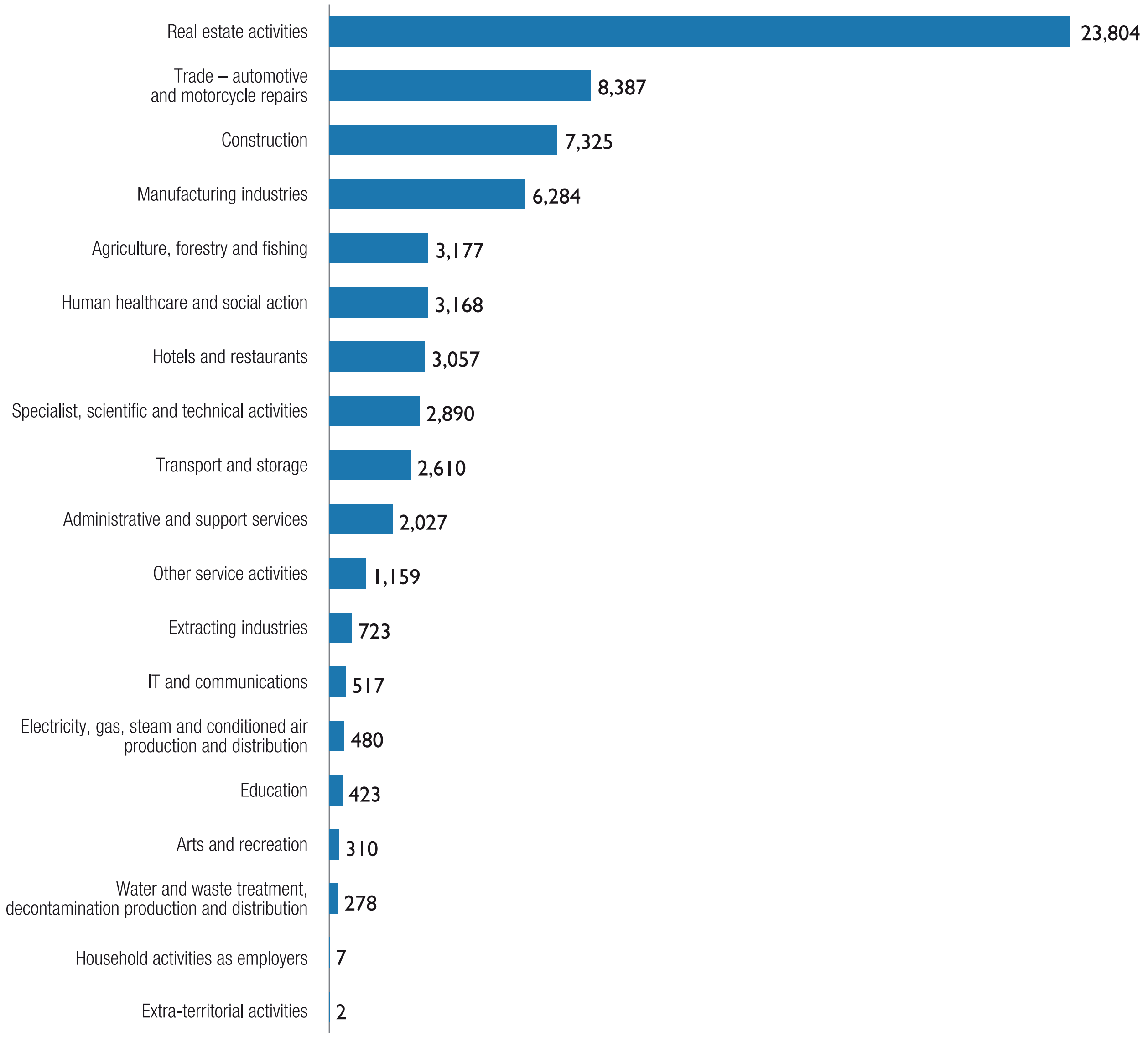
Business sectors: Sector classification according to the INSEE system. Exclusion of the "finance and insurance" and "public administration" sectors.

Products: Reference to product types reported to the Banque de France Central Credit Register.

The volume of exposure to SMEs and very small enterprises was €66.6 billion, including €26.5 billion relating to SMEs (40%). Real estate activities (trading, rental and operation of owned or rented properties, activities for third parties within the INSEE meaning) represent more than one-third of risks, of which 75% relate to very small enterprises. Commercial activities remain of secondary importance, while construction has now moved ahead of the manufacturing sector due to the inclusion of property development in this activity.

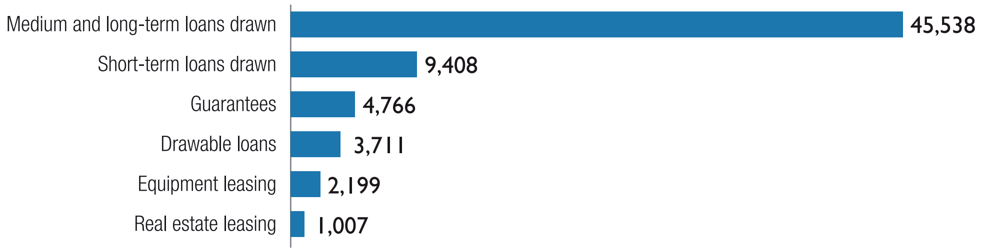
Financing still consists primarily of medium and long-term loans, representing more than two-thirds of risks financed.

EXPOSURE TO SMEs AND VERY SMALL ENTERPRISES BY INDUSTRY (INSEE CLASSIFICATION) - *In € millions*



Source: Risk IT data

EXPOSURE TO SMEs AND VERY SMALL ENTERPRISES BY PRODUCT AREA



Source: Risk IT data

Sectors showing the greatest risk

In € millions	**Total exposure**	**o/w risky exposure**	**o/w loans in default**
Finance & insurance*	29,335	0.8%	1.7%
Real estate	8,958	2.9%	4.9%
Food	6,654	6.6%	7.6%
Tourism, hotels & restaurants	4,553	7.7%	9.9%
Automotive	2,703	7.1%	5.0%

* *Excluding interbank exposure.*

Source: Risk IT data.

Risky exposures decreased in the real estate sector and increased slightly in the automotive sector. Meanwhile, the default rate increased for the former but decreased for the latter. Tourism, hotels and restaurants is still the most fragile sector, with a high default rate.

AMOUNTS OF FINANCIAL, REAL AND PERSONAL GUARANTEES BY EXPOSURE CATEGORY

In € millions

Exposure category	**Real guarantees**	**Financial guarantees**	**Other physical guarantees**
Other exposures included in the corporate category	398	1,673	1,531
Other exposures included in the retail clients category	3,619	508	828
Banks and financial institutions	0	523	3,658
SMEs included in the retail clients category	6,779	229	1,819
SMEs included in the corporate category	847	239	1,899
Home loans secured by mortgages or guarantees	18,464	0	0

Source: Corep data

Real guarantees consist of residential or commercial properties, representing 78% of guarantees received compared with 8% for financial guarantees.

Exposure category *In € millions*	**Personal guarantees**
Other exposures included in the corporate category	92
SMEs included in the corporate category	99

Source: Corep data

Personal guarantees relate solely to corporate clients.

2.2.5 Non-performing loans

Non-performing loans	**12/31/2008**				**12/31/2007**			
In € millions	**Gross**	**Impairment**	**Net**	**Coverage**	**Gross**	**Impairment**	**Net**	**Coverage**
Interbank loans	**275**	**(166)**	**109**	**60%**	**27**	**(17)**	**10**	**63%**
Customer loans	6,916	(4,090)	2,825	59%	5,626	(3,447)	2,179	61%
Customer loans excl. lease financing	*6,811*	*(4,041)*	*2,770*	*59%*	*5,522*	*(3,397)*	*2,125*	*62%*
Non-performing lease financing	*105*	*(49)*	*56*	*47%*	*104*	*(50)*	*54*	*48%*
TOTAL	**7,191**	**(4,256)**	**2,934**	**59%**	**5,652**	**(3,464)**	**2,189**	**61%**
Collective provisions		**(741)**	**(741)**			**(662)**	**(662)**	
Interbank loans		*(16)*	*(16)*			*(17*	*(17)*	
Customer loans		*(725)*	*(725)*			*(645)*	*(645)*	
TOTAL (INCLUDING COLLECTIVE PROVISIONS)	**7,191**	**(4,998)**	**2,193**	**70%**	**5,652**	**(4,126)**	**1,526**	**73%**

Source: accounting data.

BREAKDOWN BY CLIENT CATEGORY

% of on and off-balance sheet exposure at 12/31/2008	**Companies**	**Small business**	**Personal customers**	**Other**
Performing loans	27.49%	11.40%	21.93%	39.17%
Defaults	32.52%	48.50%	17.95%	1.03%

Source: Risk IT data.

The amount of non-performing loans increased by €667 million compared with 2007 but the rate of coverage remained high at 70%. The weighting of non-performing loan exposure increased in the corporate client segment and decreased in the small business and personal customer segments.

2.3 Market risk management

2.3.1 Current resources

The Financial Risks team, within the Banque Fédérale des Banques Populaires Risk Management Department, controls the Group's market risks.

The Group's exposure to market risks, assessed on a consolidated basis, primarily concerns Natixis, which is jointly controlled by its two shareholders and central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, whose market risk monitoring system is described in the Chairman's report on internal control. Market risks are marginal at Crédit Coopératif and the regional Banque Populaire banks.

In addition, in September 2008, Banque Fédérale des Banques Populaires created a Treasury team, with the role of contributing to the communal refinancing of the Banque Populaire banks, Banque Fédérale des Banques Populaires and Société Marseillaise de Crédit. The Financial Risks team within the Group Risk Management Department carries out specific controls of risks and results.

2.3.2 Natixis's market risk management system

The Market Risk department independently defines the risk assessment methods to be used, advises on limits and ensures the monitoring of all market risks within Natixis. Market risk management is based on a system of delegation overseen by the Group's Risk Management Committee, within which the Market Risk Committee plays a key role.

The purpose of the Market Risk Committee is to determine the bank's market risk policy and ensure that it is applied correctly. The committee is an operational extension of the executive body and has decision-making powers for matters relating to market risk.

It meets on a bi-monthly basis under the chairmanship of a member of the Management Board. Ad hoc sessions may be organized in an emergency.

In 2008, Natixis's risk management policy was based on the reinforcement of market risk monitoring procedures by the Risk Management Department and more active involvement by the business lines.

Supporting documents have been enhanced in order to assess key events for the periods covered using aggregated data (VaR, stress tests, P&L, loss alerts and breaches of thresholds), summaries of the highlights, points of note for each activity, and a summary by the new products and new activities committees.

The market risk policy determined by the Market Risk Committee comprises the following:

- definition and review of VaR limits, operational limits and loss-alert limits. These limits are examined in the light of budgetary information provided by front office managers;
- defining validation delegations;
- reviewing risk exposure with a possible focus on a particular risk category;
- reviewing any violations and/or non-authorizations of limits and measures taken or to be taken;
- reviewing decisions made under delegation;
- information on the validation of market risk and fair-value adjustment methodologies, and on model validation.

Natixis's Risk Management Department validates market models and carries out regular checks that the models used are relevant in the light of market developments and best practices.

The Market Risk function comprises two components, an operational unit and a cross-functional unit.

The operational unit is in charge of day-to-day control of market risks and is split into four teams, each of which controls risk for one of the main front offices (Credit, Interest Rates and Interest Rate Derivatives, Equities and Equity Derivatives, Commodities, Cash – Foreign Exchange – Structuring – Project Finance) plus a VaR production team.

These teams are responsible for monitoring activity and also represent the department in its relationships with each front office.

They are therefore responsible for:

- the analysis and control of market risks and corresponding reporting;
- regular monitoring of positions and results;
- validating pricing models;
- determining provisioning policies and deductions for liquidity risks, risks relating to parameters that cannot be covered by the system, model risks and other items.

They are also responsible for determining suitable risk measurement policies.

The cross-functional unit is in charge of all consolidated reports presented to management (Management Board and front office management) and for the implementation of standards and procedures common to all entities (subsidiaries and branches) and covering market risk, international coordination, technology watch and relations with internal and external auditors and monitoring of their recommendations.

Information about the situation and changes in market risks is reported on a bi-monthly basis to the member of the Management Board responsible for CIB and to the Market Risk Committee.

2.3.3 BRED Banque Populaire's market risk management system

Market risks are managed according to the following three fundamental principles, in accordance with CRBF regulation 97-02:

- strict independence of risk functions with respect to operational departments;
- consistent approach and consolidated monitoring of risks;
- prior controls through a system of limits.

Market risk management is based on three levels of responsibility:

- the first level relates to operational capital market activities, which must adjust their organization and procedures on an ongoing basis in order to comply with internal control principles;
- the second level relates to:
  - the Financial Management and Modeling Department, which measures market risks and validates results,
  - the Exposures Department, in charge of managing credit risks,
  - the Consolidation and Accounting Procedures Department, in charge of ensuring compliance with accounting rules and audit principles,
  - the Financial Risks Department, in charge of second-level permanent control on capital markets activities;
- the third level relates to Audit, whose role is to carry out retrospective assessments of internal control, reviewing the whole risk management system (operational and financial), and the various participants' use of the system.

This risk management is overseen by several operational committees, described in the Chairman's report on internal control.

The Financial Markets Committee: This committee is chaired by the CEO, and its purpose is to validate BRED Banque Populaire's policies regarding capital markets activities (strategy, resources and development of new activities).

2.3.4 Banque Fédérale des Banques Populaires' treasury market risk management system

In the second half of 2008, Banque Fédérale des Banques Populaires created a treasury unit. Daily monitoring of this unit has been set up in the form of a system of market risk limits (exposure and VaR) and counterparty risk limits, as well as loss alerts.

Banque Fédérale des Banques Populaires' treasury unit is overseen by three committees:

- the Treasury Committee, whose role is to oversee the implementation of refinancing strategy and validate market development scenarios;
- the Banque Fédérale des Banques Populaires Market Risk Committee, which validates the financial programs proposed (authorized products, amount, new activities), as well as delegations of limits and products, and market risk limits. This committee oversees monitoring and control of market risks;

- the Banque Fédérale des Banques Populaires Credit Risk Committee, which sets the limits for each counterparty.

2.3.5 *Group results*

In accordance with CRBF regulation 97-02, the Group Risk Management Department has analyzed the consolidation of market risks within the Banque Populaire Group. Initially, the scope of consolidation for the Banque Populaire Group's market risks, measured using VaR, is limited to Natixis and BRED Banque Populaire, as agreed with the Commission Bancaire.

In a second phase, the newly created Banque Fédérale des Banques Populaires Treasury unit has been included in the scope of consolidation since September 2008.

In addition, Crédit Coopératif, which is currently setting up daily VaR calculations, will then be brought into the scope.

In a final phase, all Banque Populaire banks will be included in the scope, to give a complete view of market risks within the Banque Populaire Group.

The approach results in a conservative measurement of market risks within the Banque Populaire Group's scope, which consists of Natixis, BRED Banque Populaire and the Banque Fédérale des Banques Populaires Treasury unit. A presentation to the Group's Audit and Risks Committee and to the Commission Bancaire based on the scope including just Natixis and BRED Banque Populaire was made at the end of 2007.

Natixis's risk measurement methods

Natixis's market risk management system is based on a risk metrics model that measures the risk run by each Group entity.

Market risks are assessed using a variety of methods:

1. synthetic VaR calculations determine potential losses from each activity at a given confidence level (for example 99%) and a given holding period (for example one day). The calculation is performed and monitored daily for all of the Group's trading activities.For calculation purposes, the joint behavior of market parameters that determine portfolio values is modeled using statistical data covering a period of one year rolling. Over 4,200 risk factors are currently modeled and used.

   Natixis calculates VaR based on digital simulations, using a Monte Carlo methodology which takes into account possible non-linear portfolio returns based on the different risk factors. These calculation methods are harmonized using a single calculation tool, Scénarisk. In order to monitor compliance with VaR limits set by the regulator, Natixis's Risk Department produces the VaR for Natixis's consolidated scope.

   As a result of the extremely high level of market volatility in all asset classes since the collapse of Lehman Brothers in September 2008, Natixis has carried out a number of studies taking account of the different histories in order to calculate VaR, with the aim of reflecting the change of regime recently observed in the financial markets. These studies resulted in the definition of a new calculation method, which is now based on econometrics for which standard deviations are calculated as the maximum, risk axis by risk axis, of standard deviations calculated over the following periods: 12 months rolling, 3 months rolling, September 1, 2008 to the present date (provided that the present date is before September 1, 2009). This change of method has resulted in all limits being recalibrated. After being presented to the Commission Bancaire, the method was put into production in the fourth quarter of 2008;

2. Operational indicators are used to manage activity on an overall basis and/or by homogenous activity, by focusing on more directly observable criteria (for example: sensitivity to variations in the underlying instrument, sensitivity to variation in volatility or to correlation, diversification indicators). The limits corresponding to these qualitative and quantitative operational indicators thus complement the VaR and loss-alert limits. They are determined consistently with the latter limits. All operational limits are subject to day-to-day monitoring by the Market Risk team.

   All violations of limits (operational and loss-alert limits) are notified. Loss-alert violations may lead to a management decision concerning the position in question (closure, hedging, maintaining, etc.).

   The key standard metrics used are:

- sensitivity to a +/- 1bp change in interest rates (overall and by zone, currency and/or maturity),
- yield-curve exposure,
- currency exposure,
- equity exposure
- sensitivity to a +/- 1% change in implied volatilities in the equity, foreign exchange, fixed income, inflation and commodities markets (overall, by maturity and by strike price),
- sensitivity to a change in delta of an underlying asset (equities, fixed income, currency or commodities),
- sensitivity to change in swap spreads,
- sensitivity to change in issuer spreads,
- inter-currency spreads,
- sensitivity to inflation (1bp change),
- discontinuity risk,
- sensitivity to a change in correlations,
- sensitivity to recovery and to jump to default,
- monthly and annual loss alerts;

3. Stress tests are also employed to measure the losses potentially sustained by portfolios in extreme market circumstances.

   Two major categories of stress tests are calculated at Natixis: global stress tests and specific stress tests for each activity.

   A major project concerning global stress tests was carried out in 2008 with the aim of recalibrating and enhancing these tests. Calculated using Natixis's VaR calculation tool, they can be grouped into three categories:

- **historic stress tests** consist of reproducing sets of changes in market parameters observed during past crises in order to create an ex-post simulation of the extent of P&L changes recorded. Although these stress tests cannot predict the future, they can be used to assess the exposure of the Group's activities to known scenarios. Six historical stress scenarios have been defined,
- **hypothetical stress tests** consist of simulating changes in market parameters in all activities on the basis of plausible assumptions

concerning the reaction of one market in relation to another, depending on the type of initial shock. Shocks are determined as a result of reviews and collaboration with front office staff and economists. These scenarios can be defined according to economic criteria (real estate crisis, economic crisis), geopolitical considerations (terrorist attacks in Europe, toppling of a regime in the Middle East) or other factors (avian flu). Five theoretical stress test scenarios have been defined,

- **adverse stress tests** aim to detect the most unfavorable situations for the bank on the basis of the characteristics of its portfolio. Calculations consist of using hypothetical stress tests as a matrix, the adverse stress test scenario being that leading to the maximum loss.

  A project concerning **specific stress tests** has been launched with CIB. Severity standards and shock matrices have been defined for each business line. The project will be finalized in 2009, with the aim of calculating these stress test scenarios using management tools and subject to limits,
- in late 2007, at the time of the merger between the two entities, Natixis was authorized by the Commission Bancaire to use the internal VaR model, initially validated for the former IXIS Corporate & Investment Bank, for the equivalent Natixis scope. Following the approval process carried out in 2008, the Commission Bancaire confirmed to Natixis that it may use its model for regulatory purposes at December 31, 2008.

2.3.6 Quantitative data for measuring Natixis's market risk

Changes to VaR within Natixis

99% 1-day VaR for Natixis's trading portfolios averaged €29.6 million, with a maximum observed level of €66.4 million on December 22, 2008 and a value of €55.8 million at December 31, 2008.

These figures should be considered in relation to the change of market regime in September 2008 following the collapse of Lehman Brothers.

This major crisis led CIB to reorganize its activities in the fourth quarter of the year and to hive off some of its activities into an ad hoc portfolio (GAPC). This reorganization was accompanied by changes to the risk monitoring system with the calibration of new limits and reporting methods.

Furthermore, as described in the above paragraph, it was deemed necessary to adapt the methodology applied to calculating VaR in order to be able to reflect these exceptional market changes. Natixis therefore changed the way in which historical data is taken into account by adjusting the calculation of standard deviations using the following formula:

standard deviation = maximum (12 months rolling, 3 months rolling, past data beginning September 1, 2008 "capped" at 1 year)

This new method for calculating standard deviations, applied risk factor by risk factor, came into production in the fourth quarter of 2008.

More conservative and more fitting with the high level and lasting nature of market volatility, it resulted in a significant increase in VaR (1.5-2x, depending on the scope) on the basis of equivalent positions. A global limit for this method was set at €70 million from this date.

The old VaR limit of €35 million is still monitored in parallel with the old daily method. Natixis thereby ensures control of VaR in dual production.

The tables below show the sudden and lasting change in the markets.

The implementation of the new VaR method for the approved scope at the end of 2008 resulted in a lower number of dual back-testing exceptions for the entire year under review.

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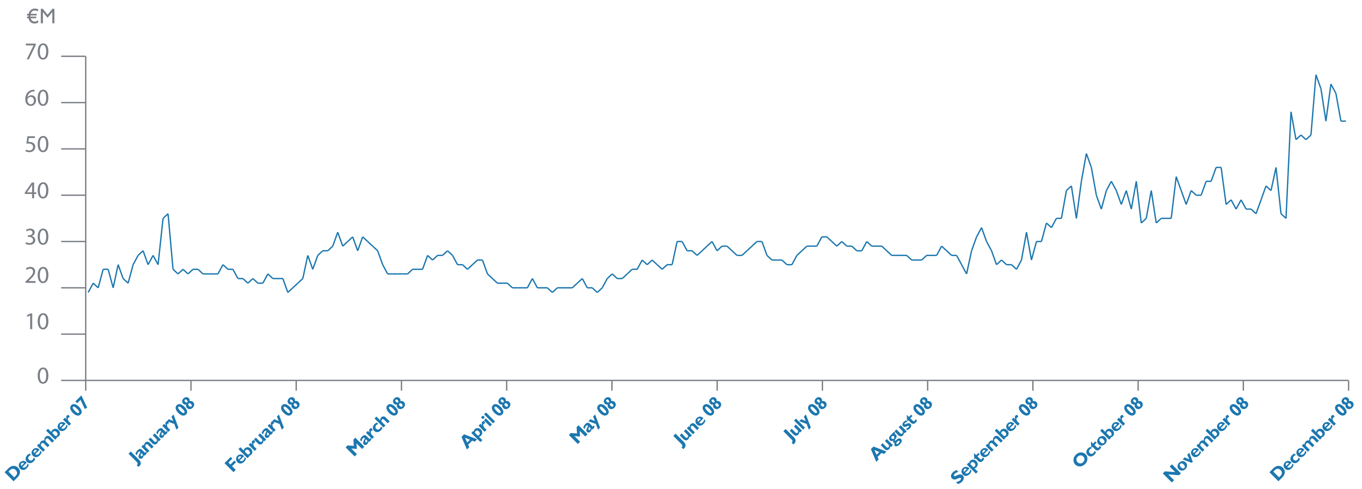
MONITORING OF GLOBAL TRADING VAR USING THE NEW METHOD AND OLD METHOD

	Monte Carlo VaR 99%, 1 day New econometrics			Monte Carlo VaR 99%, 1 day Old econometrics			Difference
In € millions	**12/31/2008**	**Limit**	**Average**	**12/31/2008**	**Limit**	**Average**	
NATIXIS	**55.8**	**70**	**29.6**	**36.8**	**35**	**28.7**	**18.9**
Durable	**39.6**	**60**	**37.4**	**27.2**		**30.8**	**12.4**
Natixis Europe Asia	38.6		27.5	25.8		26.7	12.8
Debt & Financing - Total	0.1	0.8	6.2	0.1	8	6.2	0
Capital Markets	37.6		23.8	25		23.1	12.6
Supervision and active risk management Total	3.5		2.3	2.3		2.2	1.2
Natixis Capital Markets	6.9	6.3	6.1	5.3	6.8	6	1.7
Segregated	**36.4**	**30**	**24.1**	**22.4**		**19.9**	**13.9**
Natixis Europe Asia Segregated - Total	33.5		21.6	20		17.7	13.6
Natixis Capital Markets Segregated - Total	10		8.9	7.8		7.9	2.2

NATIXIS OVERALL VAR - TRADING PORTFOLIO (1-DAY, 99% VAR)



VAR BY CLASS OF RISK

In € millions	Monte-Carlo VaR, trading portfolio, 1 day, 99%			
	Level 12/31/2008	Level 12/31/2007	Difference	Average over 1 year rolling
NATIXIS				
Interest rate risk	38.6	10.1	28.5	17.6
Equity risk	26.2	6.9	19.3	13.0
Specific equity risk	2.2	3.0	(0.8)	5.2
Specific interest rate risk	22.6	10.2	12.4	14.4
Currency risk	6.5	2.1	4.4	4.2
FROM ALL RISK CLASSES	**96.1**	**32.3**	**63.8**	
Netting effect	(40.3)	(13.0)	(27.3)	
Consolidated VaR	**55.8**	**19.3**	**36.5**	**29.6**

Stress testing results

Applied to positions as at December 31, 2008, global hypothetical stress tests showed the following potential impacts on income (in absolute terms):

- Stress Test 1 - Slump in stock-market indices: €3 million;
- Stress Test 2 - Increase in interest rates: €72 million;
- Stress Test 3 - Increase in spreads and decline in indices and interest rates: €34 million;
- Stress Test 4 - Commodities - Increase in volatility: €224 million;
- Stress Test 5 - Crisis in emerging markets: €166 million.

VALUE OF CAPITAL REQUIREMENTS

In € millions	Capital requirements					
Type and nature of risk	Interest rate risk	Commodities risk	Security ownership risk	Currency risk	Internal model	Total
General risk	84	85	53	8	753	983
Specific risk	479	0	23	0	211	713
Options risk	692	13	214	15	0	935
TOTAL	**1,255**	**98**	**290**	**23**	**964**	**2,631**

2.4 Balance sheet risk management

2.4.1 Current resources

The Financial Risks team, within the Banque Fédérale des Banques Populaires Risk Management Department, controls the Group's ALM risks in coordination with the ALM Department.

Since January 1, 2006, the operating procedures of the financial risks function and relations within the Banque Populaire Group have been governed by the Financial Risks Charter, approved in the Banque Fédérale des Banques Populaires' board meeting of September 7, 2005 and updated by the Board of Directors on May 14, 2008. Each bank is responsible for managing its own interest rate and liquidity risks in compliance with the methods and rules set out in the Group procedure manual as updated in July 2007. The executive management of each bank determines the bank's financial risk policy, subject to approval from the Board of Directors, with the aim of defining the best strategy to increase net interest income while also reducing the related risks, striking an appropriate balance between business growth and interest rate and liquidity risk, reducing exposure to interest rate risk through appropriate hedging programs, validating the rules governing the organization and control of balance sheet risk lines and periodically monitoring internal exposure limits.

Due to the nature of its activities, a specific system applies to Natixis.

A new tool for measuring and monitoring these risks has been used since the September 30, 2007 quarterly accounts closing. This reporting system ensures that all of the Banque Populaire banks' interest-rate and liquidity risks are listed consistently. This enables the Group ALM Committee and the Group Risk Management Committee to carry out overall supervision and put all prudential decisions to the Board of Directors.

The scope of Natixis's ALM is in the process of being integrated into this Banque Populaire Group tool.

Group decision-making authorities

The Group ALM Committee was set up by BFBP's Board of Directors and has the role of:

- examining interest-rate and liquidity risk indicators for the Group and each entity;
- defining a standard ALM framework (modeling and reporting) and deciding initiatives to improve ALM;
- putting its opinions to the Board of Directors regarding the main aspects of the ALM policy, and defining the operating procedures of the ALM function.

2.4.2 Significant developments in 2008

Banque Populaire Group ALM guidelines

On October 26, 2006, the Group Risk Management Committee validated the general principles of the Banque Populaire Group's common ALM guidelines, which came into force for the March 31, 2007 closing. This ALM manual sets out the management and reporting rules adopted by the Banque Populaire Group as regards asset-liability management.

The guidelines were supplemented by the introduction of a liquidity stress scenario limit in July 2007. This was followed in 2008 by the introduction of an inflation-based stress scenario and the addition of three interest rate stress scenarios, for which shocks are calibrated by the Group Risk Management Department. An options risk monitoring indicator for deactivating barriers has also been introduced.

The ALM department and Banque Fédérale des Banques Populaires' Financial Risks function have provided training to Banque Populaire banks finance and risks staff, in order to disseminate methods and best practice for the monitoring and control of ALM risks.

Work carried out by a Banque Populaire/Caisse d'Epargne and Natixis working party concerning bank liquidity since the end of 2007 resulted in the determination of a systemic communal liquidity stress scenario in 2008.

2.4.3 Interest rate and liquidity risks

2.4.3.1 Interest rate risk

Structural interest rate risk is the risk of loss or deterioration in net interest income due to an unfavorable change in interest rates.

2.4.3.1.1 Within the Banque Populaire Group excluding Natixis

Measurement method

Interest rate risk is measured in two ways:

- by the net interest income risk: This risk is determined on a dynamic basis (inventories and forecasts) on the basis of the change over time in the rate of return on assets and liabilities as a result of movement in interest rates;
- by the mismatch risk: This is calculated by measuring imbalances between assets of liabilities subject to the same kind of interest rate risk. This is only measured for inventories.

Both methods are currently used for all of the Group's banks.

Options

Options risk is measured:

- **on a static basis**: Options risk positions are included in the static vision of interest rate risks. The static interest rate gap is based on the assumption of early repayment observed on the basis of the central interest rate scenario on a dynamic basis. As of March 31, 2009, this is measured according to the delta equivalent;
- **on a dynamic basis**: Financial options recorded in the bank's financial statements are modeled according to their contractual characteristics on a dynamic interest rate basis.

Options risks relating to loans are modeled according to a model including statistical (sociological) and financial (arbitrage behavior) phenomena.

Dynamic basis

As with liquidity, two balance sheet approaches are used: on a static balance sheet basis and on a dynamic balance sheet basis.

Central scenario

A central scenario is used on a dynamic basis to assess sensitivity to the rate of income. This provides a reference to measure exposure to interest rate risk by calculating the difference in net interest income.

This scenario is produced by Natixis's economic research department. Risk is measured on the basis of nineteen scenarios, comprising limit, management, stress and inflation scenarios.

Static basis

This approach on a run-off basis with the contractual or agreed disposal of assets and liabilities in accordance with the main interest rate indices allows for any imbalances to be measured. Measurement of the fixed interest rate gap provides the opportunity to measure the limit.

The Banque Populaire Group has a more restrictive limit than the Banque Populaire banks on both a static and a dynamic basis. Due to the effects of diversification, consolidation allows for positions to be offset, thereby reducing overall exposure. Should the Group fail to observe its limits, while the Banque Populaire banks observe theirs, the Group ALM Committee would plan either to revise the deployment coefficient or to propose suitable measures to all of the Banque Populaire banks.

Net interest income sensitivity limits

Net interest income sensitivity limits apply on a dynamic balance sheet basis over a two-year horizon. This concerns measuring the effect on net interest income of a change in interest rates relative to the central scenario. Two scenarios have been used:

- scenario of an overall reduction of 100 basis points in long and short-term interest rates;
- scenario of an overall increase of 100 basis points in long and short-term interest rates.

Limits	Over the first year rolling	Over the second year rolling
BP Group limits	-5%	-7%
Deployment coefficient	140%	
Banque Populaire banks limits	-6%	-9.5%

2.4.3.1.2 Within the Natixis sub-group

Structural interest rate risk is the result of a mismatch between the type of interest rate for assets and for liabilities. For Natixis, this risk - which is essentially linear and relating to euros and the US dollar - mainly results from mismatching positions concerning transactions with contractual maturities. The most significant positions concern exposures on the short part of the yield curve and relate chiefly to the gap between the date IBOR rates are re-set.

Within the parent company, with the exception of the Finance Department's structural positions, this mismatching is centralized via the use of internal supporting contracts within the Treasury Department, which is delegated responsibility for operational management by the ALM Committee.

Due to the specific nature of their activities, certain credit institution subsidiaries (leasing, factoring, private banking, consumer finance) benefit from delegated management of their interest rate risk relating to their banking portfolio within the framework of their own ALM Committee or Treasury Committee. However, directional positions held by these entities remain of secondary importance relative to Treasury positions.

Monitoring system

Natixis's structural interest rate risk is monitored on the basis of the sensitivity of the economic value of portfolios by curve point and by currency. Within the Treasury Department, this system is complemented by 1-day 99% VaR measurements. These measurements are subject to limits validated by the ALM Committee on the proposal of the Risk Management Department and monitored on a daily basis for the Treasury Department and on a monthly basis for subsidiaries.

There are no specific comments to make regarding Natixis's structural interest rate risk. At December 31, 2008, the Basel II normative shock (immediate +200 basis points change in interest rate curves) would result in depreciation of around €184 million in the economic value of the portfolio.

Lastly, measurements of the sensitivity of annual net interest income are produced on a regular basis by way of information by the Finance Department for the banking portfolio. On the basis of end-2008 data, an immediate and durable +100 basis points increase in swap rate curves would result in a reduction in annual net interest income of around €80 million.

2.4.3.1.3 Interest rate risk limits

Limits are set as a percentage of projected net interest income on a "dynamic" balance sheet basis (i.e. including business projections) and earnings capacity on a "static" balance sheet basis (i.e. previous balance sheet) on a four-year horizon. On the basis of predefined scenarios, each Banque Populaire bank is free to set its own limits, provided that they are expressed in terms of Group metrics.

Sensitivity of earnings capacity on a constant balance sheet basis ("regulatory" vision)

The calculation is based on four matrix-based scenarios (temporary shocks):

- fall and rise in market interest rates: (+/-200 basis points);
- changes in the yield curve: short-term rates +/-100 basis points, long-term rates -/+100 basis points.

Earnings capacity sensitivity has to comply with two limits expressed as a percentage of earnings capacity and in absolute terms as "minimum required capacity".

Sensitivity of net interest income on a dynamic balance sheet basis

The calculation is based on projected (progressive) scenarios "of Natixis economists", "deduced from the yield curve", "of falls in interest rates", "of a rise in interest rates" and of "a turnaround in interest rates".

In each of the four years analyzed, net interest income must be higher than in the previous year to which a multiplying coefficient is applied.

The Group ALM system adopted on October 26, 2006, contains a system of standard limits for all Banque Populaire banks implemented as of March 31, 2007. On March 18, 2009, the Group Risk Management Committee validated the latest updates of the limit monitoring system.

The static limit is 7% of pure fixed-rate assets from the third to seventh year rolling and then 5% for the Group. For the Banque Populaire banks, the limit is 10% from third to seventh year rolling and then 7%.

On a dynamic basis, with an increase or decrease of 100 basis points in all rates in relation to the central scenario, the net interest income sensitivity limit is 5% for the first year and 7% for the second year. The net interest income sensitivity limit is 6% for the first year and 9.5% for the second year for the individual Banque Populaire banks.

2.4.3.1.3 Hedging

Cash flow hedges (CFH)

Cash flow hedges are used by the Group's entities to hedge future variable-rate borrowings (mostly interbank borrowings) and private or public issues, as well as future variable-rate loans (commercial loans, interbank loans). The use of this type of hedging is justified by the maturities of the variable-rate instruments hedged, which can take account of renewal assumptions of the assets or liabilities concerned.

Fair value hedges (FVH)

Fair value hedges are used by the Group's entities to hedge fixed-rate assets (securities held for sale and loans) or fixed-rate liabilities (interbank loans, forward customer savings, private or public issues).

Effectiveness testing

Prospective testing

For the hedging of a single asset or liability, prospective testing consists of verifying that the financial characteristics of the hedged item and the hedging instrument are the same.

In the case of hedging of a group of assets or liabilities, prospective testing is done on a constructive basis, depending on the type of documentation used:

- a schedule of cumulative amounts of variable-rate liabilities and fixed-rate borrower swaps (CFH);
- a schedule of cumulative amounts of variable-rate assets and fixed-rate lender swaps (CFH);
- a schedule of cumulative amounts of fixed-rate liabilities and fixed-rate lender swaps (FVH).

Hedging is demonstrated if for each maturity category of the target repayment schedule, the nominal amount of items to be hedged is higher than the notional amount of hedging derivatives.

Retrospective testing

Retrospective testing is used to ensure, at least at each accounting date, the effectiveness of hedges. During each test, changes in the fair value excluding accrued interest of hedging instruments since the previous accounting date or the date the hedge was implemented are compared with changes in the value of hedged items over the same period. The ratio of these changes must be between 80% and 125%. Outside these limits, the hedging relationship would no longer be justified under IFRS.

To carry out retrospective testing, hedged items are represented by:

- a hypothetical asset or liability that can be used to isolate the risk component(s) hedged in the case of fair value hedging;
- a hypothetical derivative financial instrument representing full hedging of the hedged items in the case of cash flow hedging.

2.4.3.2 *Liquidity management*

Liquidity limits are expressed as gaps in relation to residual assets. They are measured on a dynamic balance sheet basis (including commercial projections) and calculated for normal and crisis scenarios.

Liquidity indicators show that business development is under control, even more so than in the past. The slight increase in the assets-liabilities ratio shows that this has been accompanied more by borrowing rather than by increasing customer liabilities. All Banque Populaire banks comply with regulatory ratios.

As with interest rate risk, the system of standard limits for all Banque Populaire banks and the Banque Populaire Group in application since March 31, 2007, was enhanced in 2008 with the introduction of a liquidity stress test limit and the calibration of a systemic liquidity stress test.

A liquidity gap on a static balance sheet basis is represented by an observation ratio limit of 90% on a yearly average basis up to the fifth year and then on a five-year average basis for the Group. The observation ratio limit is 75% on a yearly average basis up to the fifth year and then on a five-year average basis for each of the Banque Populaire banks individually.

In addition, a business continuity plan in the event of a liquidity crisis was drawn up in 2008, involving the Finance and Risk Management departments in the resources to be implemented.

Within the framework of their overall refinancing requirements in the short, medium and long term, the Banque Populaire banks use different sources of refinancing, based on a program of bond issues by Banque Fédérale des Banques Populaires, bond issues by CRH and resources raised by joint subsidiary Natixis on the markets.

Furthermore, in order to enhance and diversify its refinancing system, in October 2007, Banque Fédérale des Banques Populaires created Banques Populaires Covered Bonds for the refinancing of real estate loans granted by the Banque Populaire banks. The first issue, rated AAA by Standard & Poor's and Moody's, took place on January 16, 2008, in the amount of €1 billion. Banques Populaires Covered Bonds' issues in 2008 totaled €12.88 billion, including private issues of €0.38 billion.

2.4.3.3 *Results*

Retail banking

Interest rate risk

In the central scenario, the sensitivity of net interest income to a 100 basis point increase in all interest rates deteriorated over the first three quarters of 2008 to a level of sensitivity at December 31, 2008 below that of December 31, 2007, thanks to relaxation in interest rates in the fourth quarter of 2008, allowing for hedging transactions to be carried out under favorable conditions.

The static view shows that the mismatch also deteriorated over the first three quarters of 2008, but had improved significantly at December 31, 2008, with less than 50% of limits used in static interest rate risk.

Liquidity risk

At December 31, 2008, static gap liquidity limits and liquidity stress scenarios were respected.

Within Banque Fédérale des Banques Populaires

Banque Fédérale des Banques Populaires' ALM Committee analyzes the monitoring of risks carried out by the Group Risk Management Department. This concerns changes in the balance sheet, the "proprietary" portfolio, which includes mutual funds, interest rate and liquidity risk.

The proprietary mutual funds portfolio is monitored on a weekly basis. Static coverage of equity risk is in place for around 95% of risks.

Banque Fédérale des Banques Populaires' mutual fund portfolio does not contain any subprime exposure.

Structurally with regard to the institutional portion, Banque Fédérale des Banques Populaires' balance sheet balances present an interest rate lending position at three-month Euribor and a borrowing position at Eonia.

Interest rate risk limits are set as a percentage of earnings capacity on a "constant" balance sheet basis, as for the Group's other components. However, interest rate risk limits relating to the sensitivity of projected net interest income on a "dynamic" balance sheet basis are set in absolute terms. Liquidity is measured on the basis of the one-month liquidity coefficient and three-month, six-month and one-year observation ratios.

2.5 Operational risk

2.5.1 Key principles

Operational risk management within the Banque Populaire Group is based on a manual of procedures and methods approved by the Board of Directors of Banque Fédérale des Banques Populaires in November 2005, updated each year by Banque Fédérale des Banques Populaires and validated by the Group Standards and Methods Committee.

The manual covers the organization and principles of operational risk management, the risk mapping methodologies, and methods for collecting and tracking loss and incident data. The manual is used by all Group banks and is completed by a full reporting system so that Banque Fédérale des Banques Populaires can oversee operational risks on a consolidated basis.

2.5.2 Operational risk management within the Banque Populaire Group (excluding Natixis)

Since January 1, 2006, the responsibilities of and relationships between the parties involved in operational risk management within the Banque Populaire Group have been governed by a charter. This charter was updated in 2008. Applied at the level of each entity and led by Banque Fédérale des Banques Populaires, the mapping process relies on exchange of information.

It is based on regular reporting of incidents and losses and communal risk mapping data to Banque Fédérale des Banques Populaires, an alert mechanism for major operational risk incidents, annual bilateral meetings between each Banque Populaire bank and Banque Fédérale des Banques Populaires, and a twice-yearly meeting of everyone involved in operational risk management.

Operational risk steering committees

The system is managed within the Banque Populaire regional banks by the Compliance and Operational Risks Committee, which meets once a quarter under the chairmanship of the Chief Executive Officer.

The Committee comprises the head of the Operational Risk unit, heads of the various support functions, the head of accounting control, the head of IT systems security, the head of business continuity, the head of security of people and goods, the head of the legal department and the head of compliance.

The role of the Committee is to ensure the relevance and effectiveness of operational risk management procedures.

The Committee:

- monitors exposure to operational and compliance risks, if necessary in relation to limits and/or equity;
- validates and follows up plans of action and plans to reduce operational risk proposed by business line managers;
- decides on the necessary resources to be allocated.

2.5.2.1 Recording Group incidents and losses

Operational risk management is based on a single tool, Orix

The Banque Populaire Group has acquired a new operational risk management application called ORIX and in 2008 began to deploy it in all Group banks. After completion of parameter tuning at the pilot Banque Populaire banks, ORIX was rolled out to all Banque Populaire Group entities in late 2008. This application enables shared dynamic management of operational risks, incidents and associated losses. It is also used to meet COREP regulatory reporting requirements.

The tool is the only way of recording incidents and the associated impacts, mapping the risks to which incidents relate and monitoring plans of action. It also allows for the production of management reports and the monitoring and overseeing of risks as a whole.

For 2008, the Banque Populaire Group has undertaken to migrate the former HSBC regional banks to the Group's operational risk management system. The first step in the convergence process was accomplished in 2008 by centralizing the collection of loss data from the regional banks. The next step is harmonization of the regional banks' risk mappings with the Group's mapping and deployment of ORIX during the first quarter of 2009.

Recording of Banque Populaire Group incidents and losses in 2008

Incidents and the associated impacts are recorded from the first euro over time in the tool.

The main event of 2008 was the integration of the seven former HSBC Regional Banks into the Group's loss recording process as of July. With €1,202,000 recorded, the Regional Banks represented 4% of the Group's total losses.

Another key event of 2008 was the significant increase in involvement of the Group's banks in the loss recording process, manifested by:

- greater coverage of processes covered(1) in the recording of operating losses: over 62% in 2008 compared with 38.8% in 2006 and 2007 for all banks;
- recording more evenly spread out over time, with a less significant impact of adjustments made at the end of the year;
- extension of the recording scope to include border risks, credit risks and market risks;
- improvement in the quality of loss database information (use of better controlled aggregates, clearer descriptions, record of the date the incident occurred, etc.) allowing for the creation of a high quality record.

Group losses amounted to €27.2 million, an increase of 0.5% year-on-year due to the inclusion in the recording scope of the former HSBC Regional Banks since September 2008.

However, on a like-for-like basis, the Group's operating losses decreased by 3.6%, continuing the downward trend that began in 2007.

The 10 heaviest losses in 2008 represented 11.2% of total losses recorded over the period. These losses relate to three regulatory categories:

- execution, delivery and management of processes: €2,042,000;
- internal fraud: €813,000;
- external fraud: €195,000.

As is the case every year, the majority of operating losses were incurred in the fourth quarter of the year, mainly due to the adjustment of accounts at the end of the year for all Group banks.

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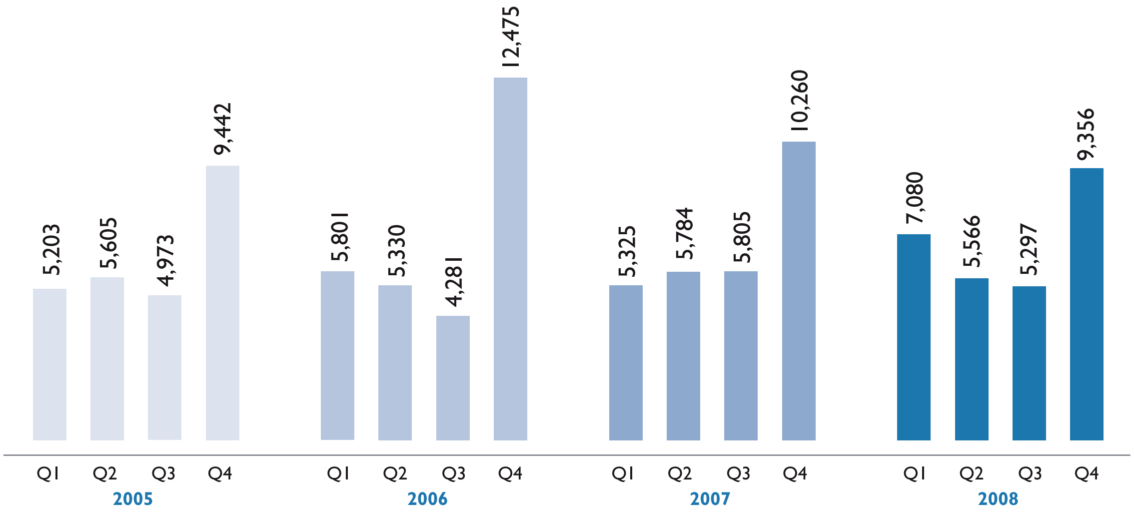
(1) The Group methodology has identified 103 processes divided between 21 macro-processes.

However, as a result of efforts to raise awareness about recording losses over time, this proportion is decreasing, as shown by the following table:

DEVELOPMENT OF QUARTERLY LOSSES *(in € thousands)*



QUARTERLY BREAKDOWN OF ANNUAL LOSSES

	2005	2006	2007	2008
1st quarter	21%	21%	20%	26%
2nd quarter	22%	19%	21%	20%
3rd quarter	20%	15%	21%	19%
4th quarter	37%	45%	38%	34%

BREAKDOWN OF LOSSES IN MAIN RISK MAPPING MACRO-PROCESSES

The table below (in thousands of euros) concerns the 10 main macro-processes. These represent 94.6% of losses recorded in 2008 and on average 96.4% of losses recorded over the period from 2005 to 2008.

in € thousands

Description	2005	2006	2007	2008
Payment methods	17,664	16,389	13,186	13,397
Financing and off-balance sheet commitments	2,236	4,437	6,085	5,479
Savings	1,261	1,605	1,213	2,495
Client account management and services	881	2,136	1,635	1,328
Finance	683	1,605	(165)	619
Logistics	267	773	752	926
Tax	0	32	1,962	367
Human resources	605	481	568	627
Corporate banking	168	10	930	51
Legal	298	79	140	527
Bank relationship life cycle management	0	0	0	1,029
IT	12	62	698	31
Engineering	480	70	104	133
Risk management	257	100	0	111
Insurance	126	68	41	64
Organization	216	0	1	8
Commercial management	8	21	87	6
Corporate finance	66	0	0	1
Control	0	11	38	6
Securities	2	8	0	(3)
Asset management	(7)	0	(101)	96
TOTAL	**25,222**	**27,887**	**27,174**	**27,299**

BREAKDOWN AND DEVELOPMENT OF LOSSES FOR “PAYMENT METHODS” MACRO-PROCESS

in € thousands

Process	2005	2006	2007	2008
Electronic banking	10,134	7,878	6,026	6,857
Cash	4,521	3,167	3,674	2,852
Checks	1,901	2,941	1,701	2,267
Transfers and direct debits	716	878	1,144	780
International payment methods	281	834	209	463
Bank bills	104	681	428	174
Large payments	6	11	5	4
Centralization and authorization of electronic banking flows				0.2
Access to marketplace system				(0.3)
TOTAL	**17,663**	**16,389**	**13,186**	**13,397**

In 2008, the "external fraud" and "execution, delivery and management of processes" event categories again generated the highest operating losses. However, they accounted for just 87.2% of losses compared with nearly 90% the previous year thanks to the reduction in losses relating to external fraud.

2.5.2.2 *Warning procedure*

A warning procedure for serious incidents was set up within the Group in 2007 in order to enhance and reinforce the operational risk management system, in particular the recording of losses.

An operational risk incident is deemed to be serious when:

- the potential financial impact at the time the incident is detected is over €50,000;
- or the operational risk incident has a significant impact on the image and reputation of the entity or the Group;
- or the operational risk incident could occur within other Group entities and the warning could limit the overall impact.

In 2007, nine warnings were issued. In 2008, 36 serious incidents were reported and centralized within the Group Risk Management Department.

The tables below show two cross-functional warnings and five major warnings issued by the Banque Populaire banks:

GROUP CROSS-FUNCTIONAL WARNINGS

Description	Date incident occurred	Potential amount
Agricultural low-interest loans: Allowance for 2000-03 following a CNASEA audit. This warning concerns all banks authorized to grant loans of this kind.	2000-2003	€10m
Detection of an IT anomaly allowing for cash withdrawals above the authorized limit for Point Argent cards. This warning concerned the entire I-BP community. Only one Group bank is to estimate its potential loss.	5/01/2008	€3.6m

INDIVIDUAL WARNINGS

Description	Date incident occurred	Potential amount
External fraud by means of a bank transfer following the electronic transmission of bills of exchange	8/14/2008	€718,000
Internal fraud: fictional loans granted by an employee as of 2003	Since August 2003	€470,000
Foiled attempt at fraud by issuing false checks	2/10/2008	€462,000
No formal physical caution making it void	2004-2006	€366,000
Theft of key to cash point technical premises at the center of a cash point services provider.	10/31/2008	€320,000

2.5.2.3 *Risk mapping*

The Group's operational risk mapping relies on an approach by business process and a methodology of identifying risks and assessing levels of risk. Each bank's business was analyzed. The results were used to identify all processes, which were then recorded in a common database. Each process was then reviewed to identify and measure all operational risks, prioritize them according to the risk management policy and prepare action plans to eliminate or minimize the risk.

The main factors measured for each risk event were probability of occurrence (frequency and expected value), financial impact, non-financial consequences, worst-case impact, effectiveness of the risk management system and the causes and consequences of an occurrence of each event.

The system is completed by the collection and systematic tracking of loss data, which is used by the risk mapping and backtesting experts to refine their measurements.

2.5.2.4 *Large risks*

In effect since January 1, 2005, collection of loss data throughout the Banque Populaire Group provides the historical database needed for moving to the advanced measurement approach (AMA).

Work relating to the selection of risks to be modeled and the implementation of scenarios continued in 2008 and 2009.

2.5.3 Operational risk management within the Natixis sub-group

Organization

Since February 2008, the Operational Risk unit has been organized as seven control divisions corresponding to Natixis's business line areas and activities:

- Corporate and investment banking (CIB), Capital markets;
- CIB Financing;
- Support functions, comprising: IT systems, Finance, Procurement, Human Resources;
- Services grouping together business lines serving commercial networks: Natixis Assurances, Natixis Paiements, Natixis InterEpargne, Natixis Intertitres, Cie Européenne de Garanties et Cautions, EuroTitres, Natixis Financement, Natixis Lease, Natixis Algérie, CACEIS;
- Private equity and private banking: BPSD, Cie 1818, NPBI and NPE;
- Asset management: NGAM and subsidiaries;
- Receivables management: factoring and reinsurance activities (COFACE and Natixis Factor).

The five main control divisions are directly integrated into the Operational Risk department. They currently comprise 45 operational risk managers, five of whom are based outside France (London, Asia, Americas) and 25 at subsidiaries, with strong management ties on a functional level.

The asset management and receivables management units report functionally to the Operational Risk department.

Two "reporting" and "methods and data" units are also responsible for the department's cross-functional duties, such as defining measures, policies, management of reference frameworks of guidelines and reporting.

This mechanism ensures the whole of the group is covered by a matrix-type organization structured around the two themes of activity and location.

This system is complemented within the business lines by a network of operational risk correspondents, with over 150 people within the Group excluding asset management, COFACE and CACEIS. These correspondents are responsible for reporting incidents to the operational risk department and producing data on operational risk, covering incidents, changes in environment and progress made in plans of action.

Steering committees

The system is overseen by **Natixis's Operational Risks Committee.**

Natixis's Operational Risks Committee is responsible for determining operational risk policy. It is an operational extension of the executive body and has decision-making powers for matters relating to operational risk. It meets once every quarter under the chairmanship of a member of the Management Board.

Control of Natixis's operational risks comprises the following aspects in particular:

- validation of standards and methods, measures, operational risk limitation procedures;
- limits applied to risks:
  - review of the most serious incidents,
  - decisions and monitoring of plans of action,
  - defining limits and monitoring Natixis's main indicators.

The **Business Line Operational Risks Committee** is an offshoot of Natixis's Operational Risks Committee providing closer coverage of business line exposure to operational risks. The Committee is chaired by the head of the business line and the Operational Risk department is represented by the head of the department or the head of operational risk for the unit to which the business line reports.

The chairman of the Business Line Committee has the power to decide on the management of operational risks relating to his business line, in particular the implementation of plans of action. However, the Operational Risk department, which safeguards the policy defined by Natixis, can oppose a decision (or non-decision) and take the matter to a higher committee.

At present, 67 business line committees meet at least once a quarter in the presence of the Operational Risk department.

Business line	Number of business line committees
CIB	43
Europe	25
Asia	9
Americas	9
Support functions	10
Private equity and Private banking	4
Service	6
Receivables management	4
TOTAL	**67**

Managing operational risks

The work conducted in 2008 concerned four main areas:

- roll-out of the OSIRISK recording and measurement tool throughout Natixis (excluding receivables management);
- recording of losses and analysis thereof;
- implementation of plans of action covering established risks (incidents) and large risks;
- quantification of Natixis's large risks.

1. Roll-out of the recording and measurement tool: OSIRISK

OSIRISK is Natixis's target tool for measuring, controlling and managing operational risks. It was rolled out to the whole of Natixis excluding receivables management during 2008, incorporating historical data. At end-December 2008, the following progress had been made.

2. Recording of incidents and analysis

Losses are recorded from the first euro and over time. The concept of a serious incident is defined on a uniform basis within the Group (3). All serious incidents are reported over time to the Operational Risk department and to the head of risk management. This resulted in an enquiry by the department, leading to a report containing a factual description and proposed plans of action. This report is discussed by the various members of the relevant operational risk committee. The chairman of the committee ratifies the plans of action to be implemented. Incidents representing an amount of more than €1 million are reported immediately to both central bodies.

Since April 2008, the department has published reports on Natixis's operational risk on a monthly basis, stating the number and amount of operating losses incurred by Natixis - overall and by division - for the past month and the current year. It also provides detailed analysis of serious incidents for each division.

In 2008, Natixis recorded a reduction in the number of incidents but a sharp rise in the most serious incidents and the amount of losses, particularly relating to the corporate and investment banking division. This is due to:

- the higher quality of recorded data relating to the roll-out of the OSIRISK tool;
- the reduction in incidents relating to recurring activities (fewer transactions, fewer customer flows);
- the increase in losses relating to market volatility. Incidents for which losses are directly a delta price - for example forgetting the purchase of an order - are subject to a sharp increase in costs;
- the change in operating methods relating to the credit crunch. Processes relating to the activation of our guarantees, cautions, recovery and break clauses are in great demand compared with previous years;
- an increase in fraud.

	At 12/31/2007		At 12/31/2008		% change 2008 vs. 2007	% change 2008 vs. 2007
Division	**Number**	**Amount** *(en K€)*	**Number**	**Amount** *(en K€)*	*(volume)*	*(value)*
Private equity and Private banking	965	963	703	1,246	-27%	29%
Receivables management	150	1,096	145	1,874	-3%	71%
Services	3,486	11,696	3,445	11,747	-1%	0%
Asset management	897	4,069	688	5,145	-23%	26%
CIB - Corporate & institutional relations	598	1,571	436	1,709	-27%	9%
CIB - Debt & finance	289	901	79	7,266	-73%	706%
CIB - Capital markets	6,794	11,017	5,006	50,469	-26%	358%
Support functions	121	315	115	366	-5%	16%
TOTAL*	**13,300**	**31,628**	**10,617**	**79,822**	**-20%**	**152%**

* *Excluding third party management.*

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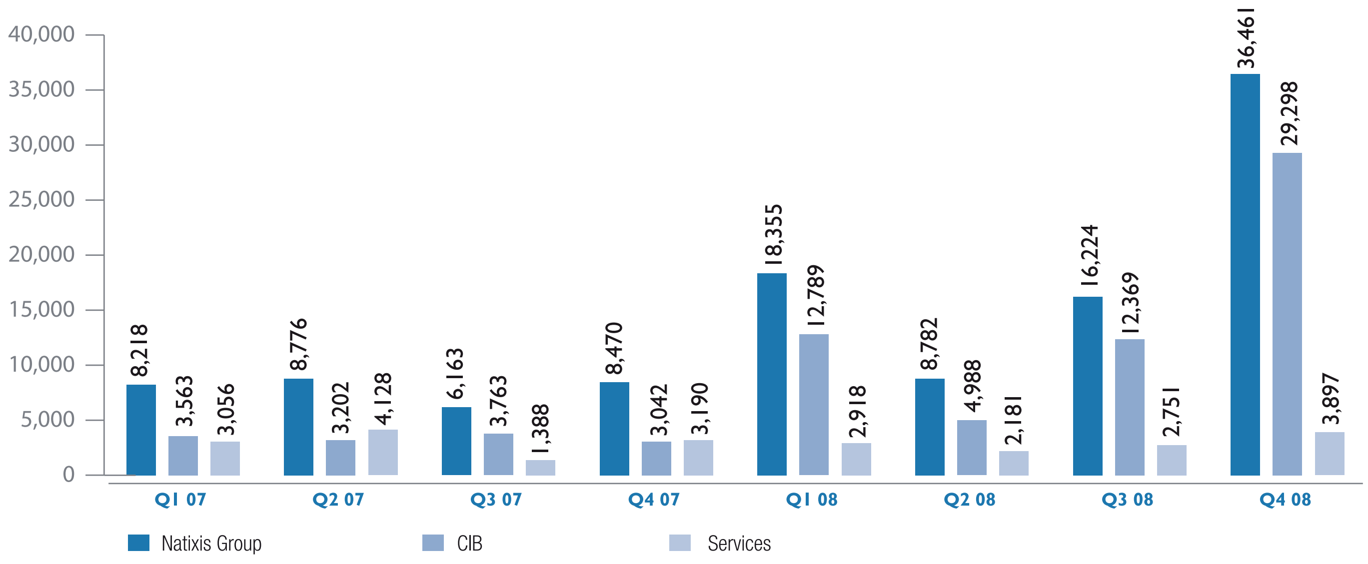
(3) An incident is deemed to be serious when:

- *it has or is estimated to have a financial impact of over €50,000;*
- *it has or estimated to have a major impact on the Group's image; this concerns in particular incidents reflected by the uncontrolled dissemination outside the Group of incorrect information or information that could damage the bank's reputation;*
- *it is the reason for a failure in producing data used for steering the bank's activities; false data, delays or lack of production over a number of days or recurring frequently;*
- *it is caused by an "internal fraud" or "external fraud" event;*
- *the Operational Risk department believes the incident to be serious;*
- *it concerns a near miss catastrophe.*

CHANGES IN OPERATIONAL RISK LOSSES – 01/01/2007 TO 12/31/2008



MONITORING OF PLANS OF ACTION IN 2008

Division	Number of plans completed in 2008	Number of plans in progress	Number of new plans in 2008
Asset management	-	-	-
CIB - capital markets	216	339	82
CIB - Finance	27	38	50
Private equity and private banking	24	54	59
Receivables management	168	96	-
Services (CACEIS exclud.)	134	99	78
Support functions	84	77	63
TOTAL	**653**	**703**	**332**

3. Main plans of action

For each operating entity, Natixis has plans of action to reduce its exposure to operational risks *(see table below)*. Major efforts have been undertaken to implement plans of action with a structural impact on the bank. In addition to the business continuity plan, four major plans of action are monitored by Natixis's Operational Risk Committee:

- inflows/outflows task force, standardizing processes for inflows and outflows of staff (internal and external);
- projects relating to back office suspense items and reducing the number thereof and resolving them within a shorter space of time;
- unifying Natixis third party reference frameworks, particularly in New York;
- anti-fraud task force created in the wake of the Kerviel scandal.

4. Natixis's large risks

The Operational Risk department has mapped the risk situations considered the most critical in order to classify them in terms of cost, to identify preventive plans of action to reduce their exposure and to prioritize them.

A total of 120 large risks considered to be major risks have been identified in conjunction with the business line on the basis of interviews and risk mapping. Each risk situation has been analyzed and a fault tree has been created:

- modeling of the risk situation using a chain of causes and effects;
- for the initial causes - referred to as Loss-Generating Events - a law of probability based on frequency is determined;
- for each effect - referred to as process faults - a law of probability based on severity is determined.

This method can be used to calculate the operational VaR of each risk situation as well as the entity's overall exposure, and to prepare studies of the sensitivity and effectiveness of plans of action.

Natixis's chosen regulatory approach:

The control system complies with the standard method used in all of Natixis's operating divisions, apart from certain receivables management activities - which will be brought into line with the Group's other entities in 2009 - and Natixis Algérie, which is treated using the basic method.

2.6 Insurance and risk coverage

2.6.1 Banque Populaire Group excluding Natixis

Like other banking groups, Banque Populaire Group insures its major risks through specific insurance policies negotiated for all Group entities with reputable international insurance and reinsurance companies of impeccable solvency.

The main aim of the Group's insurance strategy is to ensure adequate, consistent coverage at Group level to protect it against the pecuniary consequences that might ensue from its professional liability on banking and brokerage activities, civil liability to third parties and directors' and officers' liability.

The Group also insures against theft, fraud, embezzlement and information systems risks. Important Group buildings and other sites, such as head offices and data centers, are likewise covered by the insurance program. These policies cover loss of earnings resulting from interruption of banking activities as well as consequential losses.

Insurance arrangements are reviewed annually to assess their continuing effectiveness in light of changing risks. Policies are renegotiated annually to enlarge the scope and improve the level of coverage.

2.6.2 Natixis sub-group

The insurance unit, attached to the Corporate Secretary's office, is charged with analyzing insurable operational risks and implementing adequate insurance coverage (self-insurance/transfer insurance).

The main risks analyzed concern:

- internal and external fraud;
- reduction in the value of property;
- liability risk (the company's civil operating liability and professional liability, and also the civil liability of directors and corporate officers);
- damage to operational assets (buildings and contents, hardware and computerized data) as well as the loss of banking business following such damage.

Natixis's Overall Banking, Operational and Professional, and Managers' Civil Liability programs, acting both on its own behalf and on that of all of its subsidiaries, were renewed on July 1, 2008.

All of the Group's companies are therefore covered by:

- a "combined" overall banking (securities and fraud), operational and professional civil liability insurance program providing coverage of up to €125 million per claim and/or year of insurance;
- a directors/corporate officers civil liability insurance program providing coverage of up to €100 million per claim and/or year of insurance.

The geographic scope of coverage is worldwide, except for professional civil liability, where the guarantee does not cover permanent establishments in the USA (this coverage is purchased locally by subsidiaries or branches).

At January 1, 2008, the combining of insurance cover with companies transferred to Natixis by the Caisse d'Epargne Group continued in the area of property and casualty insurance. Coverage of most of the Group's operating properties in France and their contents, IT risks and resulting losses in banking activities is now centralized (main cover in place for rebuilding and/or replacement value, up to a maximum of €200 million per claim).

All the policies mentioned above are purchased from insurers recognized by the market as solvent.

All the insurance policies mentioned are purchased with claims excesses (accepted level of withholding) appropriate to Natixis's capacities.

Total premiums relating to insurance cover amounted to €6.3 million over the full year in 2008.

2.7 Legal risks

Legal risks relate primarily to Natixis, which is involved in the following legal and arbitration proceedings:

Jerry Jones versus Harris Associates L.P.

In August 2004, three shareholders acting in the name of and on behalf of three investment funds (Oakmark Fund, Oakmark Equity and Income Fund and Oakmark Global Fund) filed a complaint against Harris Associates L.P., a 100% subsidiary of Natixis Global Asset Management, before the United States District Court for the Northern District of Illinois. The plaintiffs alleged that Harris Associates L.P. billed services to these three funds at an excessively high rate in light of applicable regulations. These proceedings are among numerous legal claims initiated in recent years against investment advisors. Harris Associates and the plaintiffs filed a motion for summary judgments.

On February 27, 2007, the judge accepted all aspects of the request of Harris Associates, L.P. and rejected that of the plaintiffs. The plaintiffs appealed against this decision on March 20, 2007. Both parties filed written arguments and appeared before the Court of Appeal on September 10, 2007.

On May 19, 2008, a trial bench at the Court of Appeals for the Seventh Circuit confirmed the District Court's ruling in favor of Harris Associates L.P.

On June 2, 2008, the plaintiffs requested a review of their appeal by the entire Court of Appeals. On August 8, 2008, the Court of Appeals rejected the plaintiffs' request for a review of their appeal.

On November 3, 2008, the plaintiffs filed an appeal with the United States Supreme Court for the decision to reject the appeal to be revoked.

The appeal was accepted by the Supreme Court on March 9, 2009. The plea is planned for October 2009. A decision is expected in late 2009 or early 2010.

Class actions in the United States relating to Municipal Guaranteed Investment Contracts

Since March 13, 2008, Natixis and Natixis Funding have been named among the defendants in a number of class actions filed by and in the name of a number of states, counties and municipalities issuing bonds with the courts of New York, Washington D.C. and California. The actions concern alleged collusion between suppliers and brokers of municipal derivatives in price fixing and bid-rigging between 1992 and 2006. The various plaintiffs have also named some 30-plus other US and European banks and brokers as defendants. The plaintiffs are seeking the recognition of a collective organization comprising all government entities on a local, municipal and state level, independent government agencies and private entities that have bought municipal derivatives from the defendants or defendant brokers between 1992 and the present day, and the payment of damages and interest for alleged anti-competitive behavior. These class actions have been filed in respect of certain federal antitrust laws that allow for rulings requiring the payment of triple damages and interest, as well as repayment of legal fees in certain cases. These actions have been consolidated in the United States District Court for the Southern District of New York under the name of In Re: Municipal Derivatives Antitrust Litigation.

Two other lawsuits have also been filed with the State Court of California, one by the City of Los Angeles and another by the City of Stockton. These lawsuits have also been consolidated in the United States District Court for the Southern District of New York.

These various requests for damages and interest are the result of investigations currently being conducted in the United States by the US Internal Revenue Service (the "IRS"), the antitrust division of the Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC"). Although the IRS's investigation did not conclude that there was any guilt or responsibility on the part of Natixis Funding or Natixis, the DOJ's investigations cover a large proportion of the "Muni GIC" transactions conducted by Natixis Funding since 1998. In addition, the SEC is looking to determine whether there was any failure to meet information requirements. A number of other defendant banks and financial syndicates have received letters from the DOJ designating them as targets of current investigations. These letters do not constitute formal accusations but tell the recipient that the DOJ considers it to be particularly and directly concerned by the investigations. Although an employee of Natixis Funding has received a letter, neither Natixis nor Natixis Funding has received any such letter.

A consortium of state attorneys general headed by the New York State Attorney General and the Attorney General for the State of Connecticut (CTAG) has instigated an enquiry into the activities of the defendants in the municipal derivatives market. On June 26, 2008, Natixis Funding Corporation received a summons from the CTAG to produce documents relating to the sale of guaranteed investment contracts ("GIC") and other municipal derivatives. The other defendants named in private lawsuits have also received similar summons. Natixis Funding has provided the CTAG with a list of GIC transactions and a list of swap contracts at July 24, 2008. To date, the CTAG has not taken any other measures.

Litigation concerning swap deals with public housing companies

By means of a ruling dated March 27, 2008, the Toulouse Commercial Court has pronounced the cancellation of two swap deals of a notional amount of €7.5 million and €12.5 million with Société Patrimoine Languedocienne (SPL), a public housing public limited company ("SA"), and recognized the collective liability of Caisse d'Epargne Midi Pyrénées (CEMP) and Natixis in the implementation of these swap contracts. The Court has appointed an expert to assess the damage caused, which is subject to a provisional payment. Natixis has appealed against this ruling.

Madoff affair

Natixis has valued its maximum net exposure at €473 million. The effective impact of its exposure will depend on both the extent of recovery of assets invested with Bernard L. Madoff Investment Securities and the outcome of the measures taken by the bank, primarily legal. Natixis intends to exercise its rights by taking any legal action open to it both in France and abroad and has appointed law firms to assist it in these efforts.

CIC / Crédit Mutuel

On September 11, 2008, CIC and Crédit Mutuel issued a summons against the Lagardère Group and Natixis with a view to obtaining cancellation from the Paris Commercial Court of contracts under which they bought EADS shares from the Natixis group on a forward basis.

On the basis of a non-public report by the Autorité des Marchés Financiers, the plaintiffs allege that Lagardère SCA breached stock market law with the issue of bonds convertible into EADS shares subscribed by Natixis in April 2006.

No claims have been formulated against Natixis in the CIC Group's summons, concerning both the conclusion and execution of contracts. The legal argument put forward by the Crédit Mutuel group to question the validity of its purchases of EADS shares seems unfounded.

Natixis is nevertheless monitoring the proceedings closely and intends to exercise its rights to ensure that they does not result in any damages. All of the bonds have been redeemed to date.

Coordinated filing of complaints by ADAM

Complaints have been filed by Natixis shareholders coordinated by the French minority shareholders association, ADAM.

There are no other administrative, legal or arbitration proceedings pending likely to have a material impact on the financial statements of Natixis.

2.8 Insurance risks

The insurance risks set out below relate primarily to products distributed by the Natixis sub-group via the Banque Populaire banks' network of 3,391 branches:

- concerning Natixis Assurances savings products; and,
- Coface products for receivables management.

BRED Banque Populaire also distributes insurance products via two subsidiaries, Prépar-Vie et Prépar-IARD.

2.8.1 Natixis Assurances

As Natixis Assurances essentially markets savings products, the main risks resulting from insurance policies are of a financial nature:

Risk of no longer being able to meet the minimum contractual rate of return in the event of a decline in interest rates

To deal with this risk, ABP-Vie has only marketed policies without guaranteed minimum rates of return for the last few years. 90% of policies have no guaranteed minimum rate. The average guaranteed minimum rate is 0.76%.

Risk of policy surrenders in the event of an increase in interest rates

Natixis Assurances has identified the segment of the insured population that presents a high risk of policy surrender, based on the key criteria of age, fiscal seniority and amount of capital. As a result of this initiative, Natixis Assurances has limited the scope to be covered by Caps to about a quarter of its fixed income assets. It has also bought variable-rate bonds with a minimum rate.

The liability adequacy test carried out in accordance with IFRS 4 for the financial statements to December 31, 2008 showed that insurance liabilities evaluated under local standards were greater than the fair value of these liabilities after taking into account the surrender option incorporated into policies.

Financial risk in the event of an increase in interest rates

The sensitivity of net equity to variations in interest rates is lessened by the classification of about €6.4 billion of fixed income securities in the held-to-maturity category.

Market risks

Natixis Assurances has to deal with variations in the value of its financial assets. The management of financial risks involves defining a strategic asset allocation that takes into account liability commitments, regulatory constraints (particularly in terms of non-concentration) and commercial requirements.

Natixis Insurance also reinsures 100% of the minimum guaranteed return on unit-linked policies.

Credit risk

Counterparty risk is monitored and managed in compliance with standards and Natixis's internal limits, as determined by the Credit Risk Committee, as well as with the regulatory constraints imposed on insurance companies. As a result, more than 92% of the fixed income portfolio is invested in securities with ratings exceeding A-.

Personal risk insurance business

Mortality and morbidity risks are limited by use of a pricing structure tailored to the population insured and the coverage provided, the use of experience tables and by the upstream practice of medical selection of new policyholders.

Natixis Assurances employs reinsurance to limit its exposure to capital dispersion risks related to payouts on death benefit policies, policies covering accidents of life and loss of autonomy, and to the frequency of claims for temporary cessation of work, invalidity and loss of autonomy. An epidemic/pandemic reinsurance treaty was also put in place in order to limit exposure to the increase in deaths that might result from such an event.

The annual reinsurance plan seeks to diversify reinsurers and to ensure Natixis only deals with parties having a high-quality rating. No reinsurance treaty is concluded or renewed with non-investment grade parties. In practice, the rating of the reinsurers with which Natixis Assurances deals is between BBB and AA. However, some reinsurers may not be rated if their shareholding structure is deemed to be of sufficient quality.

Concentration of risks

The nature of insured risks combined with reinsurance coverage does not result in any particular exposure to concentration of insurance risks.

2.8.2 Coface

By virtue of its activities, Coface is exposed to two main types of risk. The first is the technical risk constituted by the risk of losses on Coface's portfolio of insurance policies. The second is the financial risk related to the risk of loss arising from adverse movements in interest rates, exchange rates or the market value of securities or real-estate investments. Coface has implemented sophisticated tools designed to control these risks rigorously and to ensure they remain within prudent limits.

Technical risk

The risk in this area concerns the risk of loss generated by the portfolio of insurance policies.

A distinction is traditionally made between frequency risk and peak risk:

Frequency risk represents the risk of a sudden and significant increase in missed payments from a multitude of debtors. This risk is measured for each entity by monitoring the loss ratio (ratio between claims and premiums) by business sector (domestic credit), by country (export credit), and by product line (sureties, single risks). The loss ratios for the various underwriting centers are also monitored at Group level, as are the amounts and monthly numbers concerning missed payments.

Peak risk represents the risk of abnormally high losses recorded for the same debtor or group of debtors, or of an accumulation of losses for the same country.

As well as monthly monitoring at individual underwriting-center level, a system exists at the Group level, based on the following components:

- Centralized declarations of threatened losses liable to exceed a certain amount (currently €1 million for the two main underwriting centers Coface SA and Coface Kredit and €0.5 million for all the others). This involves the intervention of a specialist recovery subsidiary (Coface Recovery Business Intelligence);
- The Large Risks Committee, which sets the maximum outstanding risk accepted by Coface on the Group's 400 largest risks (severity greater than €35 million or a maximum loss in a stress test scenario of €15 million) and allocates ceilings by emerging country;
- A corporate and country risk rating system;
- A statistical mechanism for evaluating "severities" (maximum losses that may be recorded in case of loss) by debtor, group of debtors or emerging country.

In the context of the financial crisis, vulnerable risks were listed on the basis of Coface ratings and proposals from underwriting centers for specific risks such as highly-leveraged buyouts. All significant risks rated BB- and below are subject to centralized monitoring both for inventory and monthly flows. For frequency risks, populations at risk are identified via a scoring procedure, while more restrictive quotation matrices were implemented in the first half of 2008. Further measures to firm up the lowest ratings are to be announced.

Diversification of the credit risk portfolio

Coface maintains a diversified credit risk portfolio, in order to minimize the risk that a default by a debtor, a slowdown in a particular sector of activity or an adverse event in a given country might exert a disproportionate impact on its overall claims expense. Furthermore, the fact that the great majority of Coface's risks are short-term allows it to reduce the risk covered for a debtor or a group of debtors relatively quickly after recognizing a decrease in their solvency.

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3. *Pillar 3 - Basel II*

3.1 Introduction

The transposition of the European Directive into French law gave rise to a French order dated February 20, 2007 that sets forth the capital requirements for credit institutions and investment companies. In 2007 the Group carried out work related to all three Pillars of the new Basel II solvency ratio.

3.1.1 Pillar 1

Until 2007, the Basel II recommendations were mainly limited to Pillar 1. This Pillar aims to improve the way financial institutions calculate their risks and cover their risks with adequate capital, ensure greater microprudential stability, and provide a ratio that is better suited to risk assessment. Under Basel II, financial institutions' capital must be equal to at least 8% of their risk-weighted assets calculated using one of the new methods put forward. The capital requirement is the sum of all requirements related to counterparty, market, and operational risks.

In late October 2007, in accordance with Article L. 511-41 of the French Monetary and Financial Code, Banque Fédérale des Banques Populaires filed an authorization request with the Commission Bancaire to use, from January 1, 2008, the internal ratings-based approach to calculate its regulatory capital requirements. The Commission Bancaire gave its approval on January 10, 2008.

The Group produced its first regulatory reporting documents required by the Committee of European Banking Supervisors (CEBS) on a consolidated basis at June 30, 2007. These documents consist of the standard European COREP (COmmon REPorting) reports under the new Basel II requirement. The Group's financial statements and reports at December 31, 2008 were generated in March 2009.

3.1.2 Pillar 2

In end-2006, Banque Fédérale des Banques Populaires, as central body of the Banque Populaire Group, implemented a project to measure the entire Group's economic capital requirement. This project falls under Pillar 2 of Basel II.

Because Banque Populaire Group and Caisse d'Epargne Group own Natixis jointly, Banque Fédérale des Banques Populaires must use the same method to measure Banque Populaire Group's risks as Caisse Nationale des Caisses d'Epargne uses to measure Caisse d'Epargne Group's risks. Therefore Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne have developed a common base methodology.

Banque Fédérale des Banques Populaires has introduced an Economic Capital Programme involving both its finance and risk departments, and led by a steering committee comprised of senior managers from Banques Populaires and Banque Fédérale des Banques Populaires. This Programme covers the following six types of risk: credit risk (including concentration risk); trading market risk; operational risk; interest rate risk (ALM); investor risk; and business risk (non-recurrence of earnings).

Under this Programme, the Group developed procedures suited to its credit and investor risk profile as well as the tools it uses to calculate these risks. Clear improvements were visible after the first testing phase. More detailed calculations will be performed for the next set of half-year reports.

3.1.3 Pillar 3

The third and most recent Pillar of Basel II is designed to improve financial transparency and allow for greater market discipline.

Financial institutions are subject to market discipline and are required to publish comprehensive information on the nature and volume of their risks, the methods they use to manage them, and the their appropriate level of capital. Most of the Group's information required under Pillar 3 is given in paragraph 2 of the Risk Management section of the Management Report.

3.2 Scope

3.2.1 Regulatory scope

In accordance with CRBF Regulation No. 2000-03 dated September 6, 2000, Banque Populaire Group has defined a regulatory scope for calculating and tracking consolidated financial ratios.

This regulatory scope is the same as the scope of consolidation outlined in note 3 of the financial statements, except for the Group's insurance companies as required by Article 1 of CRBF Regulation 90-02 dated February 23, 1990.

The Group has stakes of over 10% in certain credit and financial institutions; these stakes are deducted from its regulatory capital. As of December 31, 2008 these stakes consisted mainly of investments in the following equity-accounted associates:

- Caisses d'Epargne, in which Natixis owns a 20% stake through Cooperative Investment Certificates; the parent company's direct stake is 7%;
- Banque Calédonienne d'Investissement and Socredo Banque Polynésienne, in which BRED Banque Populaire owns a stake; and,
- Volksbank International AG, an Austrian bank in which Banque Fédérale des Banques Populaires owns a stake.

3.2.2 Sub-consolidated and individual entity monitoring

The Commission Bancaire monitors the following entities (in addition to Banque Populaire Group), in accordance with its new regulations and guidelines:

- **on a sub-consolidated basis**:
  - 18 Banque Populaire regional banks, CASDEN Banque Populaire, and Crédit Coopératif;
  - Banque Fédérale des Banques Populaires; and
  - Natixis.
- **on an individual basis**:
  - the Crédit Maritime Mutuel banks, which are affiliated with Banque Fédérale des Banques Populaires under the French Financial Security Act dated August 1, 2003;
  - Société Centrale du Crédit Maritime Mutuel;
  - the following credit institutions associated with Crédit Coopératif through a convention agreement: Caisse Solidaire, Gedex, Société Financière de la Nef, Socorec, Sofigard, Sofindi, Sofiscop, Sofiscop Sud-Est, Sofirif, Somudimec, Somupaca, CMGM, Nord Financement, and Edel;
  - Multi-Accès Banque (MA Banque); and
  - Société de Banque et d'Expansion (SBE).

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3.3 Composition of capital and capital adequacy

3.3.1 Overview

The Group's total regulatory capital at December 31, 2008 was €17.7 billion, of which €14.4 billion was Tier 1 capital. Its risk-weighted assets as calculated under Basel II was €188.5 billion.

In 2008 Banque Populaire Group was hurt by the regulatory floor on risk-weighted assets for French financial institutions that use the internal ratings-based approach. This floor, set by Article 391 of a French order dated February 20, 2007, will apply to all risks for a three-year transition period. This floor was 95% until December 31, 2007; that is, the Group's capital requirement calculated under French regulations had to be at least 95% of that calculated under Basel I. The floor fell to 90% in 2008 and will fall again to 80% in 2009, before being completely eliminated in 2010.

The Group's Tier 1 and Core Tier 1 ratios using the French regulatory floor were 7.7% and 6.4%, respectively, at end-2008, compared with 9.4% and 8.9%, respectively, at end-2007. The total ratio was 9.4% at end-2008, versus 11.9% at end-2007.

Without the French regulatory floor (i.e., calculating the capital requirement strictly under Basel II rules), the Group's Tier 1 and Core Tier 1 ratios were 9.3% and 7.8%, respectively, at end-2008.

The decrease in these ratios in 2008 is due to the financial crisis and the use of capital to acquire banks from HSBC France, partially offset by the 5% reduction in the French regulatory floor and the issue of €950 million of super-subordinated notes on December 11, 2008, which were purchased by the French government's investment company (Société de Prise de Participation de l'État).

	Basel II		
In € billions	**December 2008**	**December 2007**	**Change**
Tier 1 capital	**14.4**	**15.9**	**-9.2%**
Core Tier 1	12.1	15.2	
of which deductions from Tier 1 capital	*(1.7)*	*(1.1)*	
Hybrid instruments	2.3	0.7	
TOTAL REGULATORY CAPITAL	**17.7**	**20.2**	**-12.7%**
Risk-weighted assets	**188.5**	**169.5**	**11%**
French regulatory floor	*34.0*	*12.4*	
Basel II risk-weighted assets	154,5	157.1	
Tier 1 ratio	**7.7%**	**9.4%**	**(1.7)**
Core Tier 1 ratio	*6.4%*	*8.9%*	*(2.5)*
Tier 1 ratio w/o the French regulatory floor	9.3%	10.1%	
Core Tier 1 ratio w/o the French regulatory floor	*7.8%*	*9.6%*	
TOTAL TIER 1 RATIO	**9.4%**	**11.9%**	**(2.6)**

3.3.2 Capital

3.3.2.1 Composition of capital

The Group's regulatory capital is calculated in accordance with CRBF Regulation 90-02 dated February 23, 1990, and is divided into the following three categories:

- Tier 1 capital;
- Tier 2 capital; and
- Tier 3 capital.

Some types of capital are deducted from these categories to determine the Group's total regulatory capital requirement.

Tier 1 capital

Tier 1 capital is calculated by making the following regulatory adjustments to the accounting equity recorded in its financial statements:

- goodwill is deducted;
- intangible assets are eliminated (except for lease rights); and
- future dividend distributions are accounted for.

Hybrid instruments that meet certain eligibility criteria, such as super subordinated notes, preferred shares, and preferred securities, are included in Tier 1 capital, subject to approval by the Commission Bancaire's General Secretary. These instruments are included with the following ceilings:

- 15% of Tier 1 capital for "innovative" hybrid instruments (i.e., those with strong incentives for early redemption through step-up clauses); and
- 35% of Tier 1 capital for all hybrid instruments ("innovative" and "non-innovative").

Tier 2 capital

Tier 2 capital is comprised primarily of the following:

- some subordinated notes, after applying a discount for notes with a maturity of less than five years; and
- positive valuation differences between two accounting methods for credit and counterparty risks: one based on provisions for incurred loan losses and one based on expected loan losses estimated using the internal ratings-based approach.

Tier 3 capital

Tier 3 capital consists mainly of subordinated notes with short-term maturities and discounts on notes that mature in less than five years; Tier 3 capital can only cover market risk positions (within certain limits).

Deductions from regulatory capital

The following items are deducted from the Group's regulatory capital, half from Tier 1 capital and half from Tier 2 capital:

- investments in credit and financial institutions accounted for using the equity method;
- items making up the regulatory capital of credit and financial institutions in which the Group has an over 10% stake; and
- the portion of expected loan losses estimated using the internal ratings-based approach that is not covered by provisions or fair value adjustments.

3.3.2.2 *Capital at December 31, 2008*

In € millions		December 2008	Note
Equity attributable to equity holders of the parent	a	18,709	(1)
Minority interests	b	517	(2)
Regulatory adjustments	c	(5,436)	
Regulatory filters		*138*	*(3)*
Goodwill		*(4,541)*	*(4)*
Intangible assets		*(808*	*(5)*
Other deductions		*(225)*	*(6)*
Deductions from Tier 1 capital	d	(1,674)	(7)
Core Tier 1 capital	**e = a+b+c+d**	**12,116**	
Securities allowed in Tier 1 capital	f	2,316	(8)
Tier 1 capital	**g = e +f**	**14,430**	
Tier 1 capital after deductions	h = g - d	16,104	
(-) Deductions from Tier capital	i = d	(1,674)	(7)
Tier 2 capital	j	4,794	(9)
(-) Deductions from Tier 2 capital	k	(1,675)	(7)
Tier 3 capital	l	118	(10)
TOTAL REGULATORY CAPITAL	**m = h+i+j+k+l**	**17,666**	

(1) Equity attributable to equity holders of the parent company corresponds to €19.658 million of accounting equity (see the Statement of Changes in Equity), excluding the €950 million of super subordinated notes issued by Banque Fédérale des Banques Populaires and purchased by the French government's investment company (recorded under "Securities allowed in Tier 1 capital", see note 8).

(2) The following table lists the minority interests within the Group's regulatory scope (see section 3.2.1).

(3) Prudential filters: partial or full elimination of unrealized gains or losses:

On available-for-sale equity instruments	(157)
On other available-for-sale financial assets	263
Related to changes in the Group's own credit risk	(156)
On cash flow hedges	188
Regulatory filters	**138**

(4) The following table lists the goodwill deducted:

Accounting goodwill [(a)]	(4,395)
Goodwill related to investments in associates [(b)]	(146)
Total goodwill deducted	**(4,541)**

(a) See note IV.12.5, "Goodwill," to the consolidated financial statements.

(b) Includes €106 million of goodwill on the acquisition of Caisses d'Epargne, in which Natixis owns a 20% stake through Cooperative Investment Certificates (see note IV.9, "Investments in associates", to the consolidated financial statements).

(5) The following table lists the intangible assets deducted:

Net book intangible assets [(a)]	(1,085)
Lease rights not deducted from Tier 1 capital [(b)]	63
Deferred tax liability on the allocation of FONCIA goodwill [(c)]	160
Other intangible assets not deducted from Tier 1 capital [(d)]	54
Intangible assets deducted from Tier 1 capital	**(808)**

(a) See note IV.11.1, "Property, plant, equipment, and intangible assets", to the consolidated financial statements.
(b) See note IV.11.1, "Property, plant, equipment, and intangible assets", to the consolidated financial statements.
(c) The Group allocated €465 million of the goodwill from FONCIA's amortizible assets in 2008 (see note IV.11 to the consolidated financial statements). These assets generated a deferred tax liability, which was eliminated through a regulatory adjustment to the intangible assets deducted from Tier 1 capital.
(d) Consists of restatements for differences between the regulatory scope and the accounting scope of consolidation.

(6) Other deductions consist primarily of shares expected to be distributed by Banque Populaire banks and positive equity accounting differences on insurance companies
(7) The following table lists the items that are deducted half from Tier 1 capital and half from Tier 2 capital.

Investments in credit and financial institutions [(a)]	(3,054)	x 50%	(1,527)
Other [(b)]	(295)	x 50%	(148)
Deductions from Tier 1 capital			**(1,674)**

(a) Consists mainly of the equity accounting value of Caisses d'Epargne, in which Natixis owns a 20% stake through Cooperative Investment Certificates (a €1.6 billion deduction excluding goodwill, €0.8 billion of which was taken from Tier 1 capital) and joint venture risk on the Group's portion of Natixis shares stemming from the fact that Natixis is proportionally consolidated (a €1 billion deduction, €0.5 billion of which was taken from Tier 1 capital).
(b) Consists mainly of securitization positions with a 1250% weighting factor (a €247 million deduction, €124 million of which was taken from Tier 1 capital) and expected losses on equity holdings (a €48 million deduction, €24 million of which was taken from Tier 1 capital).

(8) Hybrid instruments allowed in Tier 1 capital, net of intra-group transactions (i.e., the amount actually recorded according to Article 4, Paragraph C, last sentence of CRBF Regulation 90-02) consist of €2.2 billion of super subordinated notes (including €0.95 billion of super subordinated notes issued by Banque Fédérale des Banques Populaires on December 11, 2008 and purchased by the French government's investment company, and part of a financial sector stimulus plan) and €122 million of preferred shares (see note IV.17.1, "Subordinated debt – Outstandings", to the consolidated financial statements).
(9) Tier 2 capital consists mainly of €4.6 billion of dated subordinated notes, after applying the discount for notes that mature in less than five years, and a €9.4 million difference between expected loan losses and loan loss provisions.
(10) Tier 3 capital consists of the discount for subordinated notes maturing in less than five years.

3.3.3 Capital adequacy

3.3.3.1 Pillar I risk-weighted assets at December 31, 2008

Until December 31, 2007, the Group calculated its solvency ratio as its total capital divided by the sum of its risk-weighted assets for credit risk and its regulatory capital requirement for market risk multiplied by 12.5, as set forth in CRBF Regulation 91-05 dated February 15, 1991.

However, on January 1, 2008, the Group began using the Basel II calculation method as required by an order issued on February 20, 2007 by the French Ministry of Finance, Economy, and Industry. Under Basel II, the solvency ratio is calculated as the Group's total regulatory capital divided by the sum of the following three items:

- its risk-weighted assets for credit risk calculated using the standardized approach or the internal ratings-based approach;
- its regulatory capital requirement for market risk and operational risk multiplied by 12.5; and
- its capital requirement for operational risk calculated using the basic indicator approach, standardized approach, or an advanced approach.

	December 2008	
In € millions	Risk-weighted assets	Capital requirement
Credit and counterparty risk	**130,561**	**10,445**
Standardized approach	*26,250*	*2,100*
Internal ratings-based approach	*104,311*	*8,345*
Market risk	**12,486**	**999**
Standardized approach	*8,174*	*654*
Internal models	*4,312*	*345*
Operational risk	**11,484**	**919**
Basic indicator approach	*0*	*0*
Standardized approach	*11,484*	*919*
Advanced approach	*0*	*0*
TOTAL BEFORE THE FRENCH REGULATORY FLOOR	**154,531**	**12,362**
French regulatory floor	34,018	2,721
TOTAL	**188,549**	**15,084**

3.3.3.1.1 Credit risk

At the end of 2003, Banque Populaire Group introduced an internal credit rating system to comply with future regulatory requirements.

The Commission Bancaire authorized the Group to use the advanced internal ratings-based approach (IRBA) to calculate its regulatory capital requirement for credit risk on retail assets, and the internal ratings-based foundation (IRBF) approach for other asset classes, starting on January 1, 2008 (in accordance with Article L. 511-41 of the French Monetary and Financial Code).

The Group's internal ratings system is based on using standard methodologies for all its businesses and centralized credit rating programs for the main customer segments.

	December 2008	
In € millions	Risk-weighted assets	Capital requirement
Internal ratings-based approach	**104,311**	**8,345**
Internal ratings-based foundation approach	64,658	5,173
Central governments and central banks	*151*	*12*
Financial institutions	*6,431*	*514*
Corporates	*58,077*	*4,646*
Advanced internal ratings-based approach	22,782	1,823
Retail customers	*22,782*	*1,823*
Equities	8,943	715
Securitization positions	2,474	198
Other assets	5,454	436
Standardized approach	**26,250**	**2,100**
Central governments and central banks	*5*	*0*
Financial institutions	*673*	*54*
Corporates	*18,908*	*1,513*
Retail customers	*2,632*	*211*
Equities	*2,267*	*181*
Securitization positions	*858*	*69*
Other assets	*907*	*73*
TOTAL CREDIT AND COUNTERPARTY RISK	**130,561**	**10,445**

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3.3.3.1.2 Market risk

The Group did not need to change its market risk calculation methods following the adoption of Basel II, since it already used the standardized approach set forth in Basel I.

Most of the Group's capital requirement for market risk relates to Natixis, which accounts for 94% of the Group's market risk. Natixis is controlled jointly by its two main shareholders, Banque Fédérale des Banques Populaires and Caisses d'Epargne.

	December 2008	
In € millions	Risk-weighted assets	Capital requirement
Standardized approach	**8,174**	**654**
Interest rate risk	5,923	474
Ownership security risk	1,509	121
Currency risk	301	24
Commodities risk	440	35
Internal models	**4,312**	**345**
TOTAL MARKET RISK	**12,486**	**999**

3.3.3.1.3 Operational risk

The Group's operational risk is the risk of losses resulting from shortcomings or failures attributable to internal procedures, persons, systems, or external events. The Group calculates this risk using the standardized approach, in which all of the Group's operations are divided into eight business lines.

Each business line is allocated a weighing factor, ß, that reflects the operational risk incurred by that business line's activities. The weighting factor is then multiplied by the business line's net banking income for the period. The total capital requirement is the average of the sum of each business line's capital requirement per year for the past three fiscal years.

	December 2008	
In € millions	Risk-weighted assets	Capital requirement
Corporate financing	481	39
Institutional trading	(541)	(43)
Retail brokerage	140	11
Commercial banking	7,559	605
Retail banking	2,431	194
Payment and settlement	175	14
Branch services	377	30
Asset management	861	69
TOTAL OPERATIONAL RISK	**11,484**	**919**

3.3.3.2 Risk-weighted assets by division at December 31, 2008

The breakdown of risk-weighted assets by division is performed by business as described in note VIII to the financial statements:

- the Retail Banking business is comprised of the 20 Banque Populaire banks, Crédit Maritime Mutuel, and since December 31, 2008, the regional banks acquired by Banque Populaire banks and Société Marseillaise de Crédit owned by Banque Fédérale des Banques Populaires. This business accounts for 59% of the total risk-weighted assets;
- the Natixis, Banking and Financial Services business is comprised of Natixis, equally owned by Banque Populaire Group and Caisse d'Epargne Group and proportionally consolidated at 35.78%. This business accounts for 38% of the total risk-weighted assets;
- the Federal and Other Activities business is comprised of activities performed by Banque Fédérale, Banque Fédérale subsidiaries, and directly-owned Banque Populaire banks excluding Natixis (i.e., FONCIA, MA Banque, and Bicec). This business accounts for 3% of the total risk-weighted assets.

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RISK-WEIGHTED ASSETS

	12/31/2008				
In € millions	Retail banking	Natixis (36%)	Federal activities	Total	
Central governments and central banks	49	107	0	156	
Financial institutions	2,202	4,535	366	7,104	
Corporates	46,281	30,170	533	76,984	
Retail customers	23,735	1,154	525	25,414	
Equities	5,434	2,809	2,968	11,210	
Securitization positions	316	3,016	0	3,332	
Other assets	3,372	1,709	1,280	6,361	
Settlement and delivery	0	0	0	0	
Counterparty risk	**81,389**	**43,499**	**5,673**	**130,561**	***84%***
	62%	33%	4%	100%	
Market risk	**720**	**11,766**	**0**	**12,486**	***8%***
	6%	94%	0%	100%	
Operational risk	**8,863**	**3,110**	**(490)**	**11,484**	***7%***
	77%	27%	-4%	100%	
	90,972	**58,375**	**5,183**	**154,531**	***100%***
RISK-WEIGHTED ASSETS (before the French regulatory floor)	59%	38%	3%	100%	

3.4 Risk management

The Group's risk management procedures for each type of risk are given in Section 2, "Risk Management", of the Management Report.

4. *Financial stability forum recommendations concerning financial transparency*

Due to the scope of consolidation of the Banque Populaire Group, Natixis, its 35.78% owned subsidiary, is subject to specific disclosure requirements pursuant to the FSF recommendations. The Natixis disclosures below have been made on a 100% basis (before proportionality rules).

Information provided in respect of FSF recommendations by other parts of the Group is immaterial and presented in paragraph 4.1.

1. Natixis sub-group

Collateralized debt obligations (CDOs)

Non-hedged ABS CDOs exposed to the US residential market

NET CDO EXPOSURE

- Discount rate on non-diversified CDOs: 90%
- Discount rate on diversified CDOs: 19%

									TOTAL	
In € millions									Diversified CDOs	Non-diversified CDOs
Net exposure (at 09/30/2008)	18	16	31	302	467	373	68	20	1,142	153
GROSS NOMINAL EXPOSURE (AT 12/31/2008)	**208**	**194**	**275**	**379**	**567**	**415**	**157**	**113**	**1,361**	**947**
QUALITATIVE DATA										
Type of tranche	Super-senior	Mezzanine	Super-senior	Super-senior	Super-senior	Super-senior	Super-senior	Super-senior		
Accounting portfolio	Trading	Trading	Trading	Trading	Trading	Fair value option	Trading	Trading		
Type of underlying assets	Mezzanine	Mezzanine	Mezzanine	High Grade	High Grade	High Grade	Mezzanine	Mezzanine		
Attachment point	28.0%	15 CDOs Ave: 28%/ Min:10%	60.3%	0%	20.0%	13.8%	46.7%	77.7%		
UNDERLYING ASSETS										
% of subprime assets	89.3%	61.4%	53.2%	19.1%	8.3%	7.5%	68.2%	84.6%		
≤2005	19.6%	35.4%	43.4%	16.0%	7.0%	5.7%	60.0%	15.7%		
2006 & 2007	69.7%	26.0%	9.8%	3.1%	1.3%	1.8%	8.2%	68.9%		
% of Alt A assets	2.8%	7.9%	3.9%	0.6%	1.1%	1.4%	0.5%	4.1%		
% of prime assets	2.2%	11.2%	7.2%	4.4%	1.5%	2.4%	11.7%	2.8%		
IMPAIRMENT										
Cumulative impairment losses and depreciation (at 12/31/2008)	(196)	(187)	(262)	(81)	(124)	(52)	(102)	(101)		
o/w change in value in Q4-08	*(5)*	*(6)*	*(13)*	*5*	*(24)*	*(10)*	*(14)*	*(9)*		
% total CDO discounts (at 09/30/2008)										
NET EXPOSURE (AT 12/31/2008)	**12**	**7**	**13**	**298**	**443**	**363**	**55**	**12**	**1,104**	**99**

Valuation and sensitivity assumptions

Methodology used

Conservative definition of the "subprime" category (FICO score of 660)

LOSS RATES USED FOR THE VALUATION OF SUBPRIME ASSETS

	Before 2005	2005	2006	2007
at September 30, 2008	7.5%	11%	25%	30%
AT DECEMBER 31, 2008	**7.5%**	**11%**	**25%**	**30%**

Alt-A: 55% correlation (loss rate assumptions used for subprime).

Allocation to transactions included in collateral rated CCC+ or less, 97% loss.

Valuation of non-subprime underlying assets based on a discount scale integrating transaction type, rating and vintage.

SENSITIVITY ANALYSIS OF FAIR VALUE OF CDOS

A 10% increase in loss rates[1] would have an impact of:

In € millions	Potential impact on NBI
Change in cumulative loss rates	(30) [2]

DISCOUNT RATE ON SUBPRIME ASSETS INCLUDED IN ABS CDOS[3]

		2006 & 2007 production	
%	2005 production	A and above	BBB and below
Natixis	-72%	-92%	-97%
ABX		-94%	-97%

(1) i.e. 33% for 2007, 27.5% for 2006, 12.1% for 2005 and 8.3% for years prior to 2005.
(2) Including change in cumulative loss rates on CIFG ABS CDOs under commutation agreement.
(3) Excluding positions under commutation agreement.

Exposure on other CDOs (not exposed to US residential market)

Value adjustments

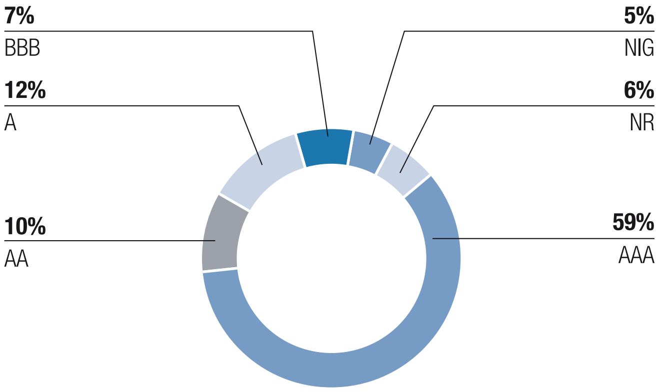
-€121 million in Q4-08 in financial assets at fair value through profit or loss.

-€35 million in Q4-08 in available-for-sale assets.

Residual exposure: €3,543 million of which 67% CLO

Breakdown of exposure by rating

82% A or higher, 59% AAA



Required protection

With monoline insurers

In € millions	Gross notional amount of hedged instruments	Exposure before value adjustments and hedging
CDO protection (1) (US residential market) with subprime underlying assets	1,393	757
CDO protection with non-subprime underlying assets	149	21
CLO protection	5,683	210
RMBS protection	927	164
CMBS protection	3,987	800
Other risks	6,220 (2)	1,240
TOTAL		**3,190**

(1) CDO: collateralized debt obligation / CLO: collateralized loan obligation / RMBS: residential mortgage-backed security / CMBS: commercial mortgage-backed security.
(2) O/w underlying assets:
  - *Project finance: 25%;*
  - *Corporate (bespoke CDOs): 26%;*
  - *TruPs CDOs: 12%;*
  - *Diversified ABS: 22%.*

With CDPCs

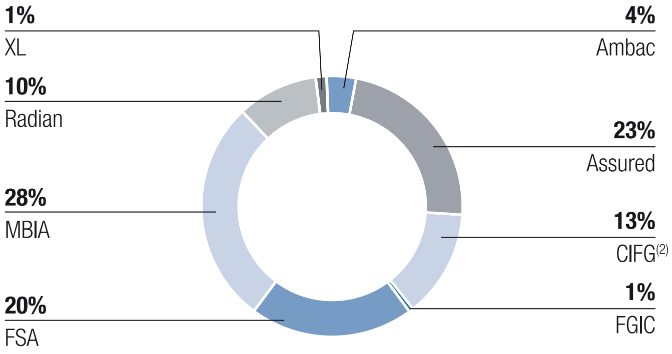
- Exposure before value adjustments: €2.6 billion at December 31, 2008 (gross notional amount of €9.7 billion) reduced to €2.1 billion at end-January 2009.
- Value adjustments of €271 million, including €144 million in the fourth quarter of 2008.

Monoline insurers

RESIDUAL EXPOSURE TO COUNTERPARTY RISK RELATING TO MONOLINE INSURERS

In € millions	9/30/2008	Total	Excluding CIFG deals under commutation agreement
Exposure before value adjustments	2,779	3,190	2,825
Value adjustments	(1,414)	(1,528)	(1,162)
Collective provisions	(300)	(300)	(300)
RESIDUAL EXPOSURE TO COUNTERPARTY RISK RELATING TO MONOLINE INSURERS	**1,064**	**1,363**	**1,363**
Discount rate	62%	57%	52%

BREAKDOWN OF RESIDUAL EXPOSURE BY COUNTERPARTY[1]



DETAILS OF CIFG POSITIONS UNDER COMMUTATION AGREEMENT

In € millions	Notional amount	Value adjustments (3)
CDOs including subprime underlying assets	581	(340)
CDOs with non-subprime underlying assets	149	(21)
CMBSs	300	(5)
TOTAL	**1,030**	**(365)**

(1) Not including the collective provision of €300 million, i.e. residual exposure of €1,662 million.
(2) Portion not under commutation agreement.
(3) Impairment in value of non-hedged underlying assets.

Valuation and sensitivity assumptions

Fair value of protection before value adjustments

- The economic exposure of ABS CDOs containing subprime assets was determined using the method described in the "Valuation and sensitivity assumptions" section.
- The economic exposure of other types of assets was determined using either the mark-to-market method or the mark-to-model method.

Value adjustment

Three groups of monoline insurers are identified according to their credit quality. They are then assigned separate probabilities of default (PD).

	PD	Monoline insurer
Group 1	15%	FSA, Assured Guaranty
Group 2	50%	CIFG, MBIA, AMBAC, RADIAN
Group 3	100%	FGIC, XL

Regardless of the Group, recovery in the event of default (R) is set at 10%.

The specific provision is defined as the mark-to-market (or mark-to-model) amount multiplied by the expected loss (expected loss = PD x (1-R)) for each monoline insurer.

Sensitivity of value adjustments made relating to monoline exposures

A 10% increase in probabilities of default of monoline insurers (i.e. PD = 16.5% for Group 1 and 50% for Group 2) and a 10% increase in loss rates for ABS CDOs containing subprime assets would lead to an additional value adjustment of -€96 million.

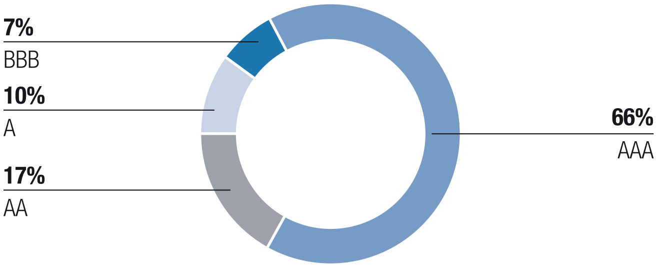
Commercial mortgage-backed securities (CMBS)

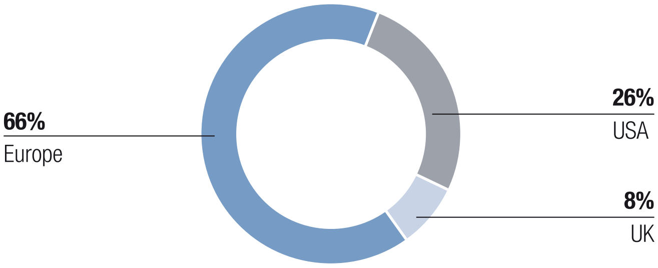
Non-hedged CMBS

	Net exposure at 09/30/2008	IAS 39 reclassification	Impairment losses / Depreciation Q4-08	Other changes Q4-08	Net exposure at 12/31/2008	Gross exposure at 12/31/2008
Trading portfolio	770	(9)	(55)	(20)	687	796
Fair value option portfolio	52		(5)	(3)	44	54
AFS portfolio	377	(150)	(16)	(11)	199	258
Loans and receivables portfolio	-	159	-	(2)	157	157 (1)
TOTAL	**1,199**	**-**	**(76)**	**(36)**	**1,087**	**1,265**

(1) Gross exposures are stated at the entry value at 10/01/2008 (fair value at 09/30/2008) for reclassified portfolios.

BREAKDOWN OF NET EXPOSURE AT DECEMBER 31, 2008





(1) Gross exposures are stated at the entry value at 10/01/2008 (fair value at 09/30/2008) for reclassified portfolios.

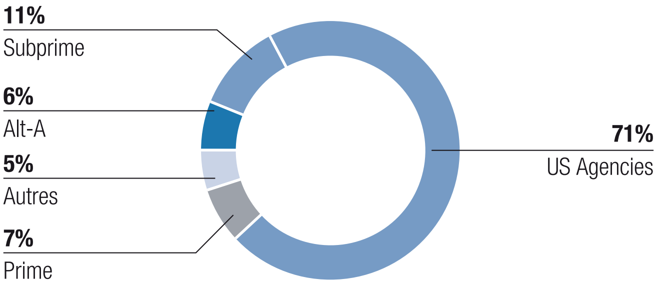
Residential mortgage-backed securities (RMBS)

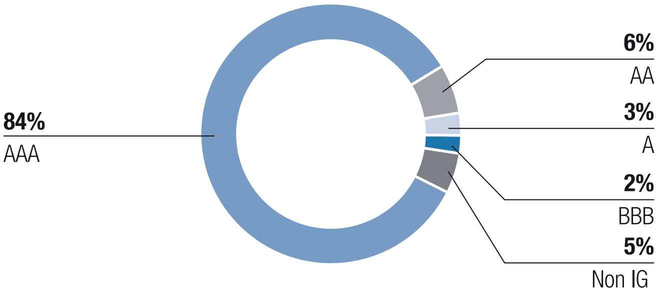
Non-hedged US RMBS

	Net exposure at 09/30/2008	Reclassification IAS 39	Impairment losses / Depreciation Q4-08	Other changes Q4-08	Net exposure at 12/31/2008	Gross exposure at 12/31/2008
Trading portfolio	1,064	(1,137)	-	173	100	103
Loans and receivables portfolio	32	(1,725)	(15)	(234)	1,508	1,523 (1)
Fair value option portfolio	6	-	-	(1)	5	5
AFS portfolio	670	(588)	6	(28)	59	68
SUB-TOTAL	**1,772**	**-**	**(9)**	**(91)**	**1,672**	**1,699**
US Trading agencies	4,288	(4,122)	-	(166)	-	-
US agencies (loans and receivables)	-	4,122	-	(112)	4,011	4,011
TOTAL	**6,060**	**-**	**-**	**(369)**	**5,632**	**5,710**

(1) Gross exposures are stated at the entry value at October 1, 2008 (fair value at September 30, 2008) for reclassified portfolios

BREAKDOWN OF RMBS IN NET EXPOSURE AT DECEMBER 31, 2008





RMBS UK non-hedged

	Net exposure at 09/30/2008	Reclassification IAS 39	Impairment losses/ depreciation Q4-08	Other Change Q4-08	Net exposure at 12/31/2008	Gross exposure at 12/31/2008	AAA	AA	A	BBB	Non-IG
Trading portfolio	358	(367)	3	48	41	61	-	53%	8%	40%	-
Fair value option portfolio	13	-	-	14	28	28	100%	-	-	-	-
AFS portfolio	225	(283)	7	194	143	184	20%	1%	2%	2%	27%
L&R portfolio	3	650	-	(65)	588	588(2)	88%	7%	5%	-	-
TOTAL	**599**	**-**	**9**	**191 (1)**	**799**	**861**	**72%**	**8%**	**4%**	**3%**	**5%**

Non-hedged Spanish RMBS

	Net exposure at at 09/30/2008	Reclassified IAS 39	Impairment losses/ depreciation Q4-08	Other Change Q4-08	Net exposure at at 12/31/2008	Gross exposure at 12/31/2008	AAA	AA	A	BBB	Non-IG
Trading portfolio	315	(344)	(20)	78	29	63	-	-	60%	12%	28%
Fair value option portfolio	-	-	-	-	-	-	-	-	-	-	-
AFS portfolio	180	(325)	(3)	166	18	28	-	-	-	21%	-
L&R portfolio	-	670	-	(19)	650	650(2)	89%	11%	-	-	-
TOTAL	**495**	**-**	**(23)**	**225 (1)**	**696**	**741**	**83%**	**10%**	**2%**	**1%**	**1%**

(1) Portfolios not reported at 09/30/2008.

(2) Gross exposures are stated at the entry value at 10/01/2008 (fair value at 09/30/2008) for reclassified portfolios.

Securitization and conduits

- **Proprietary securitization: €204 million**

Conduits sponsored by Natixis

	Elixir	**Direct Funding**	**Versailles**
Issuing country	France	France	United States
AMOUNT OF ASSETS FINANCED *(€ millions)*	**216**	**954**	**3,229**
LIQUIDITY LINES GRANTED *(€ millions)*	**220**	**-**	**3,294**
BREAKDOWN BY TYPE OF ASSET			
Car loans			23%
Commercial loans	100%	39%	3%
Corporate loans			
Consumer finance		3%	21%
Equipment loans		7%	12%
US RMBS			
Non-US RMBS		52%	
CLOs			
CDOs			27%
Subscribed loans and student loans			15%
ASSET MATURITY (WEIGHTED AVERAGE) *(%)*			
0-6 months	14%	7%	3%
6-12 months		14%	73%
Over 12 months	86%	73%	24%
BREAKDOWN OF ASSETS BY COUNTRY OF ORIGIN *(%)*			
United States			100%
United Kingdom			
France	83%	27%	
Other	17%	73%	
BREAKDOWN OF ASSETS BY RATING			
AAA		42%	66%
AA			22%
A			11%
BBB			
Non-investment grade			
Non rated *(implied investment grade)*	100%	58%	

Products co-sponsored by Natixis

Amount of assets financed: €2,833 million

Liquidity lines granted: €2,833 million

Liquidity lines granted to conduits sponsored by third parties: 1,416 million

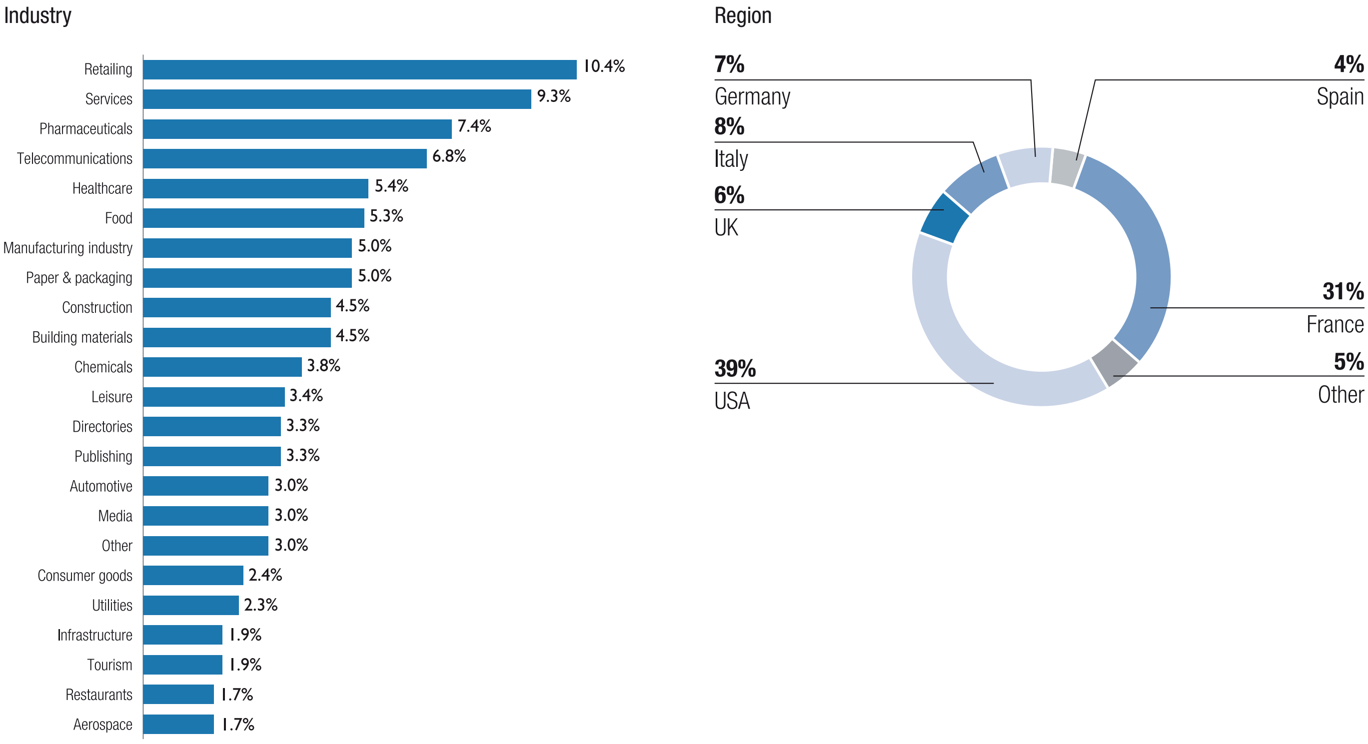
Leveraged buy-outs (LBOs)

EXPOSURE RELATING TO LEVERAGED TRANSACTIONS

In € millions		09/30/2008	12/31/2008
	Number of cases	391	376
Final shares (loans and receivables)	Commitments (booked)	5,823	5,864
	Number of cases	71	64
Shares for sale (loans and receivables)	Commitments (booked)	527	366
SUB-TOTAL		**6,350**	**6,230**
	Number of cases	12	6
Shares for sale (loans at fair value)	Commitments (booked)	50	8
TOTAL		**6,400**	**6,238**

- Average outstandings on final shares: €16 million.
- Senior shares: 97.5%.
- Collective provision: €254 million.

BREAKDOWN OF FINAL SHARES OF LEVERAGED TRANSACTIONS



Industry

Region

2. Other parts of the Group

Collateralized loan obligations (CLOs)

Non-hedged ABS CDOs exposed to the US residential market

- The Banque Populaire banks do not have any exposure to ABS CDOs exposed to the US residential market.

Exposure to other CDOs (not exposed to US residential market)

- Residual exposure: €437 million of which: Corporate investment grade: 65.7%, CLOs: 27.9%.

TYPE OF UNDERLYING ASSETS AT 12/31/2008 *(%)*

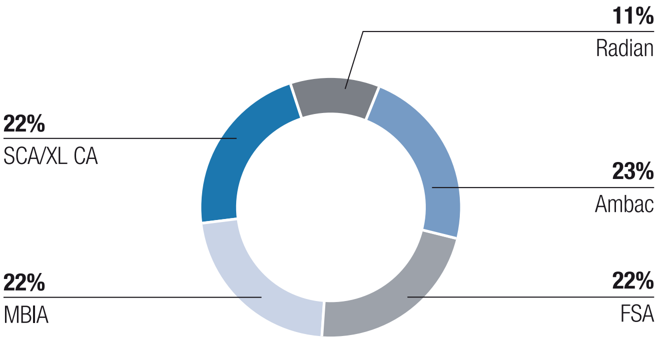
Leveraged loans	27,9%
HY corporate bonds	3,8%
IG corporate bonds	65,7%
SME loans	0,0%
CDO-squared euro-mezzanine tranches	2,6%

Monoline insurers

RESIDUAL EXPOSURE TO COUNTERPARTY RISK RELATING TO MONOLINE INSURERS

In € millions	Dec 31, 2008	Total
Residual exposure to counterparty risk relating to monoline insurers	50	**50**

BREAKDOWN OF RESIDUAL EXPOSURE BY COUNTERPARTY

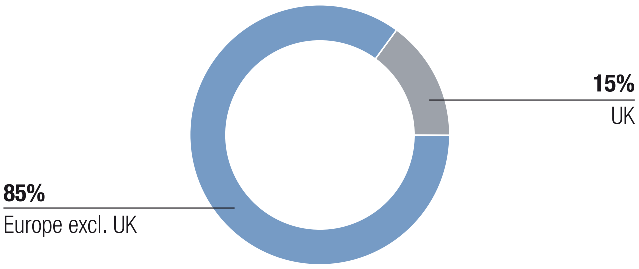


Commercial mortgage-backed securities (CMBS)

Non-hedged CMBS

In € millions	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**135**	**146**

BREAKDOWN OF NET EXPOSURE AT DECEMBER 31, 2008



Residential mortgage-backed securities (RMBS)

Non-hedged US RMBS

In € millions	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**5**	**0.4**

Non-hedged UK RMBS

In € millions	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**215**	**225**

Non-hedged Spanish RMBS

In € millions	Net exposure at 09/30/2008	Net exposure at 12/31/2008
TOTAL	**164**	**189**

Securitization and conduits

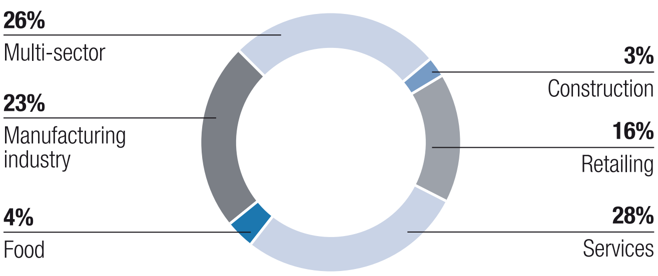
Liquidity lines granted to conduits sponsored by third parties amounted to €19 million of French conduits (ABCP conduits).

Leveraged buy-outs (LBOs)

EXPOSURE RELATING TO LEVERAGED TRANSACTIONS

In € millions		09/30/2008	12/31/2008
FINAL SHARES	**COMMITMENTS (BOOKED)**	**965**	**1,240**

BREAKDOWN OF FINAL SHARES OF LEVERAGED TRANSACTIONS



5. *Compensation of corporate officers and Board members*

Related parties are companies consolidated in the Banques Populaires Group (regardless of consolidation method), as well as the corporate officers and Board members of Banque Fédérale des Banques Populaires (BFBP), the Banque Populaire Group's parent company.

5.1.1 Compensation, benefits, loans, and Director's fees paid to Banque Fédérale des Banques Populaires (BFBP) corporate officers

Compensation, stock options, and performance shares paid to each corporate officer (Table 1)

Compensation for the year		2008	2007
Philippe DUPONT BFBP Chairman and Chief Executive Officer, and Chairman of the Natixis Management Board	For services at BFBP	€301,721	€410,642
	For services at Natixis	€350,000	€350,000
	TOTAL	**€651,721**	**€760,642**

Value of stock options received during the year (under IFRS 2)		2008	2007
Philippe DUPONT Executive Chairman	For services at BFBP	N/A (1)	€324,765
	For services at Natixis	€0	€881,505
	TOTAL	**N/A (1)**	**€1,206,270**

(1) *Philippe Dupont has renounced any stock options as compensation for his services at BFBP in 2008.*

The value of stock options calculated under IFRS2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options granted as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		2008	2007
Philippe DUPONT	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**NONE**	**NONE**

Compensation for the year		2008	2007
Bruno METTLING BFBP Deputy Chief Executive Officer	For services at BFBP	€345,525	€500,806
	For services at Natixis	€23,000	€26,600
	TOTAL	**€368,525**	**€527,406**

Value of stock options received during the year		2008 (1)	2007
Bruno METTLING	For services at BFBP	N/A (1)	€324,765
	For services at Natixis	€0	€0
	TOTAL	**N/A (1)**	**€324,765**

(1) Bruno Mettling has renounced any stock options as compensation for his services at BFBP in 2008.

The value of stock options calculated under IFRS 2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options given as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		2008	2007
Bruno METTLING	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**NONE**	**NONE**

The gross compensation paid to BFBP corporate officers includes a fixed portion and a variable portion. These portions are set in accordance with the Banque Populaire Group's executive compensation policy.

Summary of compensation paid to each corporate officer (Table 2)

	2008		2007	
Philippe Dupont	Amount due (5)	Amount paid (6)	Amount due (5)	Amount paid (6)
Fixed compensation (1)	**€595,000**	**€595,000**	**€595,000**	**€595,000**
For services at BFBP	€245,000	€245,000	€245,000	€245,000
For services at Natixis	€350,000	€350,000	€350,000	€350,000
Variable compensation (1) (2)	**€0**	**€110,000**	**€110,000**	**€110,000**
For services at BFBP	€0	€110,000	€110,000	€110,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation (1) (4)	**€0**	**€0**	**€0**	**€0**
Director's fees (7)	**€11,484**	**€11,040**	**€11,040**	**€11,285**
For services at BFBP subsidiaries	€0	€0	€0	€586
For services at BFBP	€11,484	€11,040	€11,040	€10,699
Benefits (3)	**€45,237**	**€45,237**	**€44,602**	**€44,602**
For services at BFBP	€45,237	€45,237	€44,602	€44,602
For services at Natixis	€0	€0	€0	€0
TOTAL	**€651,721**	**€761,277**	**€760,642**	**€760,887**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.
(3) Corporate car and housing for Philippe Dupont.
(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

	2008		2007	
Bruno Mettling	Amount due (5)	Amount paid (6)	Amount due (5)	Amount paid (6)
Fixed compensation (1)	**€290,000**	**€290,000**	**€290,510**	**€290,510**
For services at BFBP	€290,000	€290,000	€290,510	€290,510
For services at Natixis	€0	€0	€0	€0
Variable compensation (1) (2)	**€0**	**€130,000**	**€130,000**	**€130,000**
For services at BFBP	€0	€130,000	€130,000	€130,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation (1) (4)	**€0**	**€0**	**€0**	**€0**
Director's fees (7)	**€32,792**	**€62,163**	**€61,163**	**€62,600**
For services at BFBP subsidiaries	€9,792	€34,563	€34,563	€20,000
For services at BFBP	€23,000	€27,600	€26,600	€42,600
Benefits (3)	**€45,733**	**€45,733**	**€45,733**	**€45,733**
For services at BFBP	€45,733	€45,733	€45,733	€45,733
For services at Natixis	€0	€0	€0	€0
TOTAL	**€368,525**	**€527,896**	**€527,406**	**€528,843**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.
(3) Corporate car and housing expense reimbursement for Bruno Mettling.
(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

Neither Philippe Dupont, Michel Goudard, nor Bruno Mettling currently receives any allowances or benefits from companies controlled by BFBP.

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5.1.2 Director's fees and other compensation paid to BFBP Board members

Director's fees and Other compensation paid to non-executive Board members (Table 3)

	Amount due in 2008 and paid 2009[1]		Amount due in 2007 and paid 2008[1]	
	Director's fees	**Other compensation**	**Director's fees**	**Other compensation**
Thierry Cahn	€8,820	-	-	-
Jean Clochet	€41,523	-	€40,036	-
Pierre Delourmel	€17,468	-	€8,832	-
Pierre Desvergnes	€18,168	-	€12,436	-
Jean-Claude Detilleux	€13,284	-	€12,840	-
Michel Dolige	€16,690	-	€11,124	-
Bernard Fleury	€18,540	-	€15,624	-
Stève Gentili	€36,175	-	€44,001	-
Yves Gevin	€16,525	-	€18,738	-
Jacques Hausler	€21,885	-	€17,005	-
Marc Jardin	€18,540	-	€13,824	-
Bernard Jeannin	€35,003	-	€41,652	-
Yvan De la Porte du Theil	€53,350	-	€58,862	-
François Moutte	€8,352	-	€5,520	-
Christian Du Payrat	€17,934	-	€13,536	-
Philippe Queuille	€5,500	-	-	-
Jean-Louis Tourret	€29,005	-	€47,090	-
Gonzague de Villele	€5,532	-	-	-
TOTAL	**€382,294**		**€361,120**	

(1) Fees paid as compensation for positions held on the Board of Directors and Board Committees of BFBP and the companies it controls.

5.1.3 Stock options

No options on BFBP shares have been granted to date. However, corporate officers have been granted options on Natixis shares as compensation for their services at BFBP and the companies it controls.

Stock options granted by the Group and all Group companies to each corporate officer during the year (Table 4)

	Plan date and No.	Type of option (purchase or subscription)	Value of options recognized in the consolidated financial statements: For services at BFBP	Value of options recognized in the consolidated financial statements: For services at Natixis	Number of options granted during the year(1): For services at BFBP	Number of options granted during the year(1): For services at Natixis	Strike price	Exercise period
Philippe Dupont	01/21/2008 Natixis Plan (2)	Subscription	N/A (2)	€0	N/A (2)	0	€8,27	01/21/2012 01/21/2015
Bruno Mettling	01/21/2008 Natixis Plan (2)	Subscription	N/A (2)	-	N/A (2)	-	€8,27	01/21/2012 01/21/2015

(1) After adjusting for the share issue in September 2008

(2) Philippe Dupont and Bruno Mettling have renounced any stock options as compensation for their services at BFBP in 2008.

Stock options exercised by each corporate officer during the year (Table 5)

	Plan date and No.	Number of options exercised during the year	Strike price
Philippe Dupont	N/A	**None**	
Bruno Mettling	N/A	**None**	

Performance shares granted to each corporate officer (Table 6)

	Plan date and No.	Number of shares granted during the year	Value of shares recognized in the consolidated financial statements	Acquisition date	Vesting date	Performance criteria
Performance shares granted during the year by the AGM of the Group and all Group companies to each corporate officer	N/A	**None**				

	Plan date and No.	Number of shares vested during the year	Vesting terms
Vested performance shares owned by each corporate officer (Table 7)	N/A	**None**	

The number of Natixis stock options allocated to the Banque Populaire Group is determined by the Natixis Management Board and AGM.

Stock option grants since 2002 (Table 8)

STOCK OPTION DETAILS

	2002	2003	2004	2005	2007	2008
Natixis AGM date	05/31/2001	05/31/2001	05/27/2004	05/19/2005	11/17/2006	05/24/2007
Natixis Management Board decision date	09/10/2002	09/10/2003	11/17/2004	11/15/2005	01/29/2007	01/21/2008
Number of stock options granted on the Natixis Management Board decision date to Banque Populaire Group employees, with the number granted to specific individuals listed below*	2,630,474	2,648,800	2,771,230	3,187,800	4,142,600	3,726,800
Corporate officers and Board members						
Corporate officers						
Philippe Dupont	169,400	184,800	192,500	215,600	400,400	N/A
For services at Banque Populaire Group	84,700	92,400	92,400	107,800	107,800	N/A
For services at Natixis	84,700	92,400	100,100	107,800	292,600	0
Bruno Mettling	-	-	-	77,000	107,800	N/A
Non-executive Board members						
Jean Clochet	-	-	-	15,400	20,020	N/A
Steve Gentili	10,780	10,780	10,780	15,400	20,020	N/A
Yvan De la Porte du Theil	43,120	43,120	43,120	47,740	61,600	N/A
Bernard Jeannin	43,120	43,120	43,120	47,740	61,600	N/A
Thierry Cahn	7,700	10,780	10,780	15,400	20,020	N/A
Pierre Delourmel	-	10,780	10,780	15,400	20,020	N/A
Pierre Desvergnes	-	-	-	-	-	-
Jean-Claude Detilleux	0	38,500	38,500	43,120	58,520	-
Michel Dolige	10,780	10,780	10,780	15,400	20,020	N/A
Bernard Fleury	9,240	9,240	9,240	13,860	20,020	N/A
Yves Gevin	43,120	43,120	43,120	47,740	61,600	N/A
Jacques Hausler	43,120	43,120	43,120	47,740	61,600	N/A
Marc Jardin	10,780	10,780	10,780	15,400	20,020	N/A
François Moutte	38,500	38,500	38,500	47,740	61,600	N/A
Christian Du Payrat	15,400	38,500	38,500	43,120	58,520	N/A
Philippe Queuille	43,120	43,120	43,120	47,740	61,600	N/A
Jean-Louis Tourret	7,700	9,240	9,240	13,860	18,480	N/A
Gonzague de Villele	15,400	13,860	18,480	43,120	58,520	N/A
Exercise period start date	09/10/2006	09/10/2007	11/17/2008	11/15/2009	01/29/2011	01/21/2012
Expiration date	09/09/2009	09/09/2010	11/16/2011	11/14/2012	01/28/2014	01/20/2015
Adjusted strike price (in euros)**	4.71	5.41	5.79	7.74	14.38	8.27
Exercise terms if there are several tranches	N/A	N/A	N/A	N/A	N/A	N/A
Number of stock options exercised by Banque Populaire Group employees at 12/31/2008 (after accounting for employee mobility)	2,009,407	589,897	107,030	21,560	-	-
Cumulative number of stock options cancelled or expired (after accounting for employee mobility)	46,970	31,108	18,480	3,850	-	868,560
Cumulative number of unexercised stock options held by Banque Populaire Group employees (after accounting for employee mobility)	635,466	2,063,985	2,677,752	3,179,330	4,107,334	2,846,690

* *After adjusting for the Natixis share issue in September 2008.*

** *Equal to the average Natixis share price over the 20 stock market trading days preceding the date of the Management Board's decision.*

Table 9. Stock options granted to and exercised by the ten employees who are not corporate officers receiving the highest number of options	Total stock options granted / exercised	Average weighted strike price	Plan 1	Plan 2
Stock options granted to these employees during the year by the Group and all Group companies in the stock option scope	337,260 (1)	€8,27	01/21/2008	-
Number of these stock options exercised during the year	-	-	-	-

(1) *After adjusting for the Natixis share issue in September 2008.*

5.1.4 Post-employment benefits granted to corporate officers

Philippe Dupont and Bruno Mettling receive retirement benefits under the French social security system, ARRCO, AGIRC, and a supplemental retirement plan. Post-employment benefits for BFBP's other corporate officers are described on the Group's investor relations website, www.ir.banquepopulaire.fr (in French), under "Rémunérations Différées des Dirigeants Sociaux".

	Employment contract (1)		Supplementary retirement plan (2)		Benefits due if the employee changes or leaves his or her position (3)		Allowances related to a non-competition clause	
Corporate officer (Table 10)	Yes	No	Yes	No	Yes	No	Yes	No
Philippe DUPONT								
Chairman and Chief Executive Officer								
		X	X		X			X
Date appointed: 08/08/1999								
Term expiration date: 05/2011								
Bruno METTLING								
Deputy Chief Executive Officer								
	X		X		X			X
Date appointed: 07/01/2006								
Term expiration date: 02/03/2009								

(1) *Bruno Mettling's employment contract was suspended when he was appointed a corporate officer on July 1, 2006.*

(2) *Philippe Dupont, Bruno Mettling, and all Banque Populaire Group executives receive retirement benefits under a supplementary retirement plan in accordance with the Group's bylaws. The total retirement benefit paid to a Banque Populaire Group executive cannot exceed 70% (or 60% after the executive turns 70) of his or her salary, capped at €370,000. The percentage is 50% for executives appointed after July 1, 2004, such as Bruno Mettling.*

(3) *For more information, see the Group's investor relations website, www.ir.banquepopulaire.fr (in French), in the section "Rémunérations Différées des Dirigeants Sociaux".*

6. *Outlook and recent events*

6.1 Outlook

Commercial action

As head of the network, one of the functions of its role as central body, Banque Fédérale des Banques Populaires draws up a commercial action plan each year, which is put forward to the Banque Populaire banks. These commercial developments are put together in a Commercial and Communications Action Plan.

The 2009 plan is the first illustration of the new strategic plan for between now and 2012. In addition to efforts to win and ensure the loyalty of customers, it requires particular attention to be paid to aspects of commercial productivity and profitability.

The plan serves to achieve targets via certain fundamental points:

- winning new customers;
- short-term financing and winning payment flows that act as guarantees in all markets, a real partnership with our customers, a source of additional revenue, control of risks and the interest of the work we do;
- the general approach, which is reflected primarily in bancassurance, dual professional/private relationships, including real estate activities in a portfolio-based approach, contacts with buyers and sellers when selling an asset or a company.

The plan relates to all customer segments:

Personal customers

At the start of 2009, the general adoption of Livret A savings accounts is one of the key events of the start of the year. This is considered a “target market” product. The range of secured investments is enhanced by the inclusion of a new guaranteed capital product.

The second key event of 2009 relates to bancassurance: property and casualty insurance and personal risk insurance. The “budJ” payment card for “young” customers can also be used for electronic banking. The introduction of payments in three installments is the flagship initiative for this range in 2009.

Furthermore, within the framework of efforts to win new customers, the aim is to step up the support provided on entering into a new banking relationship with an account agreement comprising a package of everyday banking products.

Small businesses

Commercial actions consist of two stages: the first focuses on small business savings and the second on short and medium-term loans. Over the course of this year, this approach will be complemented by the development and securing of payment flows.

The new “Ambitions 2012” plan sets out the main guidelines:

- winning customers: maintaining a leading position in winning “business start-up” customers, with a focus on established small businesses;
- dual relationships and private savings: detecting opportunities at an early stage and simplifying the range of savings products.

Corporate and institutional clients

For 2009, the outlook is based on three main aspects:

- strengthening the presence of the Banque Populaire banks among SMEs with revenues of over €30 million;
- increasing domestic and international payment flows through short-term loans and increasing take-up of products and services dedicated to payment flows;
- building dual relationships by acting as the bank of companies and their owners.

Private banking and real estate activities

Two priorities have been defined for 2009:

- promoting the comprehensive and original range of products and services dedicated to private banking customers, by drawing on an Asset Management Products and Services Agreement;
- increasing revenues generated by private banking, savings and real estate activities.

Natixis

2009 will be characterized by the application of the plan to overhaul the corporate and investment banking division (CIB).

The aim of the actions contained in this plan is to create a reduced and more tightly controlled risk profile, thanks to the reabsorption of the highest risk assets and the implementation of a specific team for segregating these assets, a very significant reduction in unprofitable areas and stepping up cost cuts.

This transformation plan will radically change the division’s structure and activities. The following measures have been implemented:

- discontinuation of proprietary investment activities concerning credit and structured credit products. These proprietary investment activities - representing risk-weighted assets of €19 billion - have been discontinued with the creation of a specific segregation structure to optimize management on a run-off basis. This structure is already effective;
- discontinuation of the most complex capital market activities: equity hybrid derivatives, interest rate hybrid derivatives, fund derivatives. The equities unit will be cut back and its risk profile reduced, and it will operate at lower cost. Simple derivatives held in France will be merged with brokerage activities;
- refocusing on long-standing customers, prioritizing customer transactions (large corporates in France and selectively in Southern Europe, corporate midcaps in France, institutional investors in Europe and structured finance customers internationally);
- optimizing the bank’s international presence: major cutbacks in Asia (discontinuation of the majority of capital market activities, maintaining only straightforward customer support services) and in the United States (discontinuation of equity derivatives and corporate vanilla bond activities), closure of marginal offices (particularly in South America), abandonment of development projects (in India and Korea);
- increased risk discipline in all activities.

The transformation of the CIB division will result in a 40% reduction in headcount in the most complex capital market activities (i.e. 15%

of employees, reducing the total number of employees to 4,860 at end-2009) and a 10% reduction in direct fixed costs relating to this business line.

Following this restructuring, the CIB division will continue to be one of the core activities of Natixis and its two shareholder networks, the Banque Populaire banks and the Caisse d'Epargne banks.

It serves corporate clients, in particular French companies, and meets their needs in the following areas:

- domestic financing activities;
- risk management (interest rates, forex, commodities etc.);
- treasury management (cash management, investments);
- project finance and support.

It also serves the Group's other business lines by offering products, services and its expertise in terms of:

- non-complex structured products (guaranteed capital) supporting asset management, private banking and network activities;
- access to institutional investors (covered bonds, bonds, securitization);
- equity research expertise;
- economic research expertise.

6.2 Recent events

CIFG

On January 21, 2009, the New York State Insurance Department announced the signature of the CIFG commutation agreement. This agreement concerns around $12 billion of "problem" CDS exposure.

The announcement was supported by a joint press release from the Banque Populaire Group and the Caisse d'Epargne Group dated January 22, 2009 (available in the regulated information section of the investor relations website: www.ir.banquepopulaire.fr).

As a result of this commutation agreement, the main counterparties holding these assets have waivered their guarantee with the credit enhancer in exchange for the payment of a dividend and CIFG shares.

This has a slight positive effect on the financial statements of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, which now jointly own around 10% of CIFG's share capital.

This stake is housed within an ad hoc company created at the end of 2008 called "twin participations", of which Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne each own 50%.

The deal should help to restore CIFG's financial position.

Approval of merger principles between the Banque Populaire Group and the Groupe Caisse d'Epargne

Banque Fédérale des Banques Populaires' (BFBP) Board of Directors and Caisse Nationale des Caisses d'Epargne's (CNCE) Supervisory Board met on February 24, and February 26, 2009, and approved the merger principles regarding the two central bodies that will lead to the creation of France's second largest banking group.

The new group will be supported by two complementary autonomous networks and two distinct brands. The new entity will consist of around 34 million customers, over 7 million member-stakeholders and a deeply rooted network, thanks to 7,700 branches, and almost 110,000 employees. The new group will have Tier 1 capital of 38 billion and 22% of French bank total deposits standing firmly as a first-rate entity funding the economy.

The retail banking business will be the focus of the new group, essentially concentrating on the domestic market.

The merger plan is based on the creation of a new central body, common to the Banque Populaire bank and Caisses d'Epargne et de Prévoyance networks. The central body will be held equally between the two groups and include their main retail banking subsidiaries and production entities (Natixis, Société Marseillaise de Crédit, SIBP (excluding VBI), Financière Océor, GCE Assurances, BCP France, BCP Luxembourg, DV Holding and the indirect 17.7% stake in CNP). The technical and human capabilities of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne required to perform the duties of a central body will also be included in this new entity.

The subsidiaries of the real estate division of the two groups (Crédit Foncier de France, Nexity, FONCIA, MeilleurTaux) as well as the other interests of the two central bodies (notably Banca Carige, Banque Palatine, DZ Bank and MaBanque) will be kept initially by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

The French State, who had favorably welcomed the merger plan, has wished to support the establishment of the new group by proposing an equity contribution in line with its policy of supporting major French banking groups. In this way, the government has stated that it intends to subscribe to preference shares without voting rights and undated super-subordinated notes (TSSDI) issued by the new central body, for a maximum amount of €5 billion. The government support will enable the new group to benefit from a robust and durable capital structure. The preference shares will be convertible into ordinary shares, under certain conditions, leading the State to hold up to a 20% stake in the new central body.

The merger will also facilitate combining Natixis's ownership structure, whose governance will be simplified. In this respect, at the Annual Shareholders' Meeting called to approve the 2008 financial statements, the transformation of Natixis into a Company with the separation of roles between Chairman and chief executive with a Board of Directors will be proposed.

The new central body will be a French public limited company ("*société anonyme*") governed by a Management and Supervisory Board. In addition to two employee representatives, the Supervisory Board will include eighteen members: seven members will represent the Banque Populaire Group, seven members will represent the Caisse d'Epargne Group and four members will be appointed by the French State including two members nominated as independent directors.

The first chairmanship of the Supervisory Board will be occupied by a member from the Banque Populaire Group until the start of the calendar year following the second year after they have commenced their duties. To this end, the Banque Fédérale des Banques Populaires Board of Directors has decided to propose Mr Philippe Dupont to occupy the position of first Chairman of the Supervisory Board of the new central body. At the end of the term of office of Mr Philippe Dupont, the position of Chairman of the Supervisory Board of the new central body will be subject to alternation between the two groups every two years. The appointment of Mr Yves Hubert, currently Chairman of Caisse Nationale des Caisses d'Epargne's Supervisory Board, will be proposed for the position of first Vice-Chairman of the new central body.

Mr François Pérol has been nominated as the Chairman of the Management Board of the new central body. Mr François Pérol has also been appointed to Natixis's Supervisory Board and will be the Chairman. Mr Dominique Ferrero, in his capacity as Chairman of the Management Board, will be responsible for the general management of Natixis.

To speed up the merger momentum, and to facilitate the best possible coordination of the work leading to its effective creation, Mr François Pérol has been appointed as of March 2, 2009 Chairman of Caisse Nationale des Caisses d'Epargne's Management Board and Chief Executive Officer of Banque Fédérale des Banques Populaires.

Changes to Banque Fédérale des Banques Populaires' governance

The approval of the proposed merger between the two central bodies has led to a change in the governance of Banque Fédérale des Banques Populaires.

Its Board of Directors, which met on February 25, 2009, chaired by Mr Philippe Dupont, decided to separate the roles of Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires.

During the Board meeting, Mr François Pérol was appointed Chief Executive Officer and Mr Yvan de La Porte du Theil was appointed Deputy Chief Executive Officer.

The top management of Banque Fédérale des Banques Populaires is now therefore as follows:

- Mr Philippe Dupont, Chairman of the Board of Directors;
- Mr François Pérol, Chief Executive Officer;
- Mr Yvan de La Porte du Theil, Deputy Chief Executive Officer;
- Mr Philippe Queuille, Assistant Chief Operating Officer.

The press releases relating to these events are available in the regulated information section of the investor relations website, *www.ir.banquepopulaire.fr.*

Reply of March 16, 2009 to the Amnesty International press release dated March 11, 2009 in which it denounces Banque Populaire and its subsidiary Natixis concerning their policy relating to cluster bombs

The response to Amnesty International from Mr François Pérol, Chief Executive Officer of Banque Fédérale des Banques Populaires, was worded as follows:

"We would like first of all to remind you of the Banque Populaire Group's commitment to corporate social responsibility. In this respect, it is therefore particularly sensitive to your renewed interpretations relating to the financing of the production of anti-personnel landmines and cluster bombs.

I therefore have no choice but to react to your press release of March 11 denouncing "Banque Populaire and its subsidiary Natixis for its policy relating to cluster bombs". This press release implicates the Banque Populaire banks and I think that it is vital to remind you of how the banks are organized in order to give a precise answer to your question.

The Banque Populaire banks are cooperative regional banks dedicated to financing the local economy through deposits, loans and investments. Although they belong to the same group as Natixis, they are fully autonomous legal entities. Banque Fédérale des Banques Populaires, the central body of the Banque Populaire network, owns 36% of Natixis. It is therefore not a majority shareholder of Natixis and as such is not in a position to determine policy in this area on its own.

However, as a shareholder of Natixis, I have sent a letter demanding that not only a policy be set out to withdraw from such activities but also that a process be initiated, if necessary, to withdraw from any investment in companies involved directly in the trade of cluster bombs and anti-personnel landmines either on a proprietary basis or for third parties. Amnesty International will be able to follow up the development of this policy with Natixis's staff directly.

I would like to confirm that the Banque Populaire banks are not involved directly or indirectly in the financing of cluster bombs and anti-personnel landmines on a proprietary basis. With this letter, I would like to make our position public in the form of a declaration of the principle of not investing in and not financing companies directly linked to the production and trade of cluster bombs and anti-personnel landmines as stated in the Oslo Convention of December 3, 2008, signed by France.

As regards mandated investment management, I have asked the Banque Populaire banks to make information relating to our policy in this respect available to our clients and prospects. It goes without saying that should we discover that the Banque Populaire banks are unwittingly involved in such financing activities, I shall immediately take the measures necessary to end this involvement.

In order to ensure transparency, information about these commitments will be published on our website and in our next registration document."

The contents of the letter sent to Natixis as mentioned in the reply to Amnesty International are as follows:

"Mr Chairman,

On March 11, Amnesty International France issued a press release denouncing "Banque Populaire and its subsidiary Natixis, which have not adopted a public policy of not investing in and not financing companies linked to the production and trade of cluster bombs".

I have sent a letter in reply to Amnesty International France concerning the position and commitment of the Banque Populaire banks, namely:

- the Banque Populaire banks are not involved, directly or indirectly, in the financing of cluster bombs and anti-personnel mines on a proprietary basis;
- we are committed to making our position public in the form of a declaration of the principle of not investing in and not financing companies directly linked to the production and trade of cluster bombs and anti-personnel landmines as stated in the Oslo Convention of December 3, 2008;
- as regards mandated investment management, the Banque Populaire banks have been asked to make information relating to our policy in this respect available to our clients and prospects;
- information about these commitments will be published on our website and in our next registration document.

In addition to the position of the Banque Populaire banks, I have informed Amnesty International that as a shareholder of Natixis, it is my duty to ask you to reflect these efforts by implementing not only a policy to withdraw from such activities but also initiating a process, if necessary, to withdraw from any investment in companies involved directly in the trade of cluster bombs and anti-personnel landmines either on a proprietary basis or for third parties.

I have asked Amnesty International France to follow up commitments concerning you in this matter directly with you, as Banque Fédérale des Banques Populaires is not a majority shareholder of Natixis."

Negotiation Agreement signed between the Banque Populaire Group and the Caisse d'Epargne Group

On March 16, 2009, the Board of Directors of Banque Fédérale des Banques Populaires (BFBP) and the Supervisory Board of Caisse Nationale des Caisses d'Epargne's (CNCE) approved the signature of the negotiation agreement setting out the discussion principles guiding their merger with a view to establishing the second largest French banking network. In this respect, the senior executives of the groups have been given the mandate to continue discussions and negotiate the terms of the final agreements.

Following the announcement of February 26, 2009, the negotiation agreement confirms and states all the negotiation principles registered at this stage, relating notably, to the structure of the transaction, its scope, the valuation of the entities transferred to the new central body, corporate governance and the internal financing mechanisms of the future group.

The negotiation agreement, signed in the presence of the French State, also describes the conditions of the State's equity contribution to the future central body of the two groups of around €5 billion. This amount will be broken down as follows: €3 billion in preference shares convertible into ordinary shares under certain conditions starting from the fifth anniversary of their date of issue, resulting in the State holding a maximum of 20% of the new central body's ordinary shares, and €2 billion of undated super-subordinated notes.

As the discussion principles guiding the merger of the two groups have now been registered between the two parties, the employee representative bodies will be informed and consulted on this project. According to the legal and regulatory requirements in force, the conclusion of any final agreement will only take place following the consultation procedure of the employee representative bodies.

The parties concerned confirmed that their work continues and that they expect to obtain the required authorizations with the intention of signing the final agreements before the end of the first half of 2009.

The press release relating to the above event is available in the regulated information section of the investor relations website, *www.ir.banquepopulaire.fr*.

8.2.2 Consolidated financial statements

1. Consolidated balance sheet – Assets

In € millions	*Notes*	**12/31/2008**	**12/31/2007**	**12/31/2006**
Cash and balances with central banks and post offices		4,716	3,895	3,175
Assets at fair value through profit and loss	*IV.1.2*	120,227	80,260	69,601
Derivative hedging instruments	*IV.2*	809	551	400
Available-for-sale financial assets	*IV.3*	21,333	25,315	21,590
Loans and advances to banks	*IV.4.3*	44,075	48,664	48,491
Loans and advances to customers	*IV.4.3*	182,205	162,966	141,904
Interest rate hedging reserve		29	1	1
Held-to-maturity financial assets	*IV.5*	2,248	2,197	2,370
Current income tax assets		447	373	212
Deferred income tax assets	*IV.7*	1,543	1,016	635
Other assets	*IV.8*	15,651	15,312	10,730
Non-current assets held for sale				13
Investments in associates	*IV.9*	2,188	2,121	1,941
Investment real estate	*IV.10*	579	543	540
Property, plant and equipment	*IV.11.1*	2,059	1,797	1,600
Intangible assets	*IV.11.1*	1,085	503	260
Goodwill	*IV.12*	4,395	3,401	1,844
TOTAL ASSETS		**403,589**	**348,915**	**305,307**

Consolidated balance sheet – Liabilities

In € millions	*Notes*	**12/31/2008**	**12/31/2007**	**12/31/2006**
Due to central banks and post offices		299	493	229
Financial liabilities at fair value through profit and loss	*IV.1.3*	106,720	60,031	49,812
Derivative hedging instruments	*IV.2*	848	1,549	289
Deposits from banks	*IV.13.1*	66,539	70,536	65,760
Customer deposits	*IV.13.2*	126,588	115,175	102,827
Debt securities in issue	*IV.14*	42,808	40,887	33,148
Interest rate hedging reserve		153	45	13
Current income tax liabilities		302	339	281
Deferred income tax liabilities	*IV.7*	490	274	312
Other liabilities	*IV.8*	13,835	14,993	10,931
Liabilities associated with non-current assets held for sale				
Insurance companies' technical reserves	*IV.15*	15,753	15,848	14,408
Provisions	*IV.16.2*	1,893	1,541	1,586
Subordinated debt	*IV.17*	7,182	6,333	5,634
Equity attributable to equity holders of the parent		19,657	20,374	19,610
- Share capital and reserves		*13,232*	*12,067*	*11,621*
- Retained earnings		*7,422*	*6,676*	*3,807*
- Unrealized or deferred gains or losses		*(529)*	*576*	*850*
- Net income		*(468)*	*1,055*	*3,332*
Minority interests		522	497	467
TOTAL LIABILITIES AND EQUITY		**403,589**	**348,915**	**305,307**

2. *Consolidated income statement*

In € millions	*Notes*	**12/31/2008**	**12/31/2007**	**12/31/2006 Proforma** [(1)]	**12/31/2006**
Interest and similar income	*V.1*	14,567	13,912	11,653	13,288
Interest expense	*V.1*	(10,690)	(10,309)	(8,089)	(9,359)
Fee and commission income	*V.2*	4,050	3,936	3,729	3,822
Fee and commission expense	*V.2*	(827)	(862)	(835)	(1,051)
Net gains or losses on financial instruments at fair value through profit and loss	*V.3*	(946)	(112)	1,031	924
Net gains or losses on available-for-sale financial assets	*V.4*	(40)	310	200	259
Income from other activities	*V.5*	3,481	3,710	3,191	6,755
Expenses from other activities	*V.5*	(2,342)	(3,140)	(2,797)	(5,598)
Net banking income		**7,253**	**7,445**	**8,083**	**9,040**
Operating expenses	*V.6*	(5,883)	(5,580)	(5,028)	(5,673)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets		(402)	(327)	(305)	(335)
Gross operating income		**968**	**1,537**	**2,750**	**3,032**
Impairment charges and other credit provisions	*V.7*	(1,204)	(486)	(308)	(370)
Net operating income		**(236)**	**1,052**	**2,442**	**2,662**
Share of results of associates	*V.8*	127	154	148	37
Gains or losses on other assets	*V.9*	143	250	3	1,688
Change in value of goodwill	*V.10*	(324)		(1)	
Income before income taxes		**(290)**	**1,456**	**2,592**	**4,387**
Income taxes	*V.11*	(138)	(337)	(841)	(858)
Net income		**(429)**	**1,119**	**1,751**	**3,529**
Minority interests		(40)	(64)	(51)	(197)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(468)**	**1,055**	**1,700**	**3,332**

(1) The method of preparing the 2006 pro forma financial statements is described in note XL.1. A reconciliation of published and pro forma results is provided in note XI.2.

3. *Statement of changes in equity at December 31, 2008*

	Share capital and reserves			
In € millions	**Share capital**	**Reserves**	**Elimination of treasury shares**	**Retained earnings**
EQUITY AT JANUARY 1, 2006 (EU IFRSS)	**3,439**	**5,328**	**0**	**4,318**
Movements related to relations with shareholders				
Capital increase	766	2,086		
Share-based payment plans (1)				5
Dividend				(101)
Unrealized gains or losses in 2006				
Impact of change in value of financial instruments				0
Impact of exchange rate differences				
Impact of acquisitions and disposals on minority interests				
Change in consolidation method of former Natexis Banques Populaires subgroup (2)				
Other changes in scope of consolidation				
2006 net income (2)				
Other changes				
Change in consolidation method of former Natexis Banques Populaires subgroup (2)				
Contribution of Caisses d'Epargne Group subsidiaries to Natixis (3)				(344)
Winding up of employee stock ownership plan (Alizé Levier) (4)				(41)
Other (5)				(29)
EQUITY AT DECEMBER 31, 2006 (EU IFRSS)	**4,205**	**7,414**	**0**	**3,807**
Appropriation of 2006 net income		357		2,974
EQUITY AT JANUARY 1, 2007 (EU IFRSS)	**4,205**	**7,771**	**0**	**6,782**
Movements related to relations with shareholders				
Capital increase	109	(20)		
Share-based payment plans (1)				8
Dividend				(113)
Unrealized gains or losses in 2007				
Impact of change in value of financial instruments				
Impact of exchange rate differences				
Impact of acquisitions and disposals on minority interests				
Other changes in scope of consolidation (6)				
2007 net income				
Other changes				

Unrealized gains or losses							
		Change in value of financial instruments net of deferred tax					
Exchange differences	Revaluation	Available-for-sale assets	Hedging instruments	Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total equity
41	0	507	66	0	13,699	1,301	15,000
					2,852		2,852
					5		5
					(101)	(50)	(151)
		24	(26)		(2)	(28)	(31)
(34)					(34)	(27)	(61)
					0	(931)	(931)
					0	4	4
				3,332	3,332	198	3,530
		(133)	39		(94)		(94)
89		256			0		0
					(41)		(41)
		17	5		(7)	0	(7)
96		670	84	3,332	19,610	467	20,077
				(3,332)	0		
96	0	670	84	0	19,610	467	20,077
					89		89
					8		8
					(113)	(34)	(146)
		(156)	(9)		(166)	(2)	(167)
(109)					(109)	(10)	(119)
					0	11	11
				1,055	1,055	64	1,119
					0		0

1 2 3 4 5 6 7 8 9 10 11

	Share capital and reserves			
In € millions	**Share capital**	**Reserves**	**Elimination of treasury shares**	**Retained earnings**
EQUITY AT DECEMBER 31, 2007 (EU IFRSS)	**4,314**	**7,751**	**0**	**6,678**
Appropriation of 2007 net income		117		938
EQUITY AT JANUARY 1, 2008 (EU IFRSS)	**4,314**	**7,868**	**0**	**7,616**
Movements related to relations with shareholders				
Capital increase	123	(28)		
Issue of deeply subordinated securities to SPPE (7)		950		
Share-based payment plans (1)		5		
Dividend				(176)
UNREALIZED GAINS OR LOSSES IN 2008				
Impact of change in value of financial instruments				
Impact of exchange rate differences				
Impact of acquisitions and disposals on minority interests				
Other changes in scope of consolidation (8)				
2008 net income				
Other changes				
Other				(18)
EQUITY AT DECEMBER 31, 2008 (EU IFRSS)	**4,436**	**8,796**	**0**	**7,423**

(1) Share-based payment plans:
Under IFRS 2, employee stock option plans are treated as a cost to the company. The corresponding expense is equal to the value of the options granted in return for services rendered by employees. The impact on reserves, corresponding to the expense in the income statement, was €5m in 2008 (including €4m attributable to the Group), €8m in 2007 (including €5m attributable to the Group) and €5m in 2006 (including €3m attributable to the Group).

(2) Natixis transaction: Change in consolidation method of the former Natexis Banques Populaires subgroup:
The Group's percentage holding in Natexis Banques Populaires was reduced as a result of the sale of 34.4% of Natexis Banques Populaires shares to the Caisse d'Epargne Group and the sale of 11.6% of Natixis shares on the market. Accordingly, Natixis is now proportionally consolidated rather than fully consolidated, with the following impact on total shareholders' equity:
- *€1,750m dilution impact on the income and retained earnings of Natixis Banques Populaires at November 17, 2006, which was offset in the 2006 income statement under the line item "gains and losses on non-current assets";*
- *€94m decrease in unrealized losses (net of deferred taxes) including a decrease of €133m in available-for-sale assets and an increase of €39m in hedging instruments;*
- *€931m decrease in reserves attributable to minority interests.*

(3) Natixis transaction: capital contribution of the Caisse d'Epargne Group's specialized subsidiaries and the Caisses d'Epargne banking network to Natixis:
The transfer of the Caisse d'Epargne Group's corporate and investment banking subsidiaries and the Caisses d'Epargne banking network to Natixis upon its formation on November 17, 2006 had no impact on equity after recognition of goodwill, except for the reclassification of €344 million (net of deferred tax) from retained earnings to unrealized gains.

Unrealized gains or losses							
		Change in value of financial instruments net of deferred tax		Net income attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total equity
Exchange differences	Revaluation	Available-for-sale assets	Hedging instruments				
(13)		**514**	**74**	**1,055**	**20,374**	**497**	**20,870**
				(1,055)	**0**		
(13)	**0**	**514**	**74**	**0**	**20,374**	**497**	**20,870**
					95		**95**
					950		**950**
					5		**5**
					(176)	(60)	**(236)**
		(818)	(302)		**(1,120)**	(3)	**(1,123)**
(2)					**(2)**	1	**(1)**
					0	47	47
				(468)	**(468)**	**41**	**(427)**
					0		**0**
		18			**0**		**0**
(15)		**(286)**	**(227)**	**(468)**	**19,658**	**522**	**20,180**

(4) Winding up of employee stock ownership plan (Alizé Levier):

On May 31, 2001, Natexis Banques Populaires initiated a capital increase reserved for employees of the Banque Populaire Group as part of the implementation of a Group employee savings plan under the Act of February 19, 2001. A corporate mutual fund (FCPE Alizé Levier) had been set up to hold the shares acquired by the employees participating in the offering. Based on the characteristics of the operation, the Group consolidated the FCPE Alizé Levier mutual fund. On July 1, 2006, when the operation was wound up, the balance of the Natexis Banques Populaires shares held by FCPE Alizé Levier was returned to Banque Fédérale des Banques Populaires at the fund's net asset value (based on the Natexis Banques Populaires share price in the first half of 2006). The transaction did not change the Group's percentage interest or percentage control in Natexis Banques Populaires and was treated as an internal reclassification of securities. Accordingly, the €40.7 million decrease in net assets representing the share of the net capital gain due to employees was maintained in the Group's consolidated financial statements at December 31, 2006.

(5) Other changes in 2006:

Other changes principally comprised:

- *a €21 million reclassification of equity attributable to equity holders of the parent between consolidated reserves and unrealized gains and losses;*
- *a €7 million reduction arising from other changes in 2006, including an impact of €6 million (net of deferred tax) from the change in estimates of borrower insurance commissions that must be recognized over the life of the loan, and the first-time impact of 2004 IFRSs on January 1, 2004.*

(6) Impact of acquisitions and disposals on minority interests in 2007:

The €11 million increase in minority interests was mainly due to minority interests in BCI Mer Rouge (+€8.5 million), a BRED subsidiary acquired in July 2007. Other changes were not material.

(7) Deeply subordinated debt issue: On December 11, 2008, Banque Fédérale issued €950m of deeply subordinated notes to SPPE (Société de Prise de Participation de l'Etat). In accordance with IAS 32, by virtue of the indeterminate term of these notes and the discretionary nature of interest payments on them, these notes are classified as equity (reserves associated with capital).

(8) Impact of acquisitions and disposals on minority interests in 2008:

The €47 million increase in minority interests was mainly due to BP Développement (+€45 million).

4. *Consolidated cash flow statement*

In € millions	12/31/2008	12/31/2007	12/31/2006
Income before income taxes	**(290)**	**1,456**	**4,387**
+/- Net charge to depreciation and amortization of property, plant and equipment and intangible assets	379	328	338
+/- Impairment of goodwill and other non-current assets	286	104	(54)
+/- Net charge to other provisions (including insurance reserves)	1,074	1,544	3,177
+/- Share of results of associates	(128)	(154)	(36)
+/- Net loss/(gain) on investing activities	(441)	(383)	(453)
+/- Net loss/(gain) on financing activities	0	0	0
+/- Other movements	540	649	(53)
= Total non-cash items included in pre-tax income and other adjustments	**1,710**	**2,087**	**2,920**
+/- Decrease/(increase) in interbank and money market items	6,580	1,381	10,652
+/- Decrease/(increase) in customer items	(8,086)	(9,056)	(14,790)
+/- Decrease/(increase) in other financial assets or liabilities	(4,560)	7,456	(1,424)
+/- Decrease/(increase) in non-financial assets or liabilities	(2,645)	(20,569)	(3,062)
- Income taxes paid	(222)	(946)	(945)
= Net decrease/(increase) in operating assets and liabilities	**(8,933)**	**(21,734)**	**(9,570)**
TOTAL NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES (A)	**(7,513)**	**(18,190)**	**(2,263)**
+/- Decrease/(increase) in financial assets and investments in associates	1,425	14,494	153
+/- Decrease/(increase) in investment real estate	(237)	(4)	(92)
+/- Decrease/(increase) in property, plant and equipment and intangible assets	(1,145)	(582)	(396)
TOTAL NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES (B)	**43**	**13,907**	**(335)**
+/- Cash received from/(paid to) shareholders	(141)	(55)	2,706
+/- Other cash provided/(used) by financing activities	15,870	5,432	(231)
TOTAL NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES (C)	**15,729**	**5,378**	**2,474**
Effect of exchange rate changes on cash and cash equivalents (D)	**(490)**	**(58)**	**(44)**
Net increase/(decrease) in cash and cash equivalents (A + B+ C + D)	**7,769**	**1,036**	**(168)**
Net cash provided/(used) by operating activities (A)	(7,513)	(18,190)	(2,263)
Net cash provided/(used) by investing activities (B)	43	13,907	(335)
Net cash provided/(used) by financing activities (C)	15,729	5,378	2,474
Effect of exchange rate changes on cash and cash equivalents (D)	(490)	(58)	(44)
Opening cash and cash equivalents	**1,377**	**341**	**509**
Cash, central banks, post offices (assets and liabilities)	3,358	2,939	2,713
Interbank balances	(1,980)	(2,599)	(2,203)
Closing cash and cash equivalents	**9,146**	**1,377**	**341**
Cash, central banks, post offices (assets and liabilities)	4,416	3,358	2,939
Interbank balances	4,730	(1,980)	(2,599)
Change in cash and cash equivalents	**7,769**	**1,036**	**(168)**

8.2.3 Notes to the consolidated financial statements

Sommaire

Note I Basis of presentation

Although the Group is under no obligation to adopt IFRSs as it is not publicly traded, the Board of Directors of Banque Fédérale des Banques Populaires decided that the consolidated financial statements of Banque Populaire Group would be prepared in accordance with IFRSs from January 1, 2005. This decision was made to facilitate transparency and comparability with other major banking institutions. The consolidated financial statements include a balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

The consolidated financial statements of the Group for the year ended December 31, 2008 were authorized for issue by the Board of Directors on February 25, 2009. The consolidated financial statements were prepared in accordance with IFRSs (International Financial Reporting Standards) as adopted by the European Union and applicable at that date. These include IFRSs 1-8 and IASs (International Accounting Standards) 1-41, along with interpretations including IFRIC 8, IFRIC 9 (separation of embedded derivatives at initiation), IFRIC 10 (no release of impairment losses recorded on goodwill and available-for-sale assets) and IFRIC 11 (group and treasury share transactions).

Standards and amendments applicable since January 1, 2008

Of the standards and amendments applicable for the first time at January 1, 2008, only the amendments to IAS 39 and IFRS 7 titled "Reclassifications of Financial Assets", published on October 13, 2008 and adopted by the European Commission on October 15, 2008, have had a significant impact on the 2008 financial statements.

These amendments permit, under certain conditions:

- reclassification of financial assets (other than derivatives) out of the category of "Financial instruments at fair value through profit and loss - held for trading";
- reclassification of financial assets in the category "Available-for-sale financial assets" to the categories "Loans and receivables" or "Held-to-maturity assets".

For assets meeting the definition of "Loans and receivables" at the date of reclassification, transfer is conditional on the entity having the intention and ability to hold the financial asset for the foreseeable future or until maturity. Thus, if the asset had been classified initially in the category "Financial instruments at fair value through profit and loss - held for trading", it must no longer be held for the purpose of selling it in the near term. If the instrument is a hybrid initially recognized as held for trading and including an embedded derivative, an analysis must be made on the basis of conditions at the time of the original transaction to determine whether the derivative must be separated at the transfer date.

The Group has applied the possibilities opened by these amendments *(see note IV.6)*

In addition, the Group has taken into account:

- regarding measurement of financial instruments on its books at December 31, 2008, the recommendation published on October 15, 2008 by the AMF, the Conseil National de la Comptabilité, the European Commission, the Commission Bancaire and the Autorité de Contrôle des Assurances et des Mutuelles, as well as the guide published by the IASB on October 31, 2008, "Measuring and disclosing the fair value of financial instruments in markets that are no longer active". Both of these documents emphasize the importance of using judgment to determine the fair value of financial instruments in an illiquid market;
- regarding disclosure of risk exposures, the French authorities' interpretation of the recommendations of the Financial Stability Forum. Information on exposures presented according to the format proposed by the Commission Bancaire in a document published on May 29, 2008 (*"Note de présentation relative à la déclinaison française des recommandations formulées par le Forum de Stabilité Financière en matière de transparence financière"*) has been included in the Management Report;
- regarding accounting for insurance contracts and investment contracts with a discretionary participation clause, the CNC recommendation of December 19, 2008.

Standards and amendments adopted by the European Union as of December 31, 2008 but not applied early to the 2008 financial statements

Banque Populaire Group has elected not to make early application of the following standards and amendments adopted by the European Union:

- IFRS 8, "Operating Segments", adopted by the European Commission on November 21, 2007 and required to be applied from January 1, 2009. This standard replaces IAS 14, "Segment Reporting". It alters the presentation of segment information by favoring a managerial approach to defining business segments.
- The amendment to IAS 1, "Presentation of Financial Statements", published by the IASB on September 6, 2007 and adopted by the European Commission on December 17, 2008. This amendment, required to be applied to financial years beginning on or after January 1, 2009, replaces the current IAS 1 standard and is intended to make it easier for users to analyze and compare information provided in the financial statements. The amended standard bears exclusively on aspects of presentation and content of the financial statements and will therefore have no impact, when it is applied from January 1, 2009, on the level of net income or equity.
- The amendment to IFRS 2, "Share-based Payment", published by the IASB on January 17, 2008 and adopted by the European Commission on December 16, 2008. This amendment clarifies that vesting conditions are service and performance conditions only and that all cancellations should receive the same accounting treatment. It is applicable retrospectively to financial years beginning on or after January 1, 2009. It is unlikely to have an impact on the accounting for the Group's share-based payment plans.
- The amendment to IAS 23, published by the IASB on March 29, 2007 and adopted by the European Commission on December 10, 2008. The amended version of IAS 23, required to be applied to financial years beginning on or after January 1, 2009, eliminates the possibility of immediate recognition in expense of borrowing costs directly attributable to the acquisition, construction or production of an eligible asset. This amendment will have no significant impact on the Group's financial statements.
- IFRIC 11, "Group and Treasury Share Transactions", adopted by the European Union on June 2, 2007 and applicable from January 1, 2009, is unlikely to have an impact on the Group's financial statements.
- IFRIC 13, "Customary Loyalty Programmes", adopted by the European Commission on December 16, 2008 and applicable to financial

years beginning after January 1, 2009, is not relevant to the Group's activities.

IFRIC 14, "The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction", was published by the IASB on July 5, 2007 and adopted by the European Commission on December 16, 2008. Because the Group faces no such minimum financing requirements, this interpretation is unlikely to have an impact on its consolidated financial statements.

Note II Consolidation methods and principles

II.1 *Structure of the Banque Populaire Group*

The Banque Populaire Group is a mutual group: The capital of the Group's central body, Banque Fédérale des Banque Populaire, is owned by the Banque Populaire banks, which are wholly-owned by their member-stakeholders. Banque Fédérale des Banque Populaire is responsible for guaranteeing the liquidity and capital adequacy of the Banque Populaire network.

The Banque Populaire Group and the Caisse d'Epargne Group exercise joint control over Natixis, the corporate and investment banking and project finance arm and listed vehicle of the two groups.

Due to its unusual ownership structure, the consolidated financial statements of the Banque Populaire Group are based on the definition of a consolidating entity made up of a group of members bound by a single mechanism for financial relations and corporate governance.

The consolidating entity has been determined in accordance with IAS 27, which allows the Group to prepare its consolidated financial statements using IFRSs.

II.1.1 The role of Banque Fédérale des Banques Populaires

Since its reincorporation as a "société anonyme" pursuant to Article 27 of act no. 2001-4200 of May 16, 2001, Banque Fédérale des Banques Populaires has fully and actively exercised the two key roles assigned to it:

Role of central body of the Banque Populaire Group

In accordance with the 1947 Act on cooperative groups, and with Article 8 of the May 16, 2001 act, the role of central body forms the core of the Banque Populaire group's organization. Banque Fédérale des Banques Populaires is responsible for:

- organizing the liquidity and capital adequacy of the network as a whole;
- defining the policy and future strategy of the Banque Populaire Group;
- negotiating national and international agreements on behalf of the network;
- more generally, exercising administrative, technical and financial control over the organization and management of the Banque Populaire banks and their direct or indirect subsidiaries in order to maintain a cohesive network and ensure its proper functioning and development.

In 2003, the role of central body was extended to Crédit Maritime Mutuel, pursuant to Article 93 of the Financial Security Act (act no. 2003-706) of August 2003.

Role of banking holding company and bank

Banque Fédérale des Banques Populaires is the holding company for its directly-owned subsidiaries. As a fully-fledged bank, Banque Fédérale des Banques Populaires centralizes the Banque Populaire banks' cash surpluses and ensures their refinancing. This function is substantially delegated to Natixis under a cash pooling agreement.

Role as core shareholder of Natixis

Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne are bound by a shareholders' agreement. The two groups have agreed to maintain strictly equal percentage holdings in Natixis for a period of ten years, renewable for successive terms of five years. During this period, the two groups undertake not to enter into any concert arrangement regarding Natixis shares with third parties. The shareholders ' agreement gives both groups an equal number of seats on Natixis' Supervisory Board and requires them to consult and agree on how they will vote on certain strategic decisions.

II.1.2 Liquidity and capital adequacy - internal guarantee mechanisms

The system guaranteeing the liquidity and capital adequacy of the Banque Populaire network has been organized under a framework decision by Banque Fédérale des Banques Populaires, in its capacity as central body in accordance with Articles L. 511-30, L. 511-31 and L. 512-12 of the French Monetary and Financial Code to which the articles of association of the Banque Populaire banks make explicit reference (Article 1).

The Banque Populaire network comprises the Banque Populaire banks, the exclusive mutual guarantee companies and Banque Fédérale des Banques Populaires.

The system works by pooling the capital of all banks in the network.

Banque Fédérale des Banques Populaires is able to put the system into effect by calling upon the Banque Populaire banks to contribute capital, within the limits of their own resources. As a last resort, Banque Fédérale des Banques Populaires will make its own capital available to meet the liquidity and capital adequacy requirements of the Banque Populaire banks.

Banque Fédérale des Banques Populaires also benefits from the guarantee system. The Banque Populaire banks are required to provide it with financial support, particularly to enable it, as required, to assume its obligations as central body for banks that are affiliated to Banque Fédérale des Banques Populaires but that do not form part of the Banque Populaire network.

The capital pool is organized in two tiers. The first tier consists of the "federal solidarity fund" set aside by Banque Fédérale des Banques Populaires as a component of its fund for general banking risks. The second tier is the "regional solidarity fund" set aside by each Banque

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Populaire bank as a component of their funds for general banking risks. Each year, the Banque Populaire banks transfer an amount to this regional fund equal to 10% of their net income before transfers to the fund for general banking risks and tax, after deduction of tax on the amount of the transfer. Withdrawals from these funds by the Banque Populaire banks must be authorized by Banque Fédérale des Banques Populaires.

A collective agreement has also been signed, whereby each Banque Populaire bank guarantees the liquidity and capital adequacy of the mutual guarantee companies whose corporate purpose is limited to guaranteeing the activities of the Banque Populaire banks.

In the context of the affiliation of Crédit Maritime Mutuel, for which Banque Fédérale des Banques Populaires is the central body, in accordance with Article L. 512-69 of the French Monetary and Financial Code, the Banque Populaire network's guarantee system also guarantees the liquidity and capital adequacy of Crédit Maritime Mutuel.

The members of the network also contribute, along with all French credit institutions, to the Fonds de Garantie des Dépôts (deposit guarantee fund) set up in application of the Depositors' Protection Act.

In the separate financial statements of each entity, the Federal Solidarity Fund and Regional Solidarity Funds are recognized by Banque Fédérale des Banques Populaires and the Banque Populaire banks respectively as a specific component of the Fund for General Banking Risks. Under IAS 30 and IAS 37, these funds do not meet the criteria for recognition as a liability and accordingly they were reclassified as equity in the consolidated financial statements on January 1, 2004. Similarly, transfers in and out of the funds have been eliminated in the income statement.

On Monday 2, April, 2007, Philippe Dupont, Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires, and Charles Milhaud, Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne, signed the agreement which affiliated Natixis to Caisse Nationale des Caisses d'Epargne and Banque Fédérale des Banques Populaires in their capacity as central body. The agreement, which was approved by the CECEI (Comité des établissements de crédit et des entreprises d'investissement) during its meeting of March 30, 2007, constitutes an extension to the creation of Natixis on November 17, 2006, in accordance with the commitments made.

This dual affiliation is in accordance with Article L. 511.31 of the French Monetary and Financial Code. It enables Natixis to benefit from the respective guarantee and solidarity systems of the Banque Populaire Group and the Caisse d'Epargne Group. Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne will, as required by banking law and regulations, fulfill their duty as lead shareholders of Natixis at the request of the Commission Bancaire. They have jointly and irrevocably undertaken, even in the event of disagreement between them, to comply promptly with recommendations or instructions given by the Commission Bancaire to provide, on an equal basis and jointly and severally if necessary, any funds that Natixis might require to comply with the provisions of banking law and regulations and its commitments to the banking authorities.

If Banque Fédérale des Banques Populaires and/or Caisse Nationale des Caisses d'Epargne were required to provide Natixis with funds that would put them in the position of requiring financial support themselves, the guarantee and solidarity mechanisms internal to each of the Banque Populaire and Caisse d'Epargne groups will come into play in accordance with Article L. 511-31 of the French Monetary and Financial Code.

II.1.3 Definition of the consolidating entity

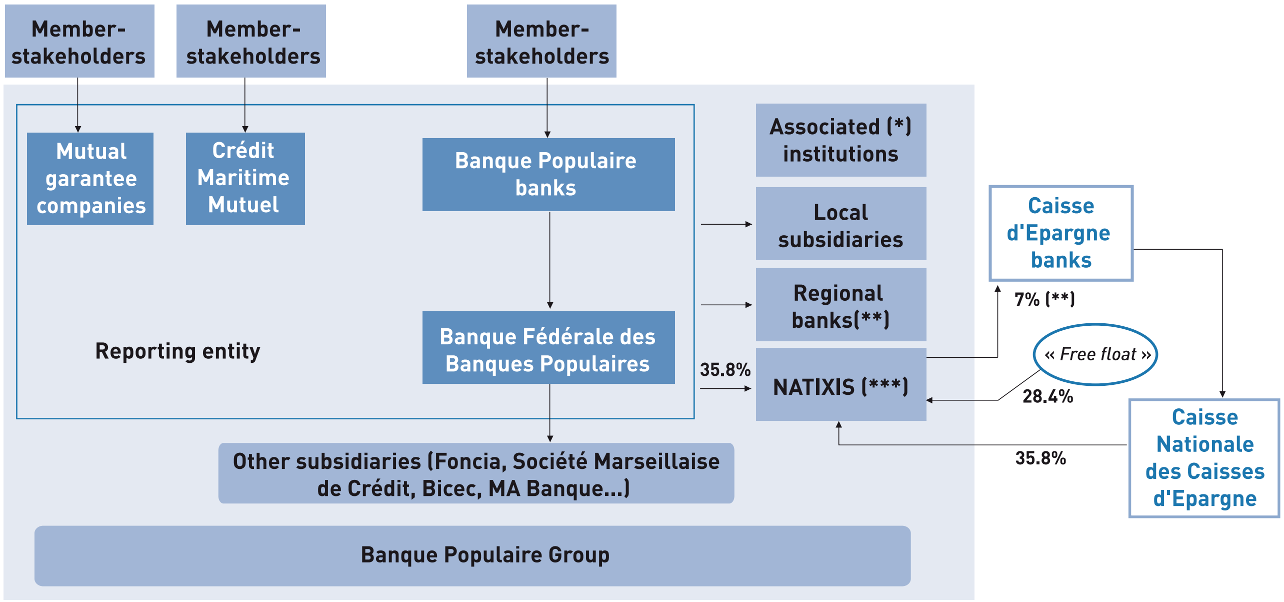
Due to the Group's unusual ownership structure, the consolidating entity is made up of all the institutions directly or indirectly affiliated with the central body, as follows:

- the **Banque Populaire banks**, i.e. the 18 Banque Populaire regional banks, CASDEN Banque Populaire and Crédit Coopératif;
- the **Crédit Maritime Mutuel** banks that are affiliated to Banque Fédérale des Banques Populaires pursuant to the Financial Security Act of August 1, 2003 (act no. 2003-706) and consolidated as of the second half of 2005;
- the **mutual guarantee companies** which are licensed jointly with the Banque Populaire banks to which they are attached;
- the **Group's central body**: within the meaning of the law, i.e. Banque Fédérale des Banques Populaires.

The Banque Populaire Group also includes:

- local subsidiaries owned by the Banque Populaire banks, including the regional banks acquired from HSBC France on July 2, 2008;
- subsidiaries owned by the central body, mainly including:
  - Natixis, which is consolidated in proportion to the Group's percentage holding of it,
  - FONCIA, France's leading provider of residential real-estate services,
  - Société Marseillaise de Crédit, acquired from HSBC France on July 2, 2008.

Since the first half of 2004, the Banque Populaire Group has included the credit institutions that have signed an association agreement with Crédit Coopératif. Their share of their net income and equity is recorded under minority interests.



(*) Credit institutions "associated" with Crédit Coopératif via an association agreement.

(**) Including regional banks acquired from HSBC France on July 2, 2008 and transferred to the Banque Populaire banks: Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy, de Parseval, Banque Pelletier and Crédit Commercial du Sud Ouest

(***) The Caisse d'Epargne banks, which are 20% owned by Natixis through cooperative certificates of investment, are accounted for using the equity method to the extent of the Group's percentage holding, i.e 7%.

II.2 *Scope of consolidation and consolidation methods*

Control

The scope of consolidation includes all significant entities over which the consolidating entity exercises control or influences its management. IFRSs specify three types of control: sole control, joint control and significant influence. The type of control exercised by the consolidating entity is not based solely on the percentage of voting rights it holds, but includes an economic and legal analysis of relations between the consolidating entity and its subsidiaries.

Under IAS 27, **sole control** is presumed to exist when the parent either has:

- ownership, directly or indirectly through subsidiaries, of more than half of the voting rights of an entity; or
- power to direct the financial and operating policies of the entity under a statute or an agreement; or
- power to appoint or remove the majority of the members of the Board of Directors or equivalent governing body and control of the entity is by that board or body.

For entities that are 40-50% owned, IAS 27 requires control to be demonstrated for the entity to be fully consolidated.

According to IAS 31, **joint control** is the contractually agreed sharing of control over an economic activity between a limited number of shareholders or investors, where no shareholder is able to impose its decisions on the others, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

According to IAS 28, **significant influence** is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies. Significant influence is presumed to exist when the consolidating entity directly or indirectly owns at least 20% of the voting rights.

In order to present a true and fair picture of the Group's consolidated operations, only those subsidiaries providing a material contribution are consolidated. Materiality is not determined with respect to numerical thresholds, but based on the principle of ascending materiality. In other words, any entity included at a sub-consolidation level is included at all higher consolidation levels, even if it is not material at those levels. Conversely, any entity considered to be material within a given scope of consolidation is also considered to be material at all lower consolidation levels and must therefore be consolidated by them where sole control is exercised.

Consolidation methods

The Group's consolidated financial statements include the financial statements of the parent company, controlled entities and entities over which the Group has significant influence.

Full consolidation

Entities over which the Group has sole control are fully consolidated.

Proportional consolidation

Entities over which the Group has joint control are proportionally consolidated. IAS 31 also permits jointly controlled companies (joint ventures) to be accounted for using the equity method.

The Group has not applied this option. Since the creation of Natixis on November 17, 2006, Natixis and all subsidiaries controlled by it have been proportionally consolidated as Natixis is jointly controlled through the contractually agreed sharing of control by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

Equity method

Companies over which the Group has significant influence are accounted for using the equity method.

The transfer of Caisses d'Epargne cooperative certificates of investment to the new Natixis group gives Natixis significant *de jure* and *de facto* influence over the Caisses d'Epargne banks. These entities are accordingly accounted for using the equity method in the Group's financial statements through its holding in Natixis, in proportion to the Group's percentage interest in Natixis.

Potential voting rights

IAS 27 requires the consolidating entity to consider the existence and effect of instruments such as call options and potential voting rights when assessing whether it exercises control or significant influence. However, potential voting rights are not taken into account for the purpose of calculating the percentage holding.

A review of potential voting rights held by the Group did not lead to any changes in the scope of consolidation in 2007 and 2008.

Private equity

IAS 27 requires the consolidation of all subsidiaries regardless of the activity of the parent company. It therefore applies to private equity companies in the same way as other companies.

Accordingly, a private equity company is required to consolidate all investments in which it holds more than 50%, provided they are material.

However, IAS 28 and 31 recognize the specific nature of the private equity business. Private equity investments between 20% and 50% do not have to be accounted for using the equity method if they are designated at inception as at fair value through profit and loss in accordance with IAS 39. These standards accept that for this type of investment:

- fair value provides a better level of information than full consolidation or equity accounting;
- measurement at fair value is a well-established practice among private equity companies;
- percentage holdings may vary and the application of IAS 28 would therefore lead to frequent deconsolidations and reconsolidations which would affect the quality of the information provided.

The group's private-equity subsidiaries have chosen to measure the holdings concerned in this way, considering that this valuation method provides investors with more relevant information.

A review of investments held by the Group's private equity companies did not lead to the consolidation of any majority investments, as none is material.

Exclusion from the scope of consolidation

Only entities acquired with the intention of reselling them within twelve months of their acquisition, where an active plan to seek a purchaser has been established, are excluded from the scope of consolidation. No structure within the Group meets this criterion.

II.3 *Securitization and special-purpose entities*

II.3.1 Consolidation of special-purpose-entities

Special purpose entities (SPEs) created to manage a specific operation or group of similar operations are fully consolidated if they are controlled in substance by the Group, even where there is no equity relationship. The main criteria for assessing the existence of control as defined by SIC 12 are as follows:

- **Activities**: in substance, the activities of the SPE are being conducted on behalf of the Group, which directly or indirectly created the SPE according to its specific business needs.
- **Decision-making**: the Group has the decision-making powers to control or to obtain control of the SPE or its assets, including certain decision-making powers arising after the formation of the SPE, or the Group has delegated these decision-making powers by setting up an "autopilot" mechanism.
- **Benefits**: in substance, the Group has rights to obtain a majority of the benefits of the SPE's activities distributed in the form of future net cash flows, earnings, net assets or other economic benefits, or rights to majority residual interests.
- **Risks**: in substance, the Group retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

Entities carrying out their activities as part of a trustee relationship, involving management on behalf of a third party and in the interest of the other stakeholder, are excluded from the scope. SIC 12 does not apply to entities created to manage post-employment benefits and long-term employee benefits, which are covered by IAS 19 "Employee benefits". As a result, employee pension funds and supplementary health insurance plans are excluded from the scope of consolidation.

II.3.2 Proprietary securitization transactions in Retail Banking

- In March 2001, **BRED Banque Populaire** securitized a portfolio of home loans through the **Crystalys** special purpose entity, partly guaranteed by CASDEN Banque Populaire. At inception, Crystalys' assets consisted of **€1,013 million** of BRED Banque Populaire mortgages. At December 31, 2008, the amount of loans outstanding was **€162 million**. In line with SIC 12, Crystalys is fully consolidated in the IFRS financial statements as of January 1, 2004, as CASDEN Banque Populaire and BRED Banque Populaire retain the majority of the risks and rewards of ownership of both compartments. Its consolidation had no impact on equity or Tier I capital as the Banque Populaire Group has retained all the units issued by the SPE.
- In December 2004, **CASDEN Banque Populaire** and **BRED Banque Populaire** carried out a securitization through the **Amaren 2** special purpose entity. At inception, the SPE's assets comprised **€1,026 million** of CASDEN Banque Populaire mortgages and €769 million of BRED mortgages, which were partly guaranteed by CASDEN Banque Populaire and BRED Banque Populaire's mutual guarantee companies. At December 31, 2008, the amount of loans outstanding was **€857 million**. In accordance with SIC 12, Amaren 2 has been consolidated by the Group, since CASDEN Banque Populaire and BRED Banque Populaire have retained most of the securities issued by the SPE.

- In June 2007, BRED Banque Populaire securitized mortgages through the **Elide SPE**. At inception, the SPE's assets comprised **€1,270 million** of **BRED Banque Populaire** mortgages. Its assets were topped up on December 16, 2008 with mortgages totaling **€1,000 million**. At December 31, 2008, the amount of loans outstanding was **€2,032 million**. n accordance with SIC 12, Elide is consolidated by the Group, since BRED Banque Populaire has retained most of the securities issued by the SPE.

II.3.3 Types of special-purpose entities with which the Natixis sub-group is in relation

In the course of its activities, the Natixis sub-group is in relation with numerous special-purpose entities, for which at acts as**:** lender, investor, guarantor, manager, sponsor or arranger.

The characteristics of these entities and their consolidation status is analyzed below, by business line and broad type of structure:

II.3.3.1 Special-purpose entities in asset management (mutual funds, CDOs, real-estate funds)

Mutual funds

The analysis varies according to whether Natixis has guaranteed the fund or not:

- **Non-guaranteed mutual funds**:

The management role of the asset management company does not transfer most of the risks and benefits of a fund to the NGAM sub-group. The asset management company does not guarantee and does not bear risks relating to the fund's assets, and any performance-sharing agreement with the asset management company relate to only a minority of the gains. Fees paid to Natixis Global Asset Management for fund management services are marginal compared with the performance generated for investors.

The "risks" and "benefits" criteria of SIC 12 must therefore be assessed with respect to any stake owned in the fund by the asset management company or by any other Natixis group entity. Since Natixis Global Asset Management and no other group entity owns a significant stake in the mutual funds, the Natixis group bears neither the majority of the benefits or risks of these non-guaranteed mutual funds. At December 31, 2008, only the NBP Invest fund was consolidated, since Natixis owned 100% of the fund and the fund was material with respect to Natixis' consolidated financial statements.

- **Guaranteed mutual funds**:

Natixis grants a capital and/or performance guarantee to certain mutual funds. An analysis of the risks taken by Natixis through these guarantees shows that the risk is under control, because of management principles and control procedures, the composition of the fund (money-market assets), rigorous counterparty risk management or the systematic reversal of swaps in the market (where Natixis is the counterparty of the performance swap taken out by the fund). As a result, these mutual funds are not consolidated.

CDO-type structures

Natixis Global Asset Management operates as portfolio manager for these funds. Its role is strictly limited by the management agreement, and it never has de facto control over any CDO. Neither Natixis Global Asset Management nor any other Natixis group entity owns a material interest in these funds. Natixis does not therefore bear the majority of risks or benefits. As a result, none of these funds was consolidated at December 31, 2008.

Real-estate funds

Most of these funds were set up by Natixis Global Asset Management, but NGAM may only manage portfolios of real-estate assets under a management contract granted by a third party. Its role is strictly limited by the management agreement, and it never has de facto control over any real-estate fund.

The management commission received is not sufficient to enable it to benefit from the majority of cash flows from any fund. If an outperformance commission exists, it generally takes the form of a liquidating dividend, which is first received by fund unit-holders. Whether or not NGAM bears "the majority of the risks" and "the majority of the benefits" is therefore analyzed with respect to the group's percentage interest in these funds.

On that basis, one real-estate fund managed by Natixis Global Asset Management was consolidated at December 31, 2008: EPI SLP.

US funds managed by the Natixis Global Asset Management Corp sub-group

Several funds managed by asset management companies in the Natixis Global Asset Management Corp are consolidated because the sub-group owns a majority stake in them:

- LS Consumer Discretionary LLC;
- Loomis Sayles Energy LLC;
- Loomis Sayles Trust Company LLC;
- Loomis Sayles International Bond Fund;
- Loomis Sayles Multi-Strategy Fund LP;
- Loomis Sayles Alpha LLC;
- Vaughan Nelson Value opportunities fund;
- LS Energy Hedge Fund II LP;
- Natixis Global Growth Fund;
- ASG Quasar Fund;
- ASG Laser Fund;
- ASG Global Alternatives Fund;
- Natixis Oakmark Global LC.

II.3.3.2 Special-purpose entities in the Life Insurance business (Natixis Assurances sub-group)

The Natixis Assurances sub-group's stakes in mutual funds and non-trading property companies are purchased with respect to non-unit-linked or unit-linked insurance policies.

- Non-unit-linked policies pay out a minimum guaranteed return and most of the surpluses generated by the insurance company's general fund. The difference between the return on the fund and the minimum guaranteed return is borne by the insurer, which bears the risk. For these funds, the risk and benefit criteria are met if the insurer owns a majority stake. At December 31, 2008, the Natixis Assurances sub-group owned at majority stake in four funds that were material with respect to the consolidated financial statements, and that are therefore consolidated:

– ABP Actions,

– ABP Croissance rendement,

– ABP Midcap,

– Fructifoncier.

- In unit-linked policies, the policyholder selects the investments in which the insurer invests on his/her behalf. The value of the insurer's stake in these funds is reflected in the insurance policy. The return on these policies is not guaranteed. The risks and benefits relating to these investments are borne by policyholders. As a result, the funds are not consolidated.

II.3.3.3 Special-purpose entities in the credit insurance business (Coface sub-group)

The Coface sub-group's credit insurance operations consist of insuring receivables securitized by a third party and sold to investors via a special-purpose entity over and above a certain level of loss. In that type of structure, the Coface sub-group plays no role in determining the activity of the special-purpose entity or in managing its operations. The premium received for the insurance has a minor impact on the overall flows generated by the structure, most of which flow to investors.

For risk analysis purposes, policies sold by German subsidiary Coface Kredit and those sold in France by Coface must be distinguished:

- In the German contracts, the credit insurer only bears the risk beyond a deductible amount known as the "Aggregate First Loss". This contractually defines the amount of the first loss that is not covered by the credit insurer. The guarantee provided by Coface Kredit through these policies is similar to that provided by a catastrophe insurance policy. Analyzing each structure, we see that the "first loss" is always greater than the "expected loss", i.e. the average loss expected during the year. The criterion requiring the majority of risks to be borne is therefore deemed not to be met. As a result, special-purpose entities involved in these structures are not consolidated;
- French policies sold by Coface rarely feature non-guaranteed "first loss" clauses. However, the policies only insure a small portion of the receivables held by each entity. In addition, the type of portfolio risk guaranteed by Coface by comparison with that borne by other entities (other insurers, sponsors, ceding insurers) does not transfer the majority of the structure's risks to Coface. As a result, these entities are not consolidated.

II.3.3.4 Entities in the private equity business

In its private equity activities, the Natixis Private Equity sub-group invests in the equity of unlisted companies through venture capital funds (FCPRs), venture capital investment companies (SICARs) and limited partnerships. All SIC 12 criteria (activity, decision-making power, majority of the benefits and majority of the risks) are assessed with respect to Natixis Private Equity's stake in each invested tranche, and to any guarantees provided to these vehicles.

On this basis, four subsidiaries were consolidated at December 31, 2008:

- Dahlia A SICAR SCA (venture capital investment company);
- IXEN (venture capital fund);
- IXEN II (venture capital fund);
- IXEN III (venture capital fund).

Natexis Investment Corp., a wholly-owned subsidiary of Natixis, owns stakes in private equity funds. These funds are not consolidated because the percentage interest in each is very small (usually less than 1%), and so the SIC 12 criteria (activity, decision-making power, majority of benefits and risks) are not met.

II.3.3.5 Special-purpose entities in the Structured Financing business (Corporate and Investment Banking segment)

Continuous activities:

Excluding financial engineering

In project financing (industrial or infrastructure projects), equipment financing (aircraft, ships or land-based transport), real-estate financing, LBO financing and commodity financing, Natixis may set up a special-purpose entity to house a specific financing transaction on behalf of a client.

These entities do not meet any of the SIC 12 criteria because:

- the SPE's activities are conducted on behalf of the client;
- Natixis rarely has an ownership interest in these entities, and when it does, its stake is generally a minority one. Most of these structures operate on autopilot, and Natixis has not set the autopilot mechanism to its benefit;
- Natixis only operates as a lender to these structures. The loans are usually syndicated, and risks are split between lenders in proportion to the amounts lent.

There are few structures in which Natixis is the sole lender or in which it owns a majority stake, and these structures are not material with respect to Natixis' consolidated financial statements.

As a result, Natixis did not consolidate any of these entities at December 31, 2008.

Financial engineering activities

Special-purpose entities may be used to hold securities on behalf of a client.

Such entities include Akhdar Investment Group and Gulf Capital Luxembourg, which were previously included in the scope of consolidation due to Natixis' majority stakes in them. At December 31, 2008, these entities were in liquidation, and were therefore excluded from the scope of consolidation.

As regards other special-purpose entities, Natixis does not own a majority of their capital. In addition, the risks and benefits criteria are not met, because the risk is borne either by the equity investor or by a third party that guarantees the value of the entity's assets with respect to Natixis.

Special-purpose entities are used to transform a debt instrument (asset) into a more equity-like instrument (liability), for example through the issue of preferred shares. There were four entities that were material with respect to the consolidated whole and controlled by Natixis that were consolidated at December 31, 2008:

- Natexis Banque Populaire Preferred Capital 1;
- Natexis Banque Populaire Preferred Capital 2;
- Natexis Banque Populaire Preferred Capital 3;
- Garbo Invest.

AMBS LLC was removed from the scope of consolidation on December 31, 2008, since preferred shares were fully redeemed during the year.

Compartmentalized activities:

Securitization conduits generally take the form of a special-purpose entity in which assets or derivatives representing credit risks are compartmentalized.

These entities are used to diversify underlying credit risks and to divide them up, so that they can be acquired by investors seeking a certain level of return, depending on the level of risk accepted.

Conduits' assets and liabilities are rated by rating agencies, which continuously check that the risk borne by each tranche tallies with the rating given.

Investors may be seeking a relatively short-term investment, in which case the assets owned by the conduit (i.e. asset-backed commercial paper or ABCP) are transformed into commercial paper with a maturity shorter than that of a fund.

Natixis operates mainly in structures involving a securitization vehicle, and its role includes:

- structuring securitization transactions;
- originating securities or loans held as assets awaiting securitization;
- acting as an intermediary for credit risk between the market and the securitization entity.

Natixis also sponsors three ABCP conduits: Direct Funding, Elixir and Versailles.

Because of the compartmentalization of risk and their role in spreading credit risk among investors other than Natixis, securitization conduits are not generally available for consolidation under IFRSs:

- These activities are mainly carried out on behalf of investors outside the Natixis group to enable them to invest in diversified portfolios;
- Any asset management is carried out by a third-party structure. Natixis does not exert decision-making or management power within these entities;
- Natixis never bears the majority of the benefits, which flow mostly to external investors;
- Natixis only owns the most senior tranches of these structures, and does not bear the majority of the risks.

At December 31, 2008, a review of whether securitization structures were available for consolidation concluded that three entities, whose underlying portfolio consisted of subprime mortgage-backed CDOs and ABSs, were available for consolidation.

Defaults in 2008 affected some or all of the subordinated tranches of these structures, owned by external investors.

As a result, these structures are impliedly and de facto consolidated, since Natixis remains their main investor and since the risks on the underlying assets are measured by valuing the units owned, which are included in Natixis' "Trading instruments at fair value through profit and loss" portfolio.

II.3.3.6 Other real-estate funds

Natixis Immo Developpement invests in real-estate assets in partnership with other investors, using two types of structure:

- joint ventures, which are not consolidated, since each participant recognizes its rights in the joint venture's assets, liabilities and earnings;
- other structures in which a separate legal entity acquires the assets (SCI, SAS, SNC etc.). Natixis Immo Développement does not own any equity interest in structures that would have a significant impact on the Natixis group's consolidated financial statements. As a result, none of these entities was consolidated at December 31, 2008.

Natixis controls some vehicles whose purpose is to own or lease a real-estate asset in order to re-let it or to provide it to other group subsidiaries or third parties. These vehicles are consolidated if Natixis owns a majority stake in them and if they are material with respect to the Natixis group's consolidated financial statements. Three special-purpose entities met these criteria and were consolidated at December 31, 2008:

- Natixis Immo Exploitation;
- SCI Altaïr 1;
- SCI Altaïr 2.

The Natixis Lease sub-group owns a number of special purpose entities that hold real-estate assets. Four of them are controlled by the group (ownership percentage over 50%) and were material at December 31, 2008. They were therefore included in Natixis' scope of consolidation at that date:

- SCI Valmy Coupole;
- Fructibail Invest;
- OPCI Natixis Lease Investissement;
- SASU Immobilière Natixis Bail, owned by OPCI Natixis Lease Investissement.

Natixis Garanties owns three SCIs (non-trading property companies), which own the business line's operating premises. All three were included in Natixis' scope of consolidation at December 31, 2008. There were as follows:

- SCI Champs-Elysées;
- SCI La Boetie;
- SCI SACCEF.

II.4 *Presentation of the financial statements and year end*

II.4.1 Consolidated financial statements

The consolidated financial statements are presented in the format set out in CNC recommendation 2004-R03 of October 27, 2004, relating to IFRS financial statement presentation.

All figures are expressed in millions of euros unless otherwise stated.

II.4.2 Year end

The consolidated financial statements are based on the separate financial statements of Banque Populaire Group companies as of December 31, 2008.

II.5 *Institutional activities conducted by Natixis and its Coface subsidiary*

Natixis

In accordance with the amended Finance Act for 2005 (act no. 2005-1720 of December 30, 2005, Article 116) and with the agreement signed by Natixis and the French State on December 28, 2006, Natixis manages certain public procedures on behalf of the French State. These transactions are recognized separately in the financial statements and some of them may be guaranteed by the State. The State and other related creditors have a specific right over the assets and liabilities allocated to these institutional activities.

The bank's sources of funds, uses of funds and commitments with respect to its institutional activities are identified on the balance sheet under each item concerned by procedures whose management has been entrusted to Natixis by the State.

The amount of fees received and financing outstanding in connection with institutional activities is not material, and the introduction of the amortized cost method did not result in any adjustment to these outstanding amounts. Activities other than financing where Natixis acts as intermediary on behalf of the State have been accounted for using French GAAP in the IFRS financial statements.

Coface

Revenue from the management of public procedures consists of remuneration paid by the French State. This remuneration is paid under a "financial agreement" signed by the French State and Coface.

A new financial agreement was signed on June 9, 2008, covering the four-year period from 2007 to 2010. It sets remuneration paid to Coface retroactively with respect to 2007.

Premiums paid by clients, claims settled and recoveries made under these guarantees belong to the French State, and so do not appear in the group's consolidated financial statements. Expenses relating to the management of public procedures mainly consist of the cost of delivering State guarantees, managing claims and recovering overdue amounts covered by these guarantees.

II.6 Foreign currency translation

The consolidated financial statements are expressed in euros.

The balance sheets of foreign subsidiaries and branches whose functional currency is not the euro are translated into euro at year-end exchange rates. Income and expenses on the income statement are translated at the average exchange rate for the period.

Exchange differences arise from a difference in:

- the valuation of net income for the year at the average rate and closing rate;
- the impact on equity (excluding net income for the year) of any difference between the historic rate and the year-end rate.

They are recognized in equity under the line item "unrealized or deferred gains or losses - exchange differences" and in minority interests for the non-Group share.

II.7 Non-current assets held for sale

The assets and liabilities of subsidiaries which the Group intends to sell within a period of twelve months and for which it has initiated an active plan to locate a buyer are identified separately in the balance sheet as non-current assets held for sale and liabilities associated with non-current assets held for sale.

The Group does not own any subsidiaries acquired and held with a view to selling them.

II.8 Elimination of intragroup transactions

Material intragroup receivables, payables and off-balance sheet commitments and intragroup income and expenses between fully consolidated companies are eliminated in full on consolidation. For proportionally consolidated companies, these items are eliminated to the extent of the group's percentage holding.

Intragroup dividends, impairment provisions for consolidated investments and capital gains on intragroup disposals are eliminated in full.

II.9 Insurance business

The following rules apply to fully consolidated insurance companies:

- income and expenses are classified by nature in accordance with banking accounting principles and not by function;
- balance sheet items are included under the corresponding line items of the financial statements presented in the banking format.

Insurance company investments are classified in the balance sheet under the various categories of financial asset defined in IAS 39.

Contracts managed by the Group's insurance subsidiaries meet the definition of insurance contracts or investment contracts with a discretionary participation feature provided in IFRS 4. Accordingly, these contracts give rise to the recognition of technical reserves, which are measured in accordance with French GAAP pending publication of an IFRS on the technical liabilities of insurance companies.

Mathematical reserves for savings policies correspond to the surrender value of the policies.

Technical reserves for personal risk policies are calculated using mortality tables and regulatory discount rates, and BCAC tables for incapacity and invalidity risks.

Loss reserves for personal risk policies correspond to the estimated cost of losses and are not discounted.

In accordance with IFRS 4, a liability adequacy test is carried out to check that insurance liabilities, as shown by the consolidated financial statements, are sufficient to cover future cash flows estimated on the given date. The test is based on stochastic modeling of discounted future cash flows.

Insurance and investment contracts with a discretionary participation feature (life insurance) give rise to the recognition of a deferred participation liability or receivable to offset the difference in value between assets and liabilities, in accordance with IFRS 4 (shadow accounting).

The deferred participation liability or receivable is equal to the portion of unrealized gains or losses on investments due to policyholders under the general terms and conditions of their insurance policies or resulting from consolidation adjustments. The amount is calculated on the basis of the average rate of distribution to policyholders stated in the individual financial statements (average contractual distribution rate for each product weighted by the value of investments on the calculation date).

The main sources of deferred participation liabilities or receivables are as follows:

- adjustments to "Available-for-sale financial assets" and "Assets at fair value through profit and loss";

- adjustments of real-estate investments made by insurance policies;
- the adjustment in the consolidated financial statements of the capitalization reserve and the provision for liquidity risk.

The change in deferred participation liabilities or receivables is recognized directly in equity for changes in value of available-for-sale assets and in income for changes in assets at fair value through profit or loss and for changes in the fair value of investment real estate backing insurance policies.

Given recent heavy losses in financial markets, the application of shadow accounting has caused the recognition of a deferred participation receivable, which corresponds to the possible charging of unrealized losses to future returns allocated to technical liabilities.

In accordance with the recommendation issued by the Conseil National de la Comptabilité on December 19, 2008, the amount of the deferred participation receivable was recorded in its recoverable amount under assets (in the "Other assets" item of the consolidated financial statements), with a balancing entry in shareholders' equity or income, depending on the type of assets to which the losses relate. Deferred participation receivables mainly arise from Assurances Banque Populaire Vie and the investment vehicles owned by it, and mainly relate to life insurance business within the scope of Natixis Assurances. The recoverability test was carried out on the same scope. In addition, in the absence of any significant compartment (since PERP outstandings represent less than 1% of ABP Vie's total), the test was carried out on a global basis on liabilities represented by the company's general fund.

Whether or not the deferred participation receivable is recoverable depends on the companies' intention and ability to control the future returns of policies on the basis of resources. Resources depend upon:

- performance in equity and bond markets;
- net new money inflows, which result from the commercial appeal of policies and the propensity of policyholders to surrender their policies;
- own reserves and resources available within companies to hold assets over a period compatible with movements in liabilities and market cycles.

As a result, the analysis of whether or not the deferred benefit receivable is recoverable forms part of a process including:

- assessing the likelihood of realizing the unrealized loss at period-end and therefore, indirectly, the ability to hold assets showing unrealized losses, depending on scenarios concerning money inflows and outflows (on a going concern basis);
- a liability adequacy test carried out in accordance with IFRS 4: the test compares all future cash flows relating to the policies, projected over 15 years, with the carrying value of liabilities in the financial statements, including participation liabilities. Any shortfall arising from this comparison is charged to income.

This process involves the modeling of future flows arising from stochastic scenarios, which reflect the regulatory and contractual terms of contracts. Liabilities are pooled by category of minimum guaranteed return, age and participation conditions. Stochastic economic scenarios are also developed on the basis of historical probabilities (equity prices, dividends, short- and long-term interest rates, inflation).

In particular, in the Natixis sub-group, where most of the Group's insurance activities are located, five tests were carried out with different sets of assumptions:

- recoverability test based on money inflows over four consecutive years;
- a test based on a structural surrender schedule resulting from historical surrender rates;
- a test based on the dynamic surrender model provided by the Autorité de Contrôle des Assurances et des Mutuelles (ACAM) as part of the Solvency II project's QIS 4 (Quantitative Impact Studies) test, replacing the economic cycle model;
- a combination of the ACAM dynamic surrender model and the structural surrender schedule used in the second test;
- a combination of the ACAM dynamic surrender model and inflows over a 4-year period.

These tests and scenarios show that whether or not the deferred participation receivable is recoverable depends on:

- the surrender model used, which strongly influences the net inflow figure and the amount of cash to be invested or divested;
- market assumptions (long-term interest rates, movements in equity indexes, real-estate prices etc.), which determine movements in the competitive rate of policyholder returns, compared with the estimated future rate of return for the asset portfolio.

However, on average, the results generated by stochastic scenarios do not suggest that the deferred participation receivable is not recoverable.

II.10 *Treatment of acquisitions and goodwill*

IFRS 3 on business combinations requires all identifiable assets, liabilities and contingent liabilities acquired to be measured at their fair value on the acquisition date. Any adjustment to the initial value of these items or to the cost of the combination may take place within twelve months of the acquisition date.

On the first-time adoption of IFRSs, the Group used the option allowed by IFRS 1 (First-time adoption of IFRSs) to not adjust retrospectively business combinations prior to January 1, 2004 in accordance with IFRS 3 (Business Combinations).

Goodwill is the surplus of the cost of the business combination over the buyer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition.

Goodwill undergoes impairment testing at least once per year, and more frequently if objective indications of impairment appear. This impairment test involves comparing the net carrying value of the CGU or group of CGUs including the goodwill, with its recoverable value.

If recoverable value is lower than carrying value, irreversible impairment is recorded in consolidated income for the period and charged first against the goodwill allocated to the CGU or group of CGUs, and then to the other identifiable assets of the CGU or group of CGUs.

Negative goodwill is recognized immediately in the income statement under "Changes in value of goodwill".

II.11 *Use of estimates in the preparation of the financial statements*

In preparing its financial statements, the Group is required to make various assumptions and estimates based on information available at that date and likely in some cases to require expert judgment. These sources of uncertainty may affect the calculation of income and expenses on the income statement, the measurement of assets and liabilities on the balance sheet and/or certain disclosures in the notes to the financial statements.

Accounting estimates based on assumptions are principally used to value the following assets and liabilities:

- **financial instruments recognized at fair value**: The fair value of hybrid market instruments not traded on an active market is calculated using valuation techniques. Values may be adjusted to take account, depending on the instruments concerned and the associated risks, of the bid/ask price of the net position, modeling risk, counterparty risks and parameter risks. Fair values recognized in this way may differ from the prices at which these transactions would take place in the event of an actual sale in the market;
- **loan impairment**: On the balance-sheet date, the Group assesses whether there is objective evidence of loan impairment on an individual basis or on a collective basis by group of risks. To detect evidence of loan impairment, the group analyzes movements in a number of objective criteria, but also uses the judgment of its experts. Similarly, the Group may use its expert judgment to position future debt collection flows in time (when calculating individual impairment amounts) or to adjust expected losses resulting from the Basel II approach to calculating collective provisions;
- **Unlisted equity instruments included in "available-for-sale assets"** consist mainly of non-consolidated equity securities. The fair value of unlisted equity securities is obtained mainly by applying the P/E (price/earnings ratio) and DCF (discounted cash flow) valuation methods. The use of these methods involves first making certain choices and assumptions, particularly as regards projecting expected future flows and the discount rate;
- **impairment of available-for-sale assets**;
- **impairment of certain income hedges based on derivative financial instruments and measurement of the effectiveness of hedging strategies**;
- **valuation of CGUs**: All goodwill is allocated to a CGU so that it may be tested for impairment. The tests consist of comparing the carrying value of each CGU (including goodwill) with its recoverable value (the higher of market value and value in use). Recoverable value is calculated by discounting annual free cash flows to infinity. The use of this method involves:
  - – estimating future cash flows. To carry out this estimate, the Group uses forecasts included in its business lines' medium-term plans,
  - – projecting third-year cash flows in perpetuity at a rate reflecting the expected annual growth rate,
  - – discounting the cash flows using a projected average annual perpetual rate of return on listed stocks in the sector concerned;
- **fair value of loans and advances recognized at amortized cost**: The fair value of unrated loans is determined using the discounted future cash flow technique. The discount rate is based on an assessment of the rates used by the bank during the financial year for all loans with similar risk characteristics. Loans were classified into groups with similar risk characteristics based on statistical research that helped to identify factors influencing the level of credit spreads,
- **employee benefits**: The Group commissions independent actuaries to calculate its principal employee benefits. The discount rates, future salary growth rates and the rates of return on plan assets are based on market rates observed at the balance sheet date. When applied to long-term obligations, these rates imply a source of uncertainty in the valuation;
- **provisions for homebuyers' savings** plans: The Group measures the risks inherent in homebuyers' savings plans prospectively until extinction of the savings carried on the balance sheet. This requires modeling current outstandings (savings and conversion into loans) based on assumptions regarding future market rates and client behavior. Use of these assumptions implies a source of uncertainty in the estimates and actual future results may therefore differ from the estimates;
- **liabilities related to insurance policies**

  Technical reserves relating to insurance policies are based on assumptions and estimates that may result in subsequent adjustments in amounts recognized:

  - – in personal risk insurance, loss reserves rely mainly on models based on observed loss experience,
  - – in life insurance, technical reserves are based on assumptions concerning the economic and financial environment, experience tables (mortality, morbidity) and behavioral models (policyholder behavior regarding surrender),
  - – for credit insurance, loss reserves also include an amount to cover the estimated total cost of reported claims not settled at the period end. In addition to claims payable, there is a reserve for unknown claims, calculated on a statistical basis and involving an estimate of the final amount of claims that will be paid out after the risk has been extinguished and all recovery action has been taken. Recovery reserves, which represent estimates of expected recoveries, are calculated by applying a final recovery rate to all subscription years not yet liquidated;
- **other provisions**: The provisions set aside in the consolidated balance sheet, other than those for financial instruments, employee benefits and insurance policies, primarily consist of provisions for litigation, fines, penalties and tax risks. A provision is set aside where it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event and where the amount of the obligation can be measured reliably. To calculate this amount, management is obliged to assess the likelihood of the risk occurring. The amount of the provision is discounted where the impact is material.

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Note III Scope of consolidation

III.1 *Changes in scope of consolidation during 2008*

The main changes in 2008 in the Group's lines of business were the following:

- in retail banking, acquisition of seven regional banks from HSBC: Banque de Savoie, Banque Chaix, Banque Marze, Banque Pelletier, Crédit Commercial du Sud-Ouest, Banque Dupuy de Parseval, and Société Marseillaise de Crédit;
- in corporate and investment banking, services and project finance, represented by Natixis, reduction in the risk profile of the Corporate and Investment Banking (CIB) division and acceleration of the Natixis restructuring process set in motion after the merger in November 2006;
- in the category of "federal activities and other", removal of CIFG from the scope of consolidation.

Changes in 2007 are listed by business sector, in line with the segment reporting presentation.

III.1.1 Retail banking

III.1.1.1 Acquisition of the Regional Banks

III.1.1.1.1 Corporate transactions

On July 2, 2008, the Banque Populaire Group acquired seven regional banks from HSBC France: Société Marseillaise de Crédit, Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy, de Parseval, Banque Pelletier and Crédit Commercial du Sud Ouest. These banks conduct retail banking operations in customer segments very similar to those of the Banque Populaire banks.

Banque Fédérale des Banques Populaires owns 100% of Société Marseillaise de Crédit and 49% of the six other regional banks. In 2009 Banque Fédérale des Banques Populaires will transfer 51% of those six regional banks to the Banque Populaire banks.

Contributions to the group's consolidated financial statements

In full-year 2008, the seven regional banks together generated net banking income of €436 million and net income of €101 million in their individual financial statements, compared with €443 million and €107 million in 2007.

Given that the date of acquisition was July 2, 2008, the regional banks' contributions to Group earnings relate only to six months of 2008. Accordingly, their IFRS contributions to net banking income and net income attributable to equity holders of the parent were limited to €295 million and €95 million.

Given the acquisition date and the limited impact of their contributions to items in the Group's income statement, no proforma financial statements have been prepared for purposes of comparison.

In € millions	**12/31/2008**	**12/31/2007**	**Chg. (%)**
Net banking income	**436**	**443**	**-2%**
Banque Pelletier	*15*	*15*	
Crédit Commercial du Sud Ouest	*54*	*56*	
Banque de Savoie	*42*	*45*	
Banque Chaix	*80*	*77*	
Banque Dupuy, de Parseval	*38*	*38*	
Banque Marze	*14*	*11*	
Société Marseillaise de Crédit	*193*	*201*	
General expenses	**(295)**	**(285)**	**4%**
Banque Pelletier	*(11)*	*(10)*	
Crédit Commercial du Sud Ouest	*(44)*	*(44)*	
Banque de Savoie	*(30)*	*(28)*	
Banque Chaix	*(49)*	*(46)*	
Banque Dupuy, de Parseval	*(24)*	*(24)*	
Banque Marze	*(6)*	*(6)*	
Société Marseillaise de Crédit	*(131)*	*(127)*	
Gross income	**141**	**158**	**-11%**
Banque Pelletier	*4*	*5*	
Crédit Commercial du Sud Ouest	*11*	*12*	
Banque de Savoie	*13*	*17*	
Banque Chaix	*30*	*32*	
Banque Dupuy, de Parseval	*14*	*14*	
Banque Marze	*7*	*5*	
Société Marseillaise de Crédit	*62*	*74*	
Impairment and provisions	**(24)**	**(4)**	**ns**
Banque Pelletier	*(1)*	*0*	
Crédit Commercial du Sud Ouest	*(3)*	*(2)*	
Banque de Savoie	*(2)*	*(1)*	
Banque Chaix	*(12)*	*(3)*	
Banque Dupuy, de Parseval	*(4)*	*(3)*	
Banque Marze	*(1)*	*(1)*	
Société Marseillaise de Crédit	*(2)*	*6*	
Operating income	**117**	**154**	**-24%**
Banque Pelletier	*3*	*5*	
Crédit Commercial du Sud Ouest	*8*	*11*	
Banque de Savoie	*11*	*15*	
Banque Chaix	*19*	*29*	
Banque Dupuy, de Parseval	*10*	*11*	
Banque Marze	*6*	*4*	
Société Marseillaise de Crédit	*60*	*80*	
NET INCOME	**100**	**107**	**-6%**
Banque Pelletier	*2*	*3*	
Crédit Commercial du Sud Ouest	*5*	*7*	
Banque de Savoie	*3*	*12*	
Banque Chaix	*18*	*20*	
Banque Dupuy, de Parseval	*8*	*7*	
Banque Marze	*5*	*2*	
Société Marseillaise de Crédit	*60*	*55*	

Treatment of the acquisition

When the Group acquired Société Marseillaise de Crédit, it measured its assets, liabilities and contingent liabilities at fair value.

Given the adjusted value of the regional banks' equity and the acquisition price (€2.1 billion), goodwill of €1.5 billion, representing the proportionate ownership interests of the Banque Popular banks and Banque Fédérale des Banques Populaires, was recognized in the consolidated balance sheet. The breakdown of this amount is shown in the table below.

	December 31, 2008				
	Percentage of ownership				
Regional Banks	**by Banque Populaire banks**		**by the Central Body**		*in € millions*
Société Marseillaise de Crédit	-	-	Banque Fédérale des Banques Populaires	100%	**797**
Banque Chaix	Banque Populaire Provençale et Corse	51%	Banque Fédérale des Banques Populaires	49%	**241**
Banque de Savoie	Banque Populaire des Alpes	51%	Banque Fédérale des Banques Populaires	49%	**167**
Crédit Commercial du Sud-Ouest	Banque du Sud-Ouest	51%	Banque Fédérale des Banques Populaires	49%	**142**
Banque Dupuy, de Parseval	Banque du Sud	51%	Banque Fédérale des Banques Populaires	49%	**122**
Banque Pelletier	Banque du Sud-Ouest	51%	Banque Fédérale des Banques Populaires	49%	**43**
Banque Marze	Banque du Sud	51%	Banque Fédérale des Banques Populaires	49%	**36**
GOODWILL - TOTAL					**1,547**

As permitted under IFRS 3, Business Combinations, the Group will be able to make adjustments to this initial measurement within twelve months from the acquisition date.

III.1.1.2 Other companies entering the scope of consolidation in 2008

- **BFC CROISSANCE**, a subsidiary of Banque Populaire Bourgogne Franche-Comté, added because the thresholds for inclusion were exceeded at December 31, 2008;
- **BTP Capital Conseil**, a wholly owned subsidiary of Crédit Coopératif that provides advice in financial engineering;
- **COOPEST**, a wholly owned investment company subsidiary of Crédit Coopératif specialized in public-private investment in Central and Eastern Europe;
- **Euro Capital**, a venture capital subsidiary of Banque Populaire Lorraine Champagne. Formed in 2000, it is included for the first time;
- **IPAB,** an electronic transaction development company and wholly owned subsidiary of BRED Banque Populaire;
- **TISE,** a wholly owned investment company subsidiary of Crédit Coopératif specialized in public-private investment in Poland.

III.1.1.3 Companies leaving the scope of consolidation in 2008

- **Achatpro**, a subsidiary of BRED Banque Populaire, sold to an acquirer outside the Group.
- **BDG SCI**, a subsidiary of Banque Populaire Rives de Paris, removed because the thresholds for inclusion were not met at December 31, 2008.
- **Mone+CC2**, a subsidiary of Crédit Coopératif removed following.
- **SPV IGLOO2,** deconsolidated because all of the ownership units held by Banque Populaire banks were redeemed during 2008.

III.1.1.4 Restructuring

- Merger of Caisse Régionale du Morbihan et de Loire Atlantique and Caisse Régionale de Vendée to form **Crédit Maritime Atlantique**.
- Merger of Caisse Régionale Littoral Manche and Caisse Régionale du Finistère to form **Caisse Régionale Bretagne Normandie**.
- Merger of **Parnassienne de Crédit** into Banque Monétaire et Financière, both being subsidiaries of CASDEN Banque Populaire.
- Mergers of LFI into **SPIG** and Trust and Pay into B-process, all being subsidiaries of BRED Banque Populaire.

III.1.2 Investment banking and project finance (Natixis subgroup)

III.1.2.1 Significant events

Against a backdrop of a worsening financial crisis that propagated across further asset classes as well as a deteriorating economic climate, especially following the bank failures in the third quarter, the Natixis subgroup:

- redefined its business plan with the aim of rebalancing its business model in favor of recurring business, cutting its cost base, strengthening its capital structure and reducing the risk profile of the Corporate and Investment Banking (CIB) division. These strategic reorientations are being implemented via the CIB transformation plan decided by Natixis's supervisory board on December 18, 2008. The transformation plan calls for:

- shutting down the proprietary credit and structured credit investment activities as well as the most complex of the capital market activities. These decisions were accompanied by the creation of a special segregation structure within CIB, now in effect, to optimize management of the assets in run-off,
- refocusing the business on Natixis's historical clients by giving priority to operations for corporate and institutional clients,
- tightening its international presence, with sharp reductions in Asia (shutdown of capital market activities) and in the United States (shutdown of equity derivatives activities),
- enhancing risk discipline across all activities,
- reducing the CIB division's workforce by 15% and its direct fixed costs by 10%;

- undertaken a cost reduction program to be completed in 2009. This initiative, which resulted in a set of rationalization projects launched during the second quarter of 2008, is part of a 2008-2009 expense reduction plan covering employees, external service providers and general operating expenses. As regards employees, a workforce adaptation plan was opened to Natixis SA employees in September 2008. The impacts of this plan have been estimated, and provisions for them have been recognized in Natixis's 2008 financial statements in the amount of €144 million (€52 million for the Group's proportionate share);
- completed a capital increase in September 2008 for €3.7 billion, subscribed in the amount of €2.5 billion by Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne by netting against the previously granted shareholder loan.

In addition to these strategic reorientations and other adaptations undertaken in response to the financial crisis, Natixis forged ahead with the process of integrating the various entities transferred to it on November 17, 2006.

The main corporate transactions during 2008 were the following:

- reorganization of the securities services business via:
  - transfer to CACEIS of the institutional custody, fund administration and issuer services activities previously performed within Natixis and its Natixis Investor Servicing subsidiary,
  - a business combination between Gestitres and Natixis for retail investor custody platforms;
- merger of CEGI, SACCEF and SOCAMAB to create Compagnie Européenne de Garanties et Cautions, a multiline financial guarantee platform;
- transfer of the activities of Natixis Altaïr relating to operation of the shared data center to its Natixis Altaïr IT Shared Services subsidiary and merger of the remaining Natixis Altaïr activities (technical architecture, support functions, etc.) into Natixis's Information Systems department. From a legal standpoint, this merger was accomplished as a universal transfer of assets and liabilities;
- regrouping of management information software development for the consumer credit business within Natixis Consumer IT, a wholly owned subsidiary of Natixis Consumer Finance.

In addition, in late November 2008 Banque Privée Saint Dominique and Compagnie 1818 - Banquiers Privés unveiled a proposed combination aimed at putting together a private bank that would develop the following activities:

- wealth management for direct clients;
- creation of products and services for high-net-worth clients of Caisse d'Epargne and Banque Populaire banks;
- marketing of products and services to independent wealth management advisers.

III.1.2.2 Increase in the Group's percentage of ownership of Natixis

The Group's percentage interest in Natixis rose from 34.66% at December 31, 2007 to 35.78% at December 31, 2008, an increase of 1.12 percentage points.

The increase was due primarily to Natixis's distribution during the second quarter of 2008 of a dividend that the two central bodies, Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE), received entirely in the form of Natixis shares. Some shares were also purchased on the market, as shown in the table below:

	12/31/2007		Change			12/31/2008	
Holders	**Number**	**%***	**Share dividends**	**Capital increase**	**Other (exercise of options, purchase of own shares)**	**Number**	**%***
CNCE	421,036,427	34.66%	20,198,975	573,606,033	21,089,295	1,035,930,730	35.78%
BFBP	421,036,427	34.66%	20,198,975	573,606,033	21,089,295	1,035,930,730	35.78%
Other	372,743,269	30.68%	1,944,552	496,517,931	(47,643,161)	823,562,591	28.44%
TOTAL**	**1,214,816,123**	**100%**	**42,342,502**	**1,643,729,997**	**(5,464,571)**	**2,895,424,051**	**100%**
Own shares	7,226,571	-	-	-	5,487,071	12,713,642	-
TOTAL	**1,222,042,694**	**100%**	**42,342,502**	**1,643,729,997**	**22,500**	**2,908,137,693**	**100%**

The increase over the period in the percentage of ownership is reflected in an increase in net supplementary reserves attributable to the Group, which was immediately taken to income in the line item "Gains or losses on other assets" in the amount of €95 million.

III.1.2.3 Change in scope of consolidation by segment

Unless otherwise stated, all impacts (in terms of percentages or amounts) are expressed in this section after taking into account the Group's 35.78% stake in Natixis and its subsidiaries.

III.1.2.3.1 Receivables management

Companies entering the scope of consolidation

The new entities formed in this segment in 2008 include:

- Poland Factoring, whose business is factoring;
- Natixis Factor Portugal, whose business is factoring;
- Coface Factoring Lithuania, a branch of Coface Poland Factoring, whose business is insurance;
- Coface Bulgaria, a branch of Coface Austria, whose business is insurance;
- Coface Latvia (Insurance), a branch of Coface Austria, whose business is insurance;
- Coface Ecuador, a branch of Coface SA, whose business is insurance;
- Coface Australia, a branch of Coface SA, whose business is insurance;
- Coface Taiwan, a branch of Coface SA, whose business is insurance.

Other changes in scope of consolidation include:

- Coface Finans A/S Danmark, in which a 26.83% interest was acquired, generating goodwill of €5.5 million;
- Coface Poland CMS, whose business is provision of financial data, is added back because the thresholds of significance were exceeded.

Changes of percentage of interest and internal restructurings

- Buyout of 6.99% of minority interests in Business Data Information;
- Disposal of 9.26% of VR Factorem, entailing recognition of a gain of €4.29 million as well as change in method of accounting (from proportionate consolidation to equity method);
- Merger of de Kompass France into Kompass International and of Viscontea Immobiliare into Coface Assicurazioni Spa.

III.1.2.3.2 Corporate and investment banking

Companies entering the scope of consolidation

- First inclusion of Natixis Australia Ltd during the fourth quarter of 2008;
- Formation of a special-purpose entity, CM Reo Holdings Trust, as part of the Real Estate Property Program (REPP);
- Formation of two Emerging Markets Global Strategies special-purpose entities for the purpose of creating an indexing value for an issue of ELNs made by NCM on behalf of a client;
- Formation of NH Philadelphia Property LP.

Companies leaving the scope of consolidation and decreases in percentage of interest

- Dilution of 6.56% in EIG following a capital increase subscribed exclusively by EDG. The percentage of interest decreased from 11.92% to 5.37%, but the company continues to be proportionately consolidated. There is still joint control, as governance of the company was not affected by the altered distribution of equity stakes;
- Removal of Natixis Arbitrage effective January 1, 2008 and SAS Opéra Sentier effective July 1, 2008. These entities no longer reached the thresholds for inclusion;
- Removal of Akhdar Investment Group effective October 1, 2008 following liquidation of its assets;
- Removal of Gulf Capital Luxembourg SA effective October 1, 2008;
- Liquidation of Cléa 2;
- Liquidation of Parallel Absolute Return Fund Ltd, Parallel Absolute Return Fund LP, Parallel Absolute Return Master Fund LP, Par Fund GP LLC;
- Removal from the scope of consolidation of the Muni Trust SPVs of Natixis Municipal Products (a company of Natixis Capital Markets North America group);
- Liquidation of 11 West Division, Ixis CMNA (Australia) Acceptances (N°1) Inc, Ixis CMNA (Australia) Acceptances (N°2) Inc, Ixis CMNA (Australia) Funding (N°1) Pty Ltd, Ixis CMNA (Australia) Funding (N°2) Pty Ltd, Ixis CMNA (Australia) Participations (N°1) Inc, IXIS CMNA (Australia) Participations (N°2) Inc, IXIS CMNA International Participations (N°1) LLC, Natixis Asset Finance Inc, Ixis Manzano Special Member LLC.

III.1.2.3.3 Services

Companies entering the scope of consolidation

In the leasing business, formation of Natixis Lease Investment and its subsidiary, SAS Immobilière Natixis Bail.

Companies leaving the scope of consolidation

- Disposal of 11.95% of SLIB outside the Group;
- Removal of SCI ABP Pompe effective April 1, 2008 (Natixis insurance);
- Transfer of Fastnet House on March 31, 2008 to Crédit Agricole Luxembourg (CACEIS group);
- Liquidation of FCP GCEC Diversifié in March 2008 (Natixis guarantees).

Internal restructurings

- Universal transfer of assets and liabilities of Gestitres to Natixis on July 1, 2008;
- Merger of Saccef and Socamab with Natixis Garanties with effect retroactive to January 1, 2008;
- Capital contribution of securities of Natixis Investor Servicing (NIS) held by Natixis SA to CACEIS and merger of NIS into CACEIS Fastnet;
- Transfer by Natixis of its custodian (custody account-keeping and issuer services for institutional clients) and fund administration activities. Following this transaction, Natixis's percentage interest in CACEIS is unchanged at 17.89%;
- Merger of Brooke Securities Inc, Olympia Capital Inc, and Olympia Capital Absorption LP into CACEIS USA Inc (formerly Brooke Securities Holding Inc).

III.1.2.3.4 Private equity and private banking

Companies entering the scope of consolidation and increases in percentage of interest

The only additions result from formation of new entities: FCPR Ixen III, Natixis Private Equity International Luxembourg and FNS5. There were also increases in the segment's ownership percentages in the following entities:

- Natixis Actions Capital Structurant (NACS): +4%;
- Natixis Private Banking International (NPBI): +0.42% following a capital increased subscribed entirely by Natixis Private consolidated and buyout of 1.07% minority interests;
- Acquisition of 8.50% of Compagnie 1818 from Caisse d'Epargne Group.

Companies leaving the scope of consolidation

During the period, Seventure Partner was removed from the scope of consolidation effective April 1, 2008 because it fell below the thresholds, and CM Finance was removed following its disposal in the first half of 2008.

III.1.2.3.5 Asset management

Companies entering the scope of consolidation

The segment set up numerous new entities during the period: AEW Central Europe, AEW VIA Co-Investors L.P., ASG Quasar Fund, ASG Laser Fund, ASG Global Alternatives Fund, Natixis Loomis Sayles Global Growth Fund, Loomis Sayles Alpha LLC, Loomis Sayles Multi-Strategy alpha L.P., Loomis Sayles International Bond Fund, Vaughan Nelson Value Opportunities Fund, Natixis Global Associates Switzerland. It also acquired Gateway Investment Advisers, LLC.

Companies leaving the scope of consolidation and internal restructurings

The following entities were removed subsequent to liquidation:

- AEW Securities Limited Partnership, Aew TSF Inc;
- Loomis Sayles Energy Hedge Fund II L.P. Loomis Sayles Consumer Discretionary LP, Loomis Sayles Consumer Discretionary GP LLC;
- Westpeak Small Cap Growth Fund;
- Disposal of securities of Percipio Capital Management LLC.

III.1.2.3.6 Retail banking

The retail banking of the Natixis subgroup consists of the Caisse d'Epargne banks, in which Natixis holds a 20% interest via its holding of Cooperative Certificates of Investment. The Caisse d'Epargne banks are accounted for by the equity method at the Group's proportionate share, namely 7%.

During 2008, three mergers took place among Caisse d'Epargne banks:

- Merger of Caisse d'Epargne de Haute Normandie with Caisse d'Epargne Normandie (formerly Caisse d'Epargne de Basse Normandie);
- Merger of Caisse d'Epargne de Bretagne with Caisse d'Epargne Bretagne-Pays de Loire (formerly Caisse d'Epargne des Pays de la Loire);
- Merger of Caisse d'Epargne Ile-de-France Ouest et Nord with Caisse d'Epargne Ile-de-France (formerly Caisse d'Epargne Ile-de-France Paris).

III.1.2.3.7 Other business

In the "other business" segment, Foncière Kupka was removed from the scope of consolidation effective April 1, 2008 and AMBS LLC was removed effective October 1, 2008.

In addition, Natixis Altaïr IT Shared Services was formed by the transfer of Natixis's IT services activity and then a universal transfer of the assets and liabilities of Natixis Altaïr to Natixis.

III.1.3 Federal activities and other

III.1.3.1 Deconsolidation of CIFG

On December 20, 2007, Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE) decided to acquire all of the share capital of CIFG, Natixis's wholly owned credit enhancement subsidiary, and to provide it with the financial resources needed at that time to maintain its AAA rating from the credit rating agencies.

Considering how the market for credit enhancement has evolved since that date, the two shareholders decided to reviser their strategy:

- any prospect of additional support on top of the support already provided has been ruled out;
- a new management team has been put in place within the entity, mainly to conduct negotiations with its main creditors;
- and a commutation process (cancellation of commitments towards counterparties in exchange for a cash payment and/or conversion into capital) was initiated with creditors in the first half of 2008, under the oversight of the supervisory authorities.

On January 22, 2009, CIFG announced the signature of a commutation agreement with counterparties holding 98% of its outstanding exposure to certain derivative products backed by certain assets, primarily real estate assets, representing around $12 billion.

Under the terms of this agreement, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne reduce their respective equity interests in CIFG, and the main counterparties renounce their pecuniary rights under financial guarantees (credit default swaps and insurance policies) issued by CIFG in exchange for cash payments and equity interests in CIFG.

As a result, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne jointly and directly hold an equity interest in CIFG of just over 10%, leading to the deconsolidation of CIFG from the Banque Populaire Group.

Because Banque Fédérale des Banques Populaires had recognized a provision in its 2007 statutory company accounts covering its entire holding of CIFG securities (€443 million), deconsolidation of CIFG has no material effect on the Group's 2008 consolidated financial statements.

III.1.3.2 Other changes

During 2008, Banque Fédérale des Banques Populaires formed **Banques Populaires Covered Bonds** in order to provide assured refinancing of Banque Populaire banks' real estate loans and also to broaden the Group's palette of refinancing sources.

Wholly owned by Banque Fédérale des Banques Populaires, Banques Populaires Covered Bonds is a company with supervisory and management boards and share capital of €40 million. It was set up to issue bonds backed by a portfolio of high-quality real estate loans solidly secured by mortgages, moneylender liens, credit insurance written by mutual guarantee companies, and the like.

Having made its first issue in early 2008, the company entered the scope of consolidation in 2008.

Note III.2 *Companies included in the scope of consolidation*

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
I) CONSOLIDATING ENTITY											
I-1) Banque Populaire banks											
BANQUE POPULAIRE DES ALPES	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE ALSACE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE ATLANTIQUE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE BOURGOGNE FRANCHE COMTE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE CENTRE ATLANTIQUE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE DE LA COTE D'AZUR	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE DE LOIRE ET LYONNAIS	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE LORRAINE CHAMPAGNE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE DU MASSIF CENTRAL	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE DU NORD	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE OCCITANE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE DE L'OUEST	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE PROVENCALE ET CORSE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE RIVES DE PARIS	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE DU SUD	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE DU SUD OUEST	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE POPULAIRE VAL DE FRANCE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BRED - BANQUE POPULAIRE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CASDEN - BANQUE POPULAIRE	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CREDIT COOPERATIF	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
I-2) Mutual guarantee companies											
ACEF DU TARN ET DE L'AVEYRON	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
ACEF OCCITANE	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BRED HABITAT	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
FOREST MASSIF CENTRAL	(9)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
FORESTIERS LORRAINE	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
HABITAT RIVES DE PARIS	(15)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCACEF BAS-RHIN	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCACEF MASSIF CENTRAL	(9)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCACEF NORD	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA ARIEGE	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA ATLANTIQUE	(4)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA AUDE	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC

(A) Group (B) Country (C) Consolidation method

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
SOCAMA BAS RHIN	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA BOUCHES-DU-RHONE	(14)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA BOURGOGNE FRANCHE-COMTE	(3)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA BRED	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA CENTRE ATLANTIQUE	(2)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA CHAMPAGNE	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA CORSE	(14)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA COTE D'AZUR	(5)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA DES ALPES	(8)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
SOCAMA DU DAUPHINE DES ALPES DU SUD	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
SOCAMA HAUT RHIN	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA HAUTE-GARONNE	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA HAUTE-SAVOIE	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
SOCAMA LOIRE ET LYONNAIS	(6)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA LORRAINE	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA MASSIF CENTRAL	(9)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA DU MIDI	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA MIDI-PYRENEES OUEST	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA NORD	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA NORMANDIE	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA OCCITANE	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA OUEST	(7)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA RIVES DE PARIS	(15)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA ROUSSILLON	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA SAVOIE	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
SOCAMA SUD OUEST	(12)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA VAL DE FRANCE	(17)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMA VAUCLUSE	(14)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI DES ALPES	(8)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
SOCAMI ALSACE	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI ATLANTIQUE	(4)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI AUDE ARIEGE	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI BOURGOGNE FRANCHE-COMTE	(3)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI CENTRE ATLANTIQUE	(2)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI COTE D'AZUR	(5)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI DAUPHINE DES ALPES SU SUD	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC

(A) Group (B) Country (C) Consolidation method

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
SOCAMI DU SUD-OUEST	(12)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI HAUTE-GARONNE HABITAT	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI HAUTE-SAVOIE	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
SOCAMI LOIRE ET LYONNAIS	(6)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI LORRAINE CHAMPAGNE	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI MASSIF CENTRAL	(9)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI DU MIDI	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI NORD	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI OCCITANE	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI OUEST	(7)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI PROVENCE ET CORSE	(14)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI PYRENEES-ORIENTALES	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMI SAVOISIENNE	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
SOCAMI VAL DE FRANCE	(17)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMMES	(8)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAMUPROLOR	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCAUPROMI ALSACE	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOFRONTA	(8)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOPROLIB DES ALPES	(8)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOPROLIB FRANCHE-COMTE	(3)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOPROLIB LORRAINE	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOPROLIB NORD	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOPROLIB SUD-OUEST	(12)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
I-3) Central bodies											
BANQUE FEDERALE DES BANQUES POPULAIRES	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
I-4) “Affiliates”											
CAISSE REGIONALE DU FINISTERE	-	FR	Merged		N	100.00%	100.00%	FC	100.00%	100.00%	FC
CAISSE REGIONALE LITTORAL MANCHE	-	FR	Merged		N	100.00%	100.00%	FC	100.00%	100.00%	FC
CAISSE REGIONALE DE MEDITERRANEE	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CAISSE REGIONALE MORBIHAN / LOIRE-ATLANTIQUE	-	FR	Merged		N	100.00%	100.00%	FC	100.00%	100.00%	FC
CAISSE REGIONALE REGION NORD	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CAISSE REGIONALE SUD OUEST	(12)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CAISSE REGIONALE DE VENDEE	-	FR	Merged		N	100.00%	100.00%	FC	100.00%	100.00%	FC
CREDIT MARITIME OUTRE-MER	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CAISSE REGIONALE CREDIT MARITIME ATLANTIQUE	(4)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CAISSE REGIONALE BRETAGNE NORMANDIE	(7)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
II) "ASSOCIATES"											
CMGM	(20)	FR	3.62%	100.00%	FC	3.81%	100.00%	FC	4.55%	100.00%	FC
EDEL	(20)	FR	33.94%	100.00%	FC	33.94%	100.00%	FC	33.94%	100.00%	FC
GEDEX DISTRIBUTION	(20)	FR	-	100.00%	FC	-	100.00%	FC	-	100.00%	FC
MONINFO	(20)	FR	33.75%	100.00%	FC	33.77%	100.00%	FC	33.54%	96.80%	FC
NORD FINANCEMENT	(20)	FR	0.95%	100.00%	FC	0.95%	100.00%	FC	0.94%	100.00%	FC
SOCIETE FINANCIERE DE LA NEF	(20)	FR	4.73%	100.00%	FC	5.11%	100.00%	FC	6.46%	100.00%	FC
SOCOREC	(20)	FR	-	100.00%	FC	-	100.00%	FC	-	100.00%	FC
SOFIGARD	(20)	FR	0.28%	100.00%	FC	0.28%	100.00%	FC	0.28%	100.00%	FC
SOFINDI	(20)	FR	4.59%	100.00%	FC	4.60%	100.00%	FC	4.57%	100.00%	FC
SOFIRIF	(20)	FR	17.68%	100.00%	FC	18.85%	100.00%	FC	3.92%	100.00%	FC
SOFISCOP	(20)	FR	1.69%	100.00%	FC	1.69%	100.00%	FC	1.68%	100.00%	FC
SOFISCOP SUD EST	(20)	FR	3.90%	100.00%	FC	4.01%	100.00%	FC	4.09%	100.00%	FC
SOMUDIMEC	(20)	FR	0.35%	100.00%	FC	0.35%	100.00%	FC	0.31%	100.00%	FC
SOMUPACA	(20)	FR	1.49%	100.00%	FC	1.55%	100.00%	FC	1.57%	100.00%	FC
III) SUBSIDIARIES											
III-1) Retail banks											
ACHATPRO	-	FR	Sold		N	92.80%	92.80%	FC	92.80%	92.80%	FC
ATLANTIQUE PLUS	(4)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BANQUE CALEDONIENNE D'INVESTISSEMENT	(18)	FR	49.90%	49.90%	EM	49.90%	49.90%	EM	35.00%	35.00%	EM
BANQUE MONETAIRE ET FINANCIERE	(19)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BATINOREST BAIL	(20)	FR	94.88%	100.00%	FC	94.88%	100.00%	FC	94.88%	100.00%	FC
BCI MER ROUGE	(18)	DJ	51.00%	51.00%	FC	51.00%	51.00%	FC	Consolidated from 2007		N
BDG SCI	-	FR	Deconsolidated		N	100.00%	100.00%	FC	100.00%	100.00%	FC
BERCY GESTION FINANCE	(18)	FR	99.96%	99.96%	FC	99.96%	99.96%	FC	99.96%	99.96%	FC
BERCY PATRIMOINE	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
BGF+	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BIC BRED	(18)	FR	99.95%	100.00%	FC	99.95%	100.00%	FC	99.95%	99.95%	FC
BISE	-	PL	Sold		N	Sold		N	49.72%	49.72%	EM
B-PROCESS	(18)	FR	50.69%	50.69%	EM	50.69%	50.69%	EM	42.89%	42.89%	EM
BRED COFILEASE	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BRED GESTION	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BRED VANUATU	(18)	VA	85.00%	85.00%	FC	85.00%	85.00%	FC	Consolidated from 2007		N
BTP BANQUE	(20)	FR	99.95%	99.95%	FC	99.95%	99.95%	FC	99.95%	99.95%	FC
BTP CAPITAL INVESTISSEMENT	(20)	FR	79.42%	79.42%	FC	79.42%	79.42%	FC	79.42%	79.42%	FC
BTP CAPITAL CONSEIL	(20)	FR	99.46%	99.98%	FC	Consolidated from 2008		N	Consolidated from 2008		N

(A) Group (B) Country (C) Consolidation method

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COOPEST	(20)	FR	35.53%	35.53%	FC	Consolidated from 2008		N	Consolidated from 2008		N
TISE	(20)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CAISSE DE GARANTIE IMMOB.DU BATIMENT	(20)	FR	33.40%	33.40%	EM	33.40%	33.40%	EM	33.40%	33.40%	EM
CAISSE SOLIDAIRE	(20)	FR	59.79%	100.00%	FC	58.56%	100.00%	FC	19.08%	100.00%	FC
CAPI COURT TERME N°1	(19)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CLICK AND TRUST	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
COFEG	(18)	FR	99.67%	99.94%	FC	99.67%	99.67%	FC	99.67%	99.67%	FC
COFIBRED	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
CREPONORD	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
DE PORTZAMPARC	(2)	FR	68.25%	100.00%	FC	68.20%	100.00%	FC	68.18%	74.53%	FC
ECOFI INVESTISSEMENT	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	99.99%	99.99%	FC
EFITEL	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
ESFIN	(20)	FR	37.58%	37.58%	EM	37.58%	37.58%	EM	37.58%	37.58%	EM
EURO CAPITAL	(13)	FR	71.69%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2007		N
EXPANSINVEST	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FCC ELIDE	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FINANCIERE DE LA BP OCCITANE	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
FINANCIERE PARTICIPATION BPS	(7)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
FINANCIERE VECTEUR	-	FR	100.00%	100.00%	N	0.00%	0.00%	FC	0.00%	0.00%	FC
FONCIERE DU VANUATU	(18)	VA	100.00%	100.00%	FC	Consolidated from 2008		N	Entrée en 2007		N
FONCIERE VICTOR HUGO	(5)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
GARIBALDI CAPITAL DEVELOPPEMENT	(6)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
GIE USC	(20)	FR	100.00%	100.00%	FC	99.79%	100.00%	FC	99.79%	101.00%	FC
GROUPEMENT DE FAIT	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
INGENIERIE ET DEVELOPPEMENT	(7)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
INTERCOOP	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
L F I		FR	Merged		N	100.00%	100.00%	FC	100.00%	100.00%	FC
LFI4	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
LUDOVIC DE BESSE	(2)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
LUX EQUIP BAIL	(13)	LU	100.00%	100.00%	FC	90.00%	90.00%	FC	90.00%	90.00%	FC
MONE+CC2	-	FR	Dissolution		N	100.00%	100.00%	FC	100.00%	100.00%	FC
NJR INVEST	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
PARNASSE FINANCES	(19)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
PARNASSIENNE DE CREDIT	-	FR	Merged		N	91.13%	91.13%	FC	91.13%	92.44%	FC
PARTICIPATIONS BPSO	(12)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
PLUSEXPANSION	(4)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
PREPAR COURTAGE	(18)	FR	99.40%	99.40%	FC	99.40%	99.40%	FC	99.20%	99.20%	FC

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
PREPAR-IARD	(18)	FR	99.98%	99.98%	FC	99.98%	99.98%	FC	99.99%	99.99%	FC
PREPAR-VIE	(18)	FR	99.87%	99.87%	FC	99.87%	99.87%	FC	99.78%	99.78%	FC
PROMEPAR	(18)	FR	99.95%	99.95%	FC	99.95%	99.95%	FC	99.96%	99.97%	FC
SAS PERSPECTIVES ET PARTICIPATIONS	(18)	FR	100.00%	100.00%	FC	99.92%	100.00%	FC	100.00%	100.00%	FC
SAS SOCIETARIAT BP LORRAINE CHAMPAGNE	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SAVOISIENNE	(8)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SCI BPS	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
SCI BPSO	(12)	FR	100.00%	100.00%	FC	99.00%	100.00%	FC	Merged		N
SCI du CREDIT COOPERATIF	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SCI FAIDHERBE	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SCI SAINT-DENIS	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SEGIMLOR	(13)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SGTI	(19)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SICOMI COOP	(20)	FR	78.63%	78.63%	FC	72.24%	72.24%	FC	71.28%	71.28%	FC
SIMC	(9)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SMI	(9)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
SOCIETARIAT BP OCCITANE	(10)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP D'ALSACE	(1)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP BOURGOGNE FRANCHE-COMTE	(3)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP COTE D'AZUR	(5)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP DE L'OUEST	(7)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP DES ALPES	(8)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP DU NORD	(11)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP PROVENCALE ET CORSE	(14)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP RIVES DE PARIS	(15)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP VAL DE FRANCE	(17)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP LOIRE ET LYONNAIS	(6)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP CENTRE ATLANTIQUE	(4)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP MASSIF CENTRAL	(9)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP SUD	(16)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT BP SUD-OUEST	(12)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETARIAT CREDIT COOPERATIF / BP	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETE D'EXPANSION BOURGOGNE FRANCHE-COMTE	(3)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETE IMMOBILIERE PROVENCALE ET CORSE	(14)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
SOCREDO BANQUE POLYNESIENNE	(18)	FR	15.00%	15.00%	EM	15.00%	15.00%	EM	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

BANQUE POPULAIRE GROUP

COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
SOFIAG	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOFIDER	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOFINCIL	-	FR	Merged		N	Merged		N	100.00%	100.00%	PC
SPGRES	(19)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SPIG	(19)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SUD PARTICIPATION	(15)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
TRANSIMMO	(20)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
TRUST AND PAY	-	FR	Absorbed		N	66.30%	44.00%	PC	62.87%	44.00%	PC
VECTEUR	(17)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
VIALINK	(18)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
III-2) Investment banking and project finance											
NATIXIS		FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
“Corporate and investment banking”											
11 WEST DIVISION LLC	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
AKHDAR INVESTMENT GROUP	-	LU	Deconsolidated		N	34.66%	34.66%	PC	Consolidated from 2007		N
BAIL EXPANSION	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
BEDFORD OLIVER FUNDING LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
BLOOM ASSET HOLDINGS FUND PLC	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CALIFANO INVESTMENTS LIMITED	(23)	MT	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
CASANLI	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CDC HOLDING TRUST	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CLEA2	-	FR	Liquidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
CM REO HOLDINGS TRUST	(23)	US	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
DOMIMUR	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
DUPONT DENANT CONTREPARTIE	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	34.44%	PC
ECRINVEST 6	-	FR	Deconsolidated		N	Deconsolidated		N	34.42%	34.44%	PC
EDF INVESTISSEMENTS GROUPE	(23)	BE	5.37%	5.37%	PC	11.55%	17.33%	PC	Consolidated from 2007		N
EMERGING MARKETS GLOBAL STRATEGIES II Ltd	(23)	IE	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
EMERGING MARKETS GLOBAL STRATEGIES Ltd	(23)	IE	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
FILI SA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FINANCIERE CLADEL	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
FRUCTIBAIL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FRUCTIBAIL INVEST	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FRUCTICOMI	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GARBO INVEST	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
GCE BAIL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GUAVA CDO Ltd	(23)	JE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
GULF CAPITAL Luxembourg	-	LU	Deconsolidated		N	34.66%	34.66%	PC	Consolidated from 2007		N
INVESTIMA 6	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS ALTERNATIVE HOLDING LIMITED	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) (No. 2) LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) (No. 2) SCA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) ACCEPTANCES (N°1) INC.	-	US	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) ACCEPTANCES (N°2) INC.	-	US	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) FUNDING (N°1) PTY LTD.	-	AU	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) FUNDING (N°2) PTY LTD.	-	AU	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) HOLDINGS (N°2) INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) HOLDINGS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) PARTICIPATIONS (N°1) INC.	-	US	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA (Australia) PARTICIPATIONS (N°2) INC.	-	US	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA ACCEPTANCES LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA INTERNATIONAL HOLDINGS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA INTERNATIONAL PARTICIPATIONS (N°1) LLC	-	US	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CMNA IP ASSETS HOLDINGS (LUXEMBOURG) SCA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS CORPORATE & INVESTMENT BANK	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
IXIS HAWAI SPECIAL MEMBER LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS LOAN FUNDING I LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS LT INVESTOR LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
IXIS MANZANO SPECIAL MEMBER LLC	-	US	Business discontinued		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-1 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-2 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-3 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-4 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-5 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-6 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-7 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-8 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-9 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2004-10 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-1 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-10 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-11 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-12 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-13 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-14 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-15 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-16 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-17 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-18 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-19 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-2 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-20 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-21 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-22 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-23 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-24 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-25 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-26 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-27 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-28 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-29 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-3 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-5 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-6 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-7 TRUST	-	US	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-8 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
IXIS MUNICIPAL PRODUCTS INC. SARATOGA SERIES 2005-9 TRUST	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
IXIS SP S.A. - COMPARTIMENT PREVIE	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS STRATEGIC INVESTMENTS CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
IXIS STRUCTURED PRODUCTS LTD	(23)	JE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
JPMORGAN PUTTERS / DRIVERS TRUST SERIES 2002	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS / DRIVERS TRUST SERIES 2003	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS / DRIVERS TRUST SERIES 2004	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS / DRIVERS TRUST SERIES 2005	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS / DRIVERS TRUST SERIES 2006	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS / DRIVERS TRUST SERIES 2007	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
JPMORGAN PUTTERS / DRIVERS TRUST SERIES 2008	-	US	Business discontinued		N	34.66%	34.66%	PC	Consolidated from 2007		N
LIME CDO Ltd	(23)	JE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
MANGO CDO Ltd	-	JE	Liquidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
MASTER FINANCIAL INC.	-	US	Business discontinued		N	Business discontinued		N	-	31.00%	PC
NATEXIS ABM CORP	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS BLEICHROEDER UK	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
NATEXIS COMMODITY MARKETS Ltd	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS LEASE MADRID	(23)	SP	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS LEASE MILAN	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS MOSCOW	(23)	RU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS SERVICES LTD	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
NATEXIS US FINANCE CORPORATION	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ABM LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALGERIE	(23)	DZ	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALTERNATIVE INVESTMENTS LIMITED INTERNATIONAL	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS ALTERNATIVE INVESTMENTS LIMITED	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS AUSTRALIA PTY Ltd	(23)	AU	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS ARBITRAGE	-	FR	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ASIA LTD	(23)	HK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ASSET FINANCE INC.	-	US	Liquidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS BAIL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS BELGIQUE INVESTISSEMENTS	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS BLEICHROEDER SA	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE POPULAIRE GROUP								
COMPANY			**DECEMBER 31, 2008**			**DECEMBER 31, 2007**			**DECEMBER 31, 2006**		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
NATIXIS BLEICHROEDER Inc	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CAPITAL ARRANGER CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CAPITAL MARKETS INC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS COFICINE	(23)	FR	33.76%	33.76%	PC	32.71%	32.71%	PC	32.50%	32.50%	PC
NATIXIS COMMERCIAL PAPER CORP.	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CORPORATE SOLUTIONS (ASIA) Pte Ltd	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CORPORATE SOLUTIONS Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS DERIVATIVES INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ENERGECO	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ENVIRONNEMENT & INFRASTRUCTURES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FINANCIAL PRODUCTS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FUNDING	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FUNDING CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS IMMO DEVELOPPEMENT	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INVESTIMA	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
NATIXIS INVESTMENT MANAGEMENT CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LEASE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LLD	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS Luxembourg	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LUXEMBOURG INVESTISSEMENT	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS MALTA INVESTMENTS LIMITED	(23)	MT	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS MARCO	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS MUNICIPAL PRODUCTS INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS NORTH AMERICA INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PARTICIPATIONS HOLDING INC	-	US	Liquidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PARTICIPATIONS N°1 INC	-	US	Liquidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL INC Montréal	(23)	CA	35.42%	35.78%	PC	34.34%	34.66%	PC	34.10%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL SARLAU	(23)	FR	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL MADRID	(23)	SP	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL MILAN	(23)	IT	33.99%	35.78%	PC	32.93%	34.66%	PC	32.72%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL DEUTSCHLAND GMBH	(23)	DE	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL TUNISIE	(23)	TU	35.42%	35.78%	PC	34.34%	34.66%	PC	Consolidated from 2007		N
NATIXIS PRAMEX INTERNATIONAL SP ZO.O	(23)	PL	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEXRUS	(23)	RU	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL	(23)	FR	35.42%	35.42%	PC	34.34%	34.66%	PC	34.13%	34.10%	PC

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			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
NATIXIS PRAMEX INTERNATIONAL AP LTD	(23)	HK	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL DO BRASIL	(23)	BR	35.42%	35.78%	PC	34.34%	34.66%	PC	Consolidated from 2007		N
NATIXIS PRAMEX INTERNATIONAL CORP	(23)	US	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL LTD	(23)	GB	35.42%	35.78%	PC	34.34%	34.66%	PC	34.13%	34.44%	PC
NATIXIS PRAMEX INTERNATIONAL Paris	(23)	FR	35.06%	35.78%	PC	33.97%	34.66%	PC	34.13%	34.44%	PC
NATIXIS REAL ESTATE CAPITAL INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SECURITIES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SECURITIES NORTH AMERICA INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SECURITIZATION CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS TRANSPORT FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INNOV	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN CAPITAL Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN FINANCIAL HOLDINGS Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN MAURITIUS Ltd	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEXGEN REINSURANCE Ltd	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NH PHILADELPHIA PROPERTY LP	(23)	US	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
OPERA SENTIER SAS	-	FR	Deconsolidated		N	17.33%	17.33%	PC	Consolidated from 2007		N
PAR FUND GP LLC	-	US	Liquidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
PARALLEL ABSOLUTE RETURN FUND LTD	-	KY	Liquidated		N	Consolidated from 2008		N	Consolidated from 2008		N
PARALLEL ABSOLUTE RETURN FUND LP	-	US	Liquidated		N	32.23%	32.23%	PC	32,38%	32,38%	PC
PARALLEL ABSOLUTE RETURN MASTER FUND LP	-	KY	Liquidated		N	25.30%	25.30%	PC	25.83%	25.83%	PC
PARIS OFFICE FUND	-	FR	Deconsolidated		N	Deconsolidated		N	17.22%	17.22%	PC
PLAZA SQUARE APPARTMENTS OWNERS LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
PLAZA TRINITY LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
ROSE MORTGAGE INC.	-	US	Deconsolidated		N	Deconsolidated		N	-	16.88%	PC
SNC TOLBIAC FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
UNIVERSE HOLDINGS Ltd	(23)	CA	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SAGP	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
SAS VAL A	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
Private equity and private banking											
ANTEIS EPARGNE	-	FR	18,25%	17,89%	PC	13,17%	17,68%	PC	12.74%	12.74%	PC
BANQUE PRIVÉE ST DOMINIQUE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
BP DEVELOPPEMENT	(22)	FR	6,80%	15,38%	PC	14.43%	34.66%	PC	69.75%	69.75%	FC
BPSD GESTION	(22)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CENTRE EUROPEEN D'ASSURANCE	-	FR	Merged		N	Merged		N	25.14%	25.14%	PC
CENTRE FRANCAIS DU PATRIMOINE	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC

(A) Group (B) Country (C) Consolidation method

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			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
C&M FINANCE	-	FR	Sold		N	5.20%	5.20%	EM	5.17%	5.17%	EM
COMPAGNIE 1818 - BANQUIERS PRIVES	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC
COMPAGNIE 1818 - GESTION	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC
COMPAGNIE 1818 - IMMOBILIER	(23)	FR	35.06%	35.78%	PC	25.65%	25.65%	PC	25.14%	25.14%	PC
DAHLIA A SICAR SCA	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
FCPR IXEN	(23)	FR	31.49%	35.66%	PC	31.00%	34.66%	PC	34.35%	34.35%	PC
FCPR IXEN II	(23)	FR	30.16%	35.67%	PC	34.57%	34.66%	PC	34.35%	34.35%	PC
FCPR IXEN III	(23)	FR	35.52%	35.52%	PC	Consolidated from 2008		N	Consolidated from 2008		N
FINANCIERE NATEXIS SINGAPOUR	(23)	SG	35.78%	35.78%	PC	25.99%	34.66%	PC	34.44%	34.44%	PC
FINATEM	(23)	DE	35.78%	35.78%	PC	26.34%	34.66%	PC	34.44%	34.44%	PC
FNS2	(23)	SG	35.78%	35.78%	PC	27.38%	34.66%	PC	34.44%	34.44%	PC
FNS3	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FNS4	(23)	SG	32.92%	35.78%	PC	29.46%	34.66%	PC	34.44%	34.44%	PC
FNS5	(23)	SG	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
INITIATIVE ET FINANCE INVESTISSEMENT	(23)	FR	25.40%	33.27%	PC	31.99%	31.82%	PC	31.79%	31.79%	PC
MANTRA GESTION	(23)	FR	11.81%	12.16%	PC	8.66%	11.78%	PC	Consolidated from 2007		N
MERCOSUL	(23)	GB	33.63%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS ACTIONS CAPITAL STRUCTURANT	(23)	FR	26.83%	26.83%	PC	27.86%	34.66%	PC	27.73%	27.73%	PC
NATEXIS CAPE	(23)	LU	33.99%	35.42%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS INDUSTRIE FCPR	(23)	FR	27.91%	31.84%	PC	34.60%	34.66%	PC	34.38%	34.38%	PC
NATEXIS INVERSIONES SL	(23)	SP	28.98%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS INVESTMENT CORP.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INVESTISSEMENT	(23)	FR	30.05%	35.78%	PC	34.60%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRIVATE BANKING	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRIVATE EQUITY INTERNATIONAL Luxembourg	(23)	LU	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS PRIVATE BANKING INTERNATIONAL	(23)	LU	35.78%	35.78%	PC	33.20%	34.66%	PC	32.99%	34.44%	PC
NATIXIS PRIVATE EQUITY	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PRIVATE EQUITY INTERNATIONAL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS PRIVATE EQUITY INTERNATIONAL MANAGEMENT	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
NATIXIS PRIVATE EQUITY INTERNATIONAL SINGAPOUR	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS PRIVATE EQUITY OPPORTUNITIES	(23)	FR	35.06%	35.42%	PC	34.38%	34.66%	PC	34.38%	34.44%	PC
NATIXIS VENTURE SELECTION	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NAXICAP PARTNERS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NEM2	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
PROVIDENTE SA	(23)	FR	35.78%	35.78%	PC	34.54%	34.66%	PC	34.44%	34.44%	PC
SEVENTURE PARTNERS	-	FR	Deconsolidated		N	34.65%	34.66%	PC	34.44%	34.44%	PC

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
SOPRANE SERVICES	-	FR	Deconsolidated		N	Deconsolidated		N	34.36%	34.44%	PC
SPEF LBO	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
Asset management											
NATIXIS CASPIAN PRIVATE EQUITY	(23)	US	35.00%	40.00%	EM	Consolidated from 2008		N	Consolidated from 2008		N
ABSOLUTE ASIA AM	(23)	SG	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW ADVISORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW CENTRAL EUROPE	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
AEW CAPITAL MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW CAPITAL MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW GLOBAL ADVISORS (ASIA)	(23)	SG	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW GLOBAL ADVISORS (EUROPE) LTD	(23)	GB	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW II CORPORATION	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW INVESTMENT GROUP, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW MANAGEMENT AND ADVISORS, LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW PARTNERS III, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW PARTNERS IV, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW PARTNERS V, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW REAL ESTATE ADVISORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW SECURITIES LIMITED PARTNERSHIP	-	US	Liquidated		N	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW TSF, INC.	-	US	Liquidated		N	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW VIF INVESTORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW VIF II INVESTORS, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
AEW VIA Co-INVESTORS,LP	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ALPHASIMPLEX GROUP LLC	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	Consolidated from 2007		N
ALTERNATIVE STRATEGIES GROUP LLC	(23)	US	31.72%	31.72%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ASAHI NVEST INVESTMENT ADVISORY CO Ltd	(23)	JP	15.38%	17.53%	EM	14.90%	16.98%	EM	14.47%	14.47%	EM
ASG QUASAR FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ASG LASER FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
ASG GLOBAL ALTERNATIVES FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
CAPITAL GROWTH MANAGEMENT LP	(23)	US	15.74%	17.89%	EM	17.33%	17.33%	EM	14.47%	14.47%	EM
CASPIAN CAPITAL MANAGEMENT, LLC	(23)	US	16.10%	18.25%	PC	15.60%	17.68%	PC	14.81%	14.81%	PC
CGW GESTION D'ACTIFS	(23)	FR	6.44%	11.81%	EM	6.24%	11.44%	EM	9.64%	11.36%	EM
COGIM	-	FR	Merged		N	18.37%	34.66%	PC	29.28%	29.28%	PC
CREA WESTERN INVESTORS I, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL ADVISORY LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CURZON GLOBAL PARTNERS	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL UK LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
CURZON GLOBAL CC LTD	(23)	GB	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
NATIXIS EPARGNE FINANCIERE GESTION	(23)	FR	31.84%	31.84%	PC	30.73%	34.66%	PC	27.55%	27.55%	PC
NATIXIS EPARGNE FINANCIERE GESTION FCP	(23)	FR	31.84%	31.84%	PC	30.73%	34.66%	PC	27.55%	27.55%	PC
EPI SLP LLC	(23)	GB	18.96%	31.84%	PC	18.37%	30.85%	PC	Consolidated from 2007		N
FEDERAL STREET MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
GATEWAY INVESTMENT ADVISERS, LP	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
HANSBERGER GROUPE INC	(23)	US	31.84%	31.84%	PC	30.50%	30.50%	PC	7.23%	7.23%	PC
HANSBERGER GLOBAL INVESTOR, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	Consolidated from 2007		N
HANSBERGER GLOBAL (HK) Ltd	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	Consolidated from 2007		N
HARRIS ALTERNATIVES, LLC	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ALTERNATIVES HOLDING INC	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES, INC.	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES INVESTMENT TRUST	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
HARRIS ASSOCIATES SECURITIES, LP	(23)	US	31.84%	31.84%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
IXIS AEW EUROPE SA	(23)	FR	18.96%	21.47%	PC	18.37%	20.80%	PC	29.28%	29.28%	PC
IXIS AEW ITALIA	(23)	IT	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
IXIS AEW LUXEMBOURG	(23)	LU	18.96%	31.84%	PC	18.37%	34.66%	PC	29.28%	29.28%	PC
IXIS ASSET MANAGEMENT SERVICES, INC.	-	US	Merged		N	Merged		N	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES AUSTRALIA HOLDINGS, LLC	(23)	AU	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT ADVISERS, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES AUSTRALIA LIMITED	-	AU	Sold		N	Sold		N	29.28%	29.28%	PC
NATIXIS DISTRIBUTION CORPORATION	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS DISTRIBUTORS	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT JAPAN CO, Ltd	(23)	JP	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS INVESTMENT SERVICES JAPAN, INC.	(23)	JP	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
KOBRICK FUNDS, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES ALPHA, LLC	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
LOOMIS SAYLES & COMPANY, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES & COMPANY, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES CONSUMER DISCRETIONARY GP LLC	-	US	Liquidated		N	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES CONSUMER DISCRETIONARY LP	-	US	Liquidated		N	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES CONSUMER DISCRETIONARY, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
LOOMIS SAYLES DISTRIBUTORS, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES DISTRIBUTORS, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES ENERGY, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES ENERGY HEDGE FUND II, LP	-	US	Liquidated		N	30.85%	30.85%	PC	Consolidated from 2007		N
LOOMIS SAYLES FUTURES, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES INTERNATIONAL BOND FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
LOOMIS SAYLES MULTI-STRATEGY ALPHA, LP	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
LOOMIS SAYLES SOLUTIONS, INC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
LOOMIS SAYLES TRUST COMPANY, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	Consolidated from 2007		N
MC MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
MC MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS LOOMIS SAYLES GLOBAL GROWTH FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATEXIS ASSET MANAGEMENT	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
NATIXIS GLOBAL ASSET MANAGEMENT, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATEXIS ASSET MANAGEMENT IMMOBILIER	(23)	FR	18.96%	31.48%	PC	18.37%	30.50%	PC	34.44%	34.44%	PC
NATEXIS ASSET SQUARE	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
NATIXIS ASSET MANAGEMENT	(23)	FR	31.72%	31.72%	PC	30.73%	34.66%	PC	29.28%	29.28%	PC
NATIXIS AXELTIS LTD	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS GLOBAL ASSOCIATES LUXEMBOURG, INC	(23)	LU	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT HOLDINGS, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES ITALIA	(23)	IT	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT PARTICIPATIONS 1	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS ASSET MANAGEMENT PARTICIPATIONS 2	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES UK	(23)	UK	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES INC	(23)	UK	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT CORPORATION	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT, LP	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 1	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 2	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 3	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC

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COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
NATIXIS GLOBAL ASSET MANAGEMENT PARTICIPATIONS 4	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	29.13%	34.44%	PC
NATIXIS GLOBAL ASSOCIATES GERMANY	(23)	DE	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
NATIXIS GLOBAL ASSOCIATES SWITZERLAND	(23)	CH	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS MULTIMANAGER	(23)	FR	31.84%	31.84%	PC	30.85%	30.85%	PC	23.76%	23.76%	PC
NATIXIS OAKMARK GLOBAL LARGE CAP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	Consolidated from 2007		N
PBW REAM	(23)	NL	9.30%	17.89%	EM	9.01%	17.33%	EM	14.47%	14.47%	EM
PERCIPIO CAPITAL MANAGEMENT LLC	-	FR	Sold		N	9.36%	10.40%	ME	Consolidated from 2007		N
REICH & TANG ASSET MANAGEMENT, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
REICH & TANG DISTRIBUTORS, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
REICH & TANG SERVICES, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
SEAPORT SENIOR HOUSING, LLC	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
SNYDER CAPITAL MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
SNYDER CAPITAL MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON TRUST COMPANY	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
VAUGHAN NELSON VALUE OPPORTUNITIES FUND	(23)	US	31.84%	31.84%	PC	Consolidated from 2008		N	Consolidated from 2008		N
WESTPEAK GLOBAL ADVISORS, LP	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
WESTPEAK INVESTMENT ADVISORS AUSTRALIA, LIMITED PTY.	-	AU	Liquidated		N	Liquidated		N	29.28%	29.28%	PC
WESTPEAK INVESTMENT ADVISORS, INC.	(23)	US	31.84%	31.84%	PC	30.85%	30.85%	PC	29.28%	29.28%	PC
WESTPEAK SMALL CAP GROWTH FUND	-	US	Liquidated		N	30.85%	30.85%	PC	Consolidated from 2007		N
Receivables management											
AKCO FUND	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
AXA ASSURCREDIT	-	FR	Deconsolidated		N	Deconsolidated		N	13.78%	13.78%	PC
BUSINESS DATA INFORMATION	(23)	IL	28.62%	28.62%	PC	21.14%	21.14%	PC	20.98%	34.44%	PC
CENTRE D'ETUDES FINANCIERES	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
CERVED	(23)	IT	5.37%	5.37%	EM	5.20%	5.20%	EM	Consolidated from 2007		N
CESAR	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CIA DE SEGUROS DE CREDITOS CHILE SA	-	CL	Merged		N	Merged		N	29.06%	34.44%	PC
CIMCO SYSTEMS LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE ASSICURAZIONI SPA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE AUSTRIA HOLDING AG	(23)	AT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE BELGIUM SERVICES HOLDING	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE BULGARIA CMS	-	BG	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE CENTRALE EUROPE HOLDING	(23)	AT	26.83%	26.83%	PC	25.99%	25.99%	PC	25.83%	34.44%	PC

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COFACE COLLECTION NORTH AMERICA	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE CREDIT MANAGEMENT NORTH AMERICA	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE CROATIA CMS	-	CT	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE CZECH CMS	-	CZ	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE DANMARK SERVICES	-	DK	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE DEBITOREN	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE DEBT PURCHASE	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE DEUTSCHLAND	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE DO BRASIL SEGUROS DE CREDITO	(23)	BR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE EXPERT	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
COFACE FACTORING ESPANA	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE FACTORING ITALIA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE FINANZ	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE FINANS A/S DANMARK	(23)	DE	26.83%	26.83%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE HOLDING AMERICA LATINA SA	(23)	MX	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HOLDING AUSTRIA	(23)	AT	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE HOLDING ISRAEL	(23)	IL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HOLDING SAS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE HUNGARY CMS	-	HU	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE ITALIA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE KREDIT	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NEDERLAND SERVICES B.V.	(23)	NL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NORTH AMERICA HOLDING COMPANIE	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NORTH AMERICA INSURANCE COMPANIE	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE NORTH AMERICA INC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE POLAND CMS	-	PL	35.78%	35.78%	PC	Deconsolidated		N	25.83%	34.44%	PC
COFACE RECEIVABLE FINANCES	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE ROMANIA CMS	-	RO	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE SA	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICE POLOGNE	-	PL	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICE SPA	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES AUSTRIA	(23)	AT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES BELGIUM	-	BR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES BRESIL	-	BR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

BANQUE POPULAIRE GROUP

COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COFACE SERVICES COLOMBIA LTDA	-	CO	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICES ECUADOR S.A.	-	EC	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICES NORTH AMERICA INC.	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICES PERU S.A.	-	PE	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICES VENEZUELA C.A	-	VE	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS ARGENTINA SA	-	AG	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS CHILE SA	-	CL	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS COSTA RICA SA	-	CR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS ESPANA SL	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICIOS MEXICO SA	-	MX	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS PANAMA SA	-	PA	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SERVICIOS Portugal	(23)	PA	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SLOVAKIA CMS	-	SQ	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE SLOVENIA CMS	-	SI	Deconsolidated		N	Deconsolidated		N	25.83%	34.44%	PC
COFACE SOUTH AFRICA	-	ZA	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE SOUTH AFRICA SERVICES	-	ZA	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE UK HOLDING LTD	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE UK SERVICES LTD	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SERVICE SUISSE	-	CH	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACERATING.DE GMBH	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACERATING-HOLDING	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACREDIT	(23)	FR	35.78%	35.78%	PC	12.48%	12.48%	EM	12.40%	12.40%	EM
COFACTIONS 2	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFOBLIG	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFINPAR	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COGERI	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CREDICO LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
EIOS	-	FR	Deconsolidated		N	Deconsolidated		N	10.25%	10.25%	EM
FIMIPAR	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GCE AFFACTURAGE	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
GRAYDON HOLDING	(23)	NL	10.02%	10.02%	EM	9.53%	9.53%	EM	9.47%	9.47%	EM
KISSELBERG	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
KOMPASS BELGIQUE	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
KOMPASS JAPAN	-	JP	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS CZECH REPUBLIC A.S.	-	CZ	Deconsolidated		N	Deconsolidated		N	32.03%	32.03%	PC
KOMPASS FRANCE	-	FR	Merged		N	34.66%	34.66%	PC	Consolidated from 2007		N
KOMPASS HOLDING	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC

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			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
KOMPASS INTERNATIONAL	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
KOMPASS ISRAEL	-	IL	Deconsolidated		N	Deconsolidated		N	15.73%	34.44%	PC
KOMPASS POLAND	-	PL	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS SOUTH EAST ASIA LIMITED	-	SG	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS TURKEY	-	TR	Deconsolidated		N	Deconsolidated		N	24.08%	34.44%	PC
KOMPASS USA, INC.	-	US	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
LIBRAIRIE ELECTRONIQUE	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
MLS1	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS FACTOR	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
OR INFORMATIQUE	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
ORCHID TELEMATICS LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
PLACEMENTS COFACTIONS 2	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
PLACEMENTS COFOBLIG	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
THE CREDITORS GROUP LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
THE CREDITORS GROUP HOLDING LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
THE CREDITORS INFORMATION CO LIMITED	-	GB	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
UNISTRAT COFACE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
VISCONTEA IMMOBILIARE	-	IT	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
VR FACTOREM GMBH	(23)	DE	8.94%	8.94%	EM	17.68%	17.68%	PC	17.57%	17.57%	PC
Services											
ABP ACTIONS	-	FR	35.06%	35.42%	PC	34.30%	34.66%	PC	34.08%	34.44%	PC
ABP CROISSANCE RENDEMENT	(23)	FR	35.42%	35.42%	PC	34.15%	34.66%	PC	33.94%	34.44%	PC
ABP MIDCAP	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
ABP MONETAIRE PLUS	-	FR	Liquidated		N	Liquidated		N	34.44%	34.44%	PC
ABP PREVOYANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
ABP TAUX	-	FR	Liquidated		N	Liquidated		N	34.44%	34.44%	PC
ABP VIE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
ADIR	(23)	LB	12.16%	12.16%	EM	11.78%	11.78%	EM	11.71%	11.71%	EM
ASM ALTERNATIF GARANTI 1	-	FR	Deconsolidated		N	Deconsolidated		N	34.10%	34.44%	PC
ASSURANCES BP IARD	(23)	FR	17.89%	17.89%	EM	17.30%	17.30%	EM	17.19%	17.22%	EM
BROOKE SECURITIES, Inc	-	US	Merged		N	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS (USA) Inc	(23)	US	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS BANK	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CACEIS BANK DEUTSCHLAND	(23)	DE	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS BANK LUXEMBOURG	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC

(A) Group (B) Country (C) Consolidation method

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CACEIS CORPORATE TRUST	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CACEIS FASTNET	(23)	FR	16.82%	16.82%	PC	12.05%	12.05%	PC	12.05%	12.05%	PC
CACEIS FASTNET AMERICAN ADMINISTRATION	(23)	US	17.89%	17.89%	PC	12.05%	12.05%	PC	Consolidated from 2007		N
CACEIS FASTNET SUISSE	(23)	CH	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CACEIS SAS	(23)	FR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
CEGI (Compagnie Europeenne de Garanties et Cautions)	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
CEGI COURTAGE	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
FASTNET Belgique	(23)	FR	9.30%	9.30%	PC	8.95%	8.95%	PC	17.22%	17.22%	PC
FASTNET HOUSE	-	FR	Sold		N	17.33%	17.33%	PC	17.22%	17.22%	PC
FASTNET IRLANDE	(23)	IR	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
FASTNET LUXEMBOURG	(23)	LU	9.30%	9.30%	PC	8.95%	8.95%	PC	8.95%	8.95%	PC
FASTNET PAYS-BAS	(23)	NL	9.30%	9.30%	PC	8.95%	8.95%	PC	8.95%	8.95%	PC
FCP GCEC DIVERSIFIE	-	FR	Liquidated		N	8.95%	8.95%	PC	Consolidated from 2007		N
FONCIER ASSURANCE	(23)	FR	21.47%	21.47%	PC	20.80%	34.66%	PC	20.67%	20.67%	PC
FRUCTIFONCIER	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
GESTITRES	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
INVESTOR SERVICES HOUSE	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
NATIXIS ASSURANCES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS CONSUMER FINANCE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS CONSUMER FINANCE IT	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS FINANCEMENT	(23)	FR	23.97%	23.97%	PC	23.22%	34.66%	PC	23.08%	23.08%	PC
NATIXIS GARANTIES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS IMMO EXPLOITATION	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI ABP IENA	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
NATIXIS INTEREPARGNE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS INTERTITRES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.41%	34.44%	PC
NATIXIS INVESTOR SERVICING	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LIFE	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.25%	34.44%	PC
NATIXIS PAIEMENTS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SOCECA	-	FR	Deconsolidated		N	Deconsolidated		N	8,60%	8,60%	PC
NOVACREDIT	-	FR	Absorbed		N	Absorbed		N	22.73%	34.44%	PC
OLYMPIA CAPITAL ASSOCIATES, LP	-	US	Merged		N	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS BERMUDA LTD	(23)	BM	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS CAYMAN LTD	(23)	KY	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
CACEIS CANADA LTD	(23)	CA	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
OLYMPIA CAPITAL INC	-	US	Merged		N	17.33%	17.33%	PC	Consolidated from 2007		N

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
OLYMPIA IRELAND LTD	(23)	IE	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
PARTINVEST	(23)	LU	17.89%	17.89%	PC	17.33%	17.33%	PC	17.22%	17.22%	PC
SACCEF	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
OPCI NATIXIS LEASE INVESTMENT	(23)	FR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
SAS IMMOBILIERE NATIXIS BAIL	(23)	FR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
SCI ABP POMPE	-	FR	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI SACCEF IMMOBILIER	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI SACCEF LA BOÉTIE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI SACEF CHAMPS-ELYSÉES	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SLIB	(23)	FR	23.97%	23.97%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SOCAMAB	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	20.66%	20.66%	PC
SOCECA	-	FR	Deconsolidated		N	Deconsolidated		N	8.60%	8.60%	EM
VITALIA VIE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
WINCHESTER FIDUCIARY SERVICES LTD	(23)	BM	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
WINCHESTER GLOBAL TRUST COMPANY LTD	(23)	BM	17.89%	17.89%	PC	17.33%	17.33%	PC	Consolidated from 2007		N
Retail banking (d)											
CAISSE D'EPARGNE DES ALPES	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE D'ALSACE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE AQUITAINE-NORD	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE AQUITAINE POITOU-CHARENTE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE D'AUVERGNE ET DU LIMOUSIN	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE NORMANDIE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DE BOURGOGNE ET FRANCHE-COMTE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DE BRETAGNE	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE CENTRE VAL DE LOIRE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE CHAMPAGNE-ARDENNE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE COTE D'AZUR	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DE FLANDRE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DE HAUTE-NORMANDIE	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE ILE-DE-FRANCE-NORD	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE ILE-DE-FRANCE-OUEST	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE ILE-DE-FRANCE	-	FR	Merged		N	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE LANGUEDOC-ROUSSILLON	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE LOIRE DROME ARDÈCHE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE LOIRE CENTRE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CAISSE D'EPARGNE DE LORRAINE	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DE LORRAINE CHAMPAGNE-ARDENNE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE DE MIDI-PYRÉNÉES	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE NORD FRANCE EUROPE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE DU PAS-DE-CALAIS	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DES PAYS DE L'ADOUR	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE BRETAGNE-PAYS DE LA LOIRE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE DU PAYS DE L'HAINAUT	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DE PICARDIE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE POITOU-CHARENTES	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE PROVENCE-ALPES-CORSE	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	6.89%	6.89%	EM
CAISSE D'EPARGNE RHONE-ALPES	(23)	FR	7.16%	7.16%	EM	6.93%	6.93%	EM	Consolidated from 2007		N
CAISSE D'EPARGNE RHONE-ALPES LYON	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
CAISSE D'EPARGNE DU VAL DE FRANCE ORLEANAIS	-	FR	Merged		N	Merged		N	6.89%	6.89%	EM
Other activities											
CO ASSUR	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COFACE ARGENTINA - branches	(23)	AG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE BELGIUM - branches	(23)	BE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE CANADA - branches	(23)	CL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE CHILE - branches	(23)	CL	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE CZECH INSURANCE - branches	(23)	CZ	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE DANMARK branches	(23)	DK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE FINANCES PAYS-BAS - branches	(23)	NL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HONG KONG branches	(23)	HK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE HUNGARY - branches	(23)	HU	35.78%	35.78%	PC	34.66%	34.66%	PC	25.83%	34.44%	PC
COFACE IBERICA	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE IRELAND	(23)	IE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE JAPAN - branches	(23)	JP	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE LATVIA INSURANCE - branches	(23)	LV	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE NEDERLAND - branches	(23)	NL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE POLAND - branches	(23)	PL	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE Portugal - branches	(23)	PT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE ROMANIA INSURANCE -branches	(23)	RO	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE SINGAPOUR - branches	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SLOVAKIA INSURANCE	(23)	SK	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
COFACE SVERIGE	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE SWITZERLAND - branches	(23)	CH	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC

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			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
COFACE UK - branches	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
COFACE ECUADOR - branches	(23)	EC	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE AUSTRALIE - branches	(23)	AU	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE TAIWAN - branches	(23)	TA	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE BULGARIA (Branch)	(23)	GR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COFACE FACTORING LITHUANIA - branches	(23)	LT	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
COLLOMB MAGELLAN SCI	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
COMPAGNIE FONCIERE NATIXIS	-	FR	Merged		N	Merged		N	34.44%	34.44%	PC
EDVAL C INVESTMENTS Ltd	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
FONCIERE KUPKA	-	FR	Deconsolidated		N	34.66%	34.66%	PC	34.44%	34.44%	PC
IFCIC	-	FR	Deconsolidated		N	Deconsolidated		N	7.03%	7.03%	EM
IMMOBILIERE NATEXIS	-	FR	Deconsolidated		N	Deconsolidated		N	34.44%	34.44%	PC
KOMPASS ESPAGNE	(23)	ES	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
KOMPASS Luxembourg	(23)	LU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
LEID - branches	(23)	AU	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS AMBS COMPANY LLC	-	US	Deconsolidated		N	-	34.66%	PC	-	34.44%	PC
NATEXIS BANQUES POPULAIRES INVEST	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS FUNDING USA LLC	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS SHANGHAI	(23)	CN	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATEXIS SINGAPOUR	(23)	SG	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATINIUM FINANCIAL PRODUCTS	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALTAIR	-	FR	Merged		N	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS ALTAIR IT SHARE SERVICES	(23)	FR	35.78%	35.78%	PC	Consolidated from 2008		N	Consolidated from 2008		N
NATIXIS DUBAI	(23)	AU	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NATIXIS FRANCFORT	(23)	DE	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS HONG KONG	(23)	HK	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS HO CHI MINH	(23)	VN	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LABUAN	(23)	MY	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS LONDRES	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS MADRID	(23)	SP	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS MILAN	(23)	IT	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS NEW YORK	(23)	US	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
NATIXIS PANAMA	(23)	PA	35.78%	35.78%	PC	34.66%	34.66%	PC	Consolidated from 2007		N
NBP PREFERRED CAPITAL I, LLC	(23)	US	-	35.78%	PC	-	34.66%	PC	-	34.44%	PC
NBP PREFERRED CAPITAL II, LLC	(23)	US	-	35.78%	PC	100.00%	34.66%	PC	100.00%	34.44%	PC

(A) Group (B) Country (C) Consolidation method

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COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
NBP PREFERRED CAPITAL III, LLC	(23)	US	-	35.78%	PC	-	34.66%	PC	-	34.44%	PC
NATIXIS PARTICIPATIONS 1	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI ALTAIR 1	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI ALTAIR 2	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SCI VALMY COUPOLE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
SEGEX	-	FR	Absorbed		N	Absorbed		N	34.44%	34.44%	PC
SA NATIXIS FONCIÈRE	(23)	FR	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
STÉ FINANCIÈRE BFCE	-	FR	Absorbed		N	Absorbed		N	Absorbed		N
WORLEDGE A INVESTMENTS Ltd EUR	(23)	GB	35.78%	35.78%	PC	34.66%	34.66%	PC	34.44%	34.44%	PC
III-3) Federal and other activities											
FONCIA											
A1 GASCOGNE IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AAB RICHARD TOUCHET	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
ACOGEST	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
ACOS CONSEIL	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
ACTE SAS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
ACTIONS GERANCE (SARL AG)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
ACTIONS GERANCE ET TRANSACTION (AGT)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGEN LOCATIONS TRANSACTIONS (ALT)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ACAPULCO IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE ALLORGE BRIIS SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE GIF SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE LES ULIS SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE MONTIGNY LE BRETONNEUX (AAMB)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE PALAISEAU SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE SA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE ALLORGE ST REMY SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE AZUR FONCIÈRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE BELHACHE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE COURTES	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE DE LA GARE	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE DENIS LAGARRIGUE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE DES ARAVIS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE GAMBETTA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE GAULTIER SAINT GAUDENS OFFICE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE JACQUES LIEVENS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N

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BANQUE POPULAIRE GROUP

COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
AGENCE PIVERT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
AGENCE RAVON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGENCE REGIONALE	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
AGENCE TEILATUA	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE TURON	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AGENCE UNIMMO	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
AGENCE VOLTAIRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGESTIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
AGL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AGORA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ALPHA IMMO 34	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ALVIA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
ARTIS IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ARVOR IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ASSURIMO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ASSURIMO PARIS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
ATLAS AQUITAINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ATLAS PYRENÉES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
ATRIUM	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
AURORE IMMOBILIER	-	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
AVIC IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
BALLIER IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
BELLECOMBE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
BOUTEILLE FERNEY	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
BOUTEILLE TRANSACTIONS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
BREIZH DIORREN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET LECOQ FINANCE ET GESTION (CLFG)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET BLANDIN	(21)	DE	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CABINET CIC	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET COCUELLE	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
CABINET CORNAUD SARL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
Cabinet GOMEZ	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET MARCHAND	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CABINET NICOLAS	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
CABINET ORSAT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CABINET PABAN	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
Cabinet René POUZET	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
CAP CARAIBES GESTION	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CAP CARAIBES IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CAPES	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
CECILE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CERDAGNE CAPCIR SYNDIC	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
CG2I EDEN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
Cie Inform. Invest. Immobilier - C3i	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
Cie Nationale d'expertise et de mesurage CONSTATIMMO	-	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CLB IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CNEM PRODUCTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
CONSEIL ET PARTENAIRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
COSTE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CROISSANCE SUD	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
DOCHER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
EFIMO DAMBREVILLE SA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
EFIMO PALPIED	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FABAIR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FIDUCIMMO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FINANCIERE IMMOBILIERE INTERNATIONALE (F2I)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FL	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
FONCA IMMOCOLOGNE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA ACCORD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA AD IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AGENCE CENTRALE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AGENCE DU TREHO	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA AGENCE MODERNE	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AKTYS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ALGEMEEN BEHEER NV (A.B.)	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA ALPES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ALSACE HT RHIN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AMYOT GILLET	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ANDREVON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ARDOUIN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ARMOR IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

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COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA ASSHOFF HGV GmbH	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ATLANTIQUE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ATLAS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA AURIOL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA AZUR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BAIES DU SOLEIL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BARBIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BASTARD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BELCOURT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BELGIUM	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BERATA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA BINTZ	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BOLLING LE BÂTIMENT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BOUCLES DE SEINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BOUSSARD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA BOUTEILLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BRETTE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BROSSOLETTE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA BUAT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CAPITAINE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA CAPITOLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CARRERE-TIXADOR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CARRIERES ET COMPETENCES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CENTRE DE L'IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CERGIE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CGI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CHABANEAU	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CHABLAIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CHADEFAUX LECOQ	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA COLBERT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA COUPAT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA CUILLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DANZFUSS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DESIMEUR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DEUTSCHLAND GMBH	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA DEUTSCHLAND KG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DOCHER INTER FRANCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA DOMITIA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA EFIMO	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ENTREPRISE	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FABRE GIBERT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FOUBERT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FRANCHISE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FRANCHISE FRANCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FRANCO-SUISSE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA FT GESTION	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GAIRIN - CALVO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GATINEAU	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GECO CHABLAIS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO GRUYÈRE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO LA PAIX	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO POD	(21)	CH	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO RHÔNE	(21)	CH	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECO SA	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GECO SARINE	(21)	CH	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GECOVAR	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GENERALE IMMOBILIÈRE	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GESTION IMMOBILIÈRE	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GESTION IMMOBILIÈRE IDF	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GH	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GITEC ALPINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GOBELINS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GOZE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GRAND BLEU	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA GRAND DELTA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GRENON CESBRON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GROC	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA GROUPE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA HAUGUEL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA HOLAS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA HOLDING G.I.	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

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COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA IBT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ICR	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA ICV	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IG	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IGD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ILES D'OR	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IMMOBILIAS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IMMOBILIERE DU CHAMPS DE MARS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA IMMONOVA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA IMMOSTONE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA INTERNATIONAL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA JACOBINS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA JANIN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA JOMEL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LABBE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LACOMBE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LANGUEDOC PROVENCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LAPORTE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LE PHARE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LEMESRE	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LES BAINS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LIGURIE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA L'IMMOBILIÈRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LIMOUZY	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LMG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LOBSTEIN SOGESTIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA L'OCÉANIC	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA LUTECE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MAINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MAIP	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MANAGO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MANSART	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MARCEAU	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MARCHAND TBI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MARMIGNON -RODRIGUES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA MARNE EUROPE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MASSÉNA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MER ET SOLEIL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MICHEL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MOLLAND	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA MPI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ORLY BEDOS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PARIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PARIS GESTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PARTICIPATIONS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA PASCAL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA PIERRE GESTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA REM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA RÉPUBLIQUE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA RIVES DE PARIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA RIVES DE SEINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ROBACHE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ROUAULT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA S.E.G.G.	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SA	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SAGI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOGEST	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA SOGI PELLETIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOGIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOGIV	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOLONIM	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SOVIM	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SPRIMBARTH	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA SAINT-ANTOINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA STEIN	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA SWITZERLAND	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TOURNY	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TRANSACTION COTE FLEURIE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TRANSACTION LOCATION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA TRAVAUX	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FONCIA TURCKHEIM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FONCIA VAL-DE-MARNE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VAL-DE-SEINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VAL D'ESSONNE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VALLAURIS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VALORISATION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VAUCELLES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VEXIN	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VIEUX PORT	(21)	DE	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VOLTAIRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VOW GMBH	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA VOW GmbH& Co. KG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA WURM	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FONCIA ZAMBONI PORTES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FRANCES SA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
FT AUDE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT ALLORGE DADRIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT ALPES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT CHARENTE MARITIME	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT FERNAY VOLTAIRE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT LOIRE-ATLANTIQUE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT METZ	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT TOURAINE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FT VENDÉE NORD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FT VENDÉE SUD	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL BORDEAUX	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL ILLE-ET-VILAINE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL LYON	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL MARSEILLE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL PARIS EST	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL RENNES	(21)	CH	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL SEINE OUEST	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
FTL STRASBOURG	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL TOULOUSE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL VALENCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
FTL VAR OUEST	(21)	LU	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
FTL VIENNE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GAUSSERAND HABITAT SARL	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
GESTION DU SUD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
GESTION IMMOBILIERE DU LANGUEDOC GIL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
GESTION IMMOBILIERE ET FONCIERE - GIF	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GESTION IMMOBILIERE G FERRETTI	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GF FINANCIÈRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GH FINANCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
GITE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
GLOBALIMMO.COM	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
GUY BOUZAT TRANSACTIONS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
HUB INDUSTRIES	-	FR	Sold		N	100.00%	100.00%	FC	Consolidated from 2007		N
ICDIEN	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IGT	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
IMMO 82	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
IMMOBILIER 26 SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIER DU HARAS	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIER ET ASSURANCES	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIER TRANSACTION THIERS ITT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
IMMOBILIERE CABINET CENTRALE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
IMMOBILIERE CHARLEMAGNE GESTION	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
IMMOBILIERE D'ALSACE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
IMMOBILIERE PASTORELLI	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
INGENIERIE CONSEIL ET ASSISTANCE (I.C.A)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
INITIA	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
INSURANCE BROKERS & PARTNERS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
INTERAGENCE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
INTUIT'OPP	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
JACQUES SARRADIN CABINET IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
JEAN LAVIGNE EURL	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
KARNOD	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
LB IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
L'IMMOBILIERE DE VERNEUIL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
LOCASSISTANCE	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
LORRAINE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
MAINTENANCE INVESTISSEMENT GESTION (MIG)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N

			BANQUE POPULAIRE GROUP								
COMPANY			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
MFC MURS ET FONDS COURTAGE	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
MONA LISA GESTION IMMOBILIÈRE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
MR IMMOBILIER SARL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
NOIRIMMO	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
OCEAN IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
PEETERS-ICDIEN	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
PELISSOLO	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
PIERRE ET TERRE IMMOBILIER	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
PROCOMME IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
PSI.PLUS	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
REGIE VERGNAUD	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SA SETB	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SA SOGESTIM	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SARL BAUDRY IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SARL CABINET VAUBAN	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SEIITRA DÉVELOPPEMENT	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SEIITRA HOLDING	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SEIITRA RESEAU	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SERVICE CONSEIL IMMOBILIER (SCI)	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SIT REGIE	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SKAPHOS	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SOCIÉTÉ ATLANTIQUE D'EXPLOITATION	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
SOGESTRA	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SOLUFIMMO	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
STONE IMMOBILIER	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
STUD'HOTEL	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
THESIS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
TIMBAL-AIT	-	FR	Merged		N	Merged		N	Consolidated from 2007		N
TO2I GESTION	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N
TRIHALLES	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
VELLA IMMOBILIER	(21)	FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
VENDEENNE IMMOBILIER PARIS (VIP)	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
VICTORIA GESTION	-	FR	Merged		N	100.00%	100.00%	FC	Consolidated from 2007		N
VISUELIMMO	-	FR	Merged		N	Consolidated from 2008		N	Consolidated from 2008		N

(A) Group (B) Country (C) Consolidation method

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
Joint subsidiaries of Banque Populaire banks											
AGRO AUDACES	-	FR	Liquidated		N	Liquidated		N	82.61%	91.82%	FC
BANQUE DE SAVOIE	(21)	FR	49,00%	49.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
BANQUE CHAIX	(21)	FR	49,00%	49.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
BANQUE MARZE	(21)	FR	49,00%	49.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
BANQUE DUPUY DE PARSEVAL	(21)	FR	49,00%	49.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
BANQUE PELLETIER	(21)	FR	49,00%	49.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
CERIUS INVESTISSEMENTS	(21)	FR	99.43%	100.00%	FC	99.43%	100.00%	FC	99.85%	99.85%	FC
FCC AMAREN II	(22)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
FCC CRISTALYS	(22)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
GC2I INVESTISSEMENT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	99.96%	99.96%	FC
GIE CARSO MATERIEL	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	99.00%	FC
GIE LIVE ACHATS	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
IBP INVESTISSEMENT	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	Consolidated from 2007		N
INFORMATIQUE BANQUES POPULAIRES	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	99.79%	99.79%	FC
OUEST CROISSANCE SCR	(22)	FR	97.28%	97.28%	FC	97.28%	97.28%	FC	94.94%	99.43%	FC
SAS M+X	-	FR	Deconsolidated		N	Deconsolidated		N	99.04%	99.92%	FC
SBE	(22)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIETE CENTRALE DU Crédit Maritime Mutuel	(22)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SPV IGLOO2	-	IE	Deconsolidated		N	100.00%	100.00%	FC	100.00%	100.00%	FC
Banque Fédérale subsidiaries											
BANKEO	(21)	FR	60.00%	60.00%	FC	60.00%	60.00%	FC	60.00%	60.00%	FC
BFBP ACTIONS EUROPE	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
BICEC	(21)	CM	59.72%	59.72%	FC	52.47%	52.47%	FC	52.48%	52.48%	FC
CLIVEO SNC	-	FR	Absorbed		N	Absorbed		N	100.00%	100.00%	FC
INVESTIMA 12	-	FR	Sold		N	Sold		N	34.44%	34.44%	PC
MA BANQUE	(21)	FR	65.94%	65.94%	FC	65.94%	65.94%	FC	65.81%	65.81%	FC
SAS PONANT 2	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SCI PONANT+	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SIBP	(21)	FR	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SOCIÉTÉ MARSEILLAISE DE CRÉDIT		FR	100.00%	100.00%	FC	Consolidated from 2008		N	Consolidated from 2008		N
SNC CHAMPION	-	FR	Merged		N	Merged		N	100.00%	100.00%	FC
VOLKSBANK INTERNATIONAL AG (VBI)	(21)	AT	24.50%	24.50%	EM	24.50%	24.50%	EM	24.50%	24.50%	EM
CIFG GUARANTY ASSURANCE NORTH AMERICA	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
CIFG EUROPE	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC

COMPANY			BANQUE POPULAIRE GROUP								
			DECEMBER 31, 2008			DECEMBER 31, 2007			DECEMBER 31, 2006		
	(A)	(B)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)	% INTEREST	% CONTROL	(C)
CIFG GUARANTY	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
CIFG HOLDING	-	FR	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC
CIFG SERVICES INC	-	US	Deconsolidated		N	50.00%	50.00%	PC	34.44%	34.44%	PC

COMMENTS

(a) Subsidiary of

1. Banque Populaire d'Alsace
2. Banque Populaire Centre Atlantique
3. Banque Populaire Bourgogne Franche Comté
4. Banque Populaire Atlantique
5. Banque Populaire de la Côte d'Azur
6. Banque Populaire Loire et Lyonnais
7. Banque Populaire de l'Ouest
8. Banque Populaire des Alpes
9. Banque Populaire du Massif Central
10. Banque Populaire Occitane
11. Banque Populaire du Nord
12. Banque Populaire du Sud Ouest
13. Banque Populaire Champagne Lorraine
14. Banque Populaire Provencale et Corse
15. Banque Populaire Rives de Paris
16. Banque Populaire du Sud
17. Banque Populaire Val de France
18. BRED - Banque Populaire
19. CASDEN - Banque Populaire
20. Crédit Coopératif
21. Banque Fédérale des Banques Populaires
22. Joint subsidiaries of Banque Populaire banks
23. Natixis.

(b) Country

AG: Argentina - AT: Austria - AU: Australia - BE: Belgium - BG: Bulgaria - BM: Bermuda - BR: Brazil - CA: Canada - CH: Switzerland - CL: Chile - CM: Cameroon - CN: China - CR:Costa Rica - CT: Croatia - CZ: Czech Republic - DE: Germany - DJ: Djibouti - DK: Denmark - DZ: Algeria - EC: Ecuador - GB: Great Britain - HK: Hong Kong - HU: Hungary - IE: Ireland - IL: Israel - IR: Iran - IT: Italy - JE: Jersey - JP: Japan - KY: Cayman Islands - LI: Liechtenstein - LU: Luxembourg - LT: Lithuania - MT: Malta - MY: Malaysia - MX: Mexico - NL: Netherlands - PA: Panama - PE: Peru - PL: Poland - PT: Portugal - RO: Romania - RU: Russia - SG: Singapore - SK: Slovakia - SL: Slovenia - SP: Spain - SQ: Slovakia - TR: Turkey - TA: Taiwan - US: United States - VA: Vanuatu - VE: Venezuela - VN: Vietnam - ZA: South Africa.

(c) Consolidation method

FC: Full consolidation.
EM: Equity method.
PC: Proportional consolidation.
N: Not consolidated.

(d) Retail banking business line

The Caisse d'Epargne banks and their direct subsidiaries (not included in this list) are consolidated by Natixis via its ownership of cooperative certificates of investment representing 20% of the Caisses d'Epargne banks' capital.

Note IV Notes to the balance sheet

IV.1 *Financial assets and liabilities at fair value through profit and loss*

These are securities held for trading purposes or designated as at fair value through profit and loss on initial recognition in accordance with IAS 39.

These assets and liabilities are measured at fair value on each reporting date and any changes in value, including accrued interest, are recognized through profit and loss on a separate line item entitled "gains or losses on financial instruments at fair value through profit and loss".

No impairment is recognized against financial assets at fair value through profit and loss, as the counterparty risk is incorporated in their market value.

Securities held for trading purposes

Securities held for trading purposes are those acquired principally for the purpose of selling them in the near term and those forming part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" and adopted by the European Union on October 15, 2008, a non-derivative financial asset recorded as an instrument held for trading purposes can be reclassified after acquisition:

- under "Loans and advances" following a change in management intention associated with the ability to hold the instrument for the foreseeable future or until maturity, and subject to the category's eligibility criteria.
- under "Available-for-sale assets" or "Held-to-maturity financial assets" following a change in intention or in rare circumstances, subject to the eligibility criteria of the category concerned.

The asset is reclassified in the amount of its fair value on the reclassification date, which constitutes its initial cost in the new category, and is then valued according to the rules applicable to the new category.

Instruments designated as at fair value through profit and loss

The June 2005 fair value option amendment to IAS 39 "Financial Instruments: Recognition and Measurement", endorsed by the European Union on November 15, 2005, sets out the conditions for designating assets and liabilities at fair value. On initial recognition, this amendment allows financial assets and liabilities to be designated as at fair value through profit and loss in the following cases:

- the fair value option designation eliminates or significantly reduces an accounting mismatch;
- a group of financial assets, financial liabilities, or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- financial instruments made up of one or more embedded derivatives need to be extracted and recognized separately.

The classification of financial assets and liabilities designated as at fair value through profit and loss in these three cases is set out in notes IV.1.2.3 (financial assets) and IV.1.3.2 (financial liabilities).

IV.1.1 Fair value: general information

The fair value of a financial asset or liability at fair value through profit and loss is the amount that can be obtained in an arm's length transaction between knowledgeable, willing parties.

At inception, fair value is the price paid or received. On subsequent reporting dates, fair value is the quoted price if the instrument is quoted on an active market. If there is no active market for the instrument, fair value is established using a valuation technique based on observable data resulting from recent arm's length market transactions, discounted cash flow analysis or option pricing models.

Values may be adjusted to take account of liquidity or counterparty risk, and modeling risk in the case of hybrid instruments. In the case of hybrid instruments sold, if fair value is based on a valuation technique using observable market data, any gain reflecting the difference between the transaction price and fair value as determined is recognized through profit and loss at inception. If observable market data are not available, fair value is based on the transaction price, not the fair value arising from the valuation technique. The gain is then deferred and recognized through profit and loss over the life of the instrument.

IV.1.1.1 Instruments listed on an active market

These are listed securities and derivatives, such as futures and options, that are traded on organized and identifiably liquid markets. All transactions performed by Natixis in listed markets fall into this category.

A non-liquid market is characterized by:

- the total absence of transactions over a minimum period;
- the absence of contributors in the market;
- the existence of isolated transactions showing excessively low volumes or sharply differing prices;
- sales that can be regarded as forced sales;
- a wide price range.

Proof of a forced sale requires more than the following:

- unusually low trading volume;
- the absence of transactions during a short period;
- a negative view of the market requiring the use of the valuation technique.

The lack of liquidity for a financial instrument does not mean that liquidity does not exist for other instruments.

IV.1.1.2 Over-the-counter instruments valued using recognized models and observable data

Standard instruments

The majority of over-the-counter derivatives, such as swaps, forward rate agreements, caps, floors and plain vanilla options, are traded in an active market, i.e. a liquid market with regular trading.

Valuations are determined using widely accepted models (discounted future cash flows, Black and Scholes model, interpolation techniques) and directly observable market data, documented as such.

Complex instruments

Certain hybrid and/or long-maturity financial instruments are valued using a recognized internal model based on observable market data such as yield curves, implied volatility ranges for options and information arising from market consensus or from active over-the-counter markets.

The observability of the market data used has been demonstrated. In terms of methodology, data must meet the following four conditions to be considered as observable:

- they are derived from external sources (via a recognized contributor if possible);
- they are updated periodically;
- they are based on recent transactions;
- their characteristics are identical to those of the transaction concerned. If necessary, a proxy may be used, provided its appropriateness is demonstrated and documented.

The fair value of instruments obtained using valuation models is adjusted to take account of counterparty risks, modeling risks and data risks. The trading profit generated by these instruments is recognized immediately through profit and loss.

IV.1.1.3 Over-the-counter instruments valued using unrecognized models or non-observable data

Under IAS 39, a profit may only be recognized after initial recognition if it is generated by a change in a factor that market participants would consider in setting a price, i.e. only if the model and the data used to obtain the valuation are observable.

If the valuation model is not recognized or the data used are not observable, the trading profit generated at inception may not be recognized immediately in profit or loss. It is taken to profit or loss over the life of the transaction, or until the date on which the parameters become observable. Any trading loss generated at inception is immediately recognized in the income statement.

At December 31, 2008, instruments for which trading profit/loss at inception was deferred consisted mainly of:

- structured products with multiple underlyings (equities and indexes);
- options on funds;
- hybrid interest-rate or inflation-linked products;
- interest-rate futures and forwards;
- securitization swaps;
- structured credit products (CDS, CDO, FTD);
- interest-rate options;
- plain-vanilla options on equities and indexes;
- carbon derivatives.

The profit generated on these instruments at inception is deferred and taken to profit and loss over the life of the transaction, or until the date on which the missing parameter becomes observable.

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IV.1.2 Financial assets at fair value through profit and loss

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Securities held for trading[1]		**34,221**	**41,807**	**41,722**
Securities		34,221	41,807	41,722
Fixed income		*28,023*	*34,579*	*34,657*
Variable income[2]	*IV.1.2.1*	*6,198*	*7,228*	*7,066*
Pledged assets		0	0	0
Loans and advances relating to trading operations		**1,122**	**1,565**	**16**
Derivative financial instruments held for trading		**66,912**	**25,402**	**18,868**
Trading securities		66,912	25,402	18,868
Other		0	0	0
Securities designated as at fair value	**IV.1.2.2**	**17,514**	**10,793**	**5,672**
Securities		13,667	8,856	5,649
Fixed income		*9,088*	*6,795*	*3,969*
Variable income[1]	*IV.1.2.1*	*4,578*	*2,061*	*1,679*
Pledged assets		3,847	1,937	23
Loans and advances designated as at fair value	**IV.1.2.2**	**459**	**694**	**3,322**
Loans and advances to banks		38	161	230
Loans and advances to customers		421	533	3,092
TOTAL		**120,227**	**80,260**	**69,601**

(1) Changes in the "securities held for trading" item between 12/31/2007 and 12/31/2008 are mainly the result of:

- *reclassifications of debt instruments to the "Loans and advances" item on October 1, 2008, as part of the amendment to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" adopted by the European Union on October 15, 2008 (see note IV.6).*
- *changes in the way in which financial instruments were valued in 2008.*

(2) Including mutual fund units reclassified as variable-income securities from 2008.

IV.1.2.1 Variable-income securities at fair value through profit and loss

The breakdown of variable-income securities with quoted market prices or measured using another method (unlisted securities measured using price/earnings ratio or discounted cash flow methods) is as follows:

	12/31/2008		
	Quoted		
in € millions	Market price	Other methods	Total
Securities held for trading	5,504	694	6,198
Securities designated as at fair value	2,344	2,234	4,578
TOTAL	**7,848**	**2,929**	**10,776**

IV.1.2.2 Loans and advances designated as at fair value and credit risk

Purchases of credit derivatives hedging exposure to credit risk on loans and advances are stated in the amount of their fair value recognized on the balance sheet. Changes in fair value are calculated over the period and on a cumulative basis since initial recognition of the loan or advance.

in € millions	Exposure to credit risk		Related credit derivatives		Change in fair value of loans and advances	
	12/31/2008	12/31/2007	12/31/2008	12/31/2007	During period	Cumulative
Loans and advances to banks	38	161	0	0	0	0
Loans and advances to customers	421	533	95	0	5	5
TOTAL	**459**	**694**	**95**	**0**	**5**	**5**

IV.1.2.3 Conditions for designating financial assets as at fair value

in € millions	12/31/2008				12/31/2007			
	Carrying value	Accounting mismatch(1)	Management on a fair value basis(2)	Existence of an embedded derivative(3)	Carrying value	Accounting mismatch(1)	Management on a fair value basis(2)	Existence of an embedded derivative(3)
Loans and advances designated as at fair value	**459**	**37**	**422**	**0**	**694**	**253**	**441**	**0**
Loans and advances to banks	38	37	1	0	161	161	0	0
Loans and advances to customers	421	0	421	0	533	92	441	0
Securities designated as at fair value	**17,514**	**6,058**	**10,962**	**494**	**10,793**	**4,766**	**5,358**	**670**
Fixed-income securities	9,088	3,760	4,892	436	6,795	4,343	2,041	411
Variable-income securities	4,578	2,297	2,223	58	2,060	423	1,379	258
Other assets	3,847	0	3,847	0	1,937	0	1,937	0
TOTAL	**17,972**	**6,094**	**11,384**	**494**	**11,487**	**5,019**	**5,799**	**670**

(1) Carrying value of instruments designated as at fair value through profit and loss due to an accounting mismatch with a related instrument.
(2) Carrying value of instruments designated as at fair value through profit and loss and included in a portfolio of assets managed and measured at fair value through profit and loss.
(3) Carrying value of hybrid instruments designated as at fair value through profit and loss due to the presence of significant and separable embedded derivatives.

IV.1.3 Financial liabilities at fair value through profit and loss

At December 31, 2008, financial liabilities at fair value through profit and loss comprised primarily derivative financial instruments not designated as hedges and liabilities arising from short-selling of financial assets (securities).

The amendment to IAS 39 "Financial Instruments: Recognition and Measurement", endorsed by the European Commission on November 15, 2005, permits the designation of financial liabilities as at fair value through profit or loss. The Group has elected to use this option retrospectively as of January 1, 2005 and has re-designated certain interest-rate instruments index-linked to different types of component (equities for personal savings plans and structured medium-term notes) as at fair value through profit and loss. These financial liabilities are measured at fair value on the balance-sheet date, and recorded on the balance sheet under "Financial liabilities at fair value through profit and loss". Changes in fair value (including issuer spreads) are included in income for the period on a separate line item entitled "gains or losses on financial instruments at fair value through profit and loss" for Natixis.

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Securities held for trading and recognized at fair value		**11,003**	**13,738**	**12,724**
Securities		11,003	13,738	12,626
Fixed-income securities		*10,987*	*13,717*	*12,576*
Variable-income securities		*16*	*20*	*49*
Pledged securities		0	0	99
Derivative financial instruments held for trading		**66,324**	**24,649**	**19,292**
Securities designated as at fair value	IV.1.3.2	**27,471**	**19,399**	**17,426**
Securities		25,188	18,228	17,426
Fixed-income securities		*25,188*	*18,228*	*17,426*
Variable-income securities		*0*	*0*	*0*
Pledged securities		2,283	1,171	0
Other liabilities at fair value through profit and loss		**1,920**	**2,244**	**369**
Trading		496	602	9
Designated as at fair value	IV.1.3.2	1,424	1,642	361
TOTAL		**106,720**	**60,031**	**49,812**

IV.1.3.1 Financial liabilities designated as at fair value and credit risk

The carrying value of financial liabilities at fair value through profit and loss corresponds to the fair value of instruments on the balance sheet.

For borrowings, the amount contractually due at maturity represents the remaining capital outstanding plus interest not yet due. For debt securities, redemption value is used.

	12/31/2008			12/31/2007		
in € millions	Carrying value	Amount contractually due at maturity	Difference	Carrying value	Amount contractually due at maturity	Difference
Due to banks	183	182	1	102	102	0
Due to customers	1,242	1,366	(125)	1,541	1,525	16
Debt securities in issue	25,164	25,417	(253)	18,195	18,212	(17)
Subordinated debt	24	36	(12)	34	34	0
Other (including repos)	2,283	2,285	(2)	1,171	1,171	0
TOTAL	**28,896**	**29,287**	**(391)**	**21,043**	**21,044**	**(1)**

The cumulative amount of changes attributable to own credit risk recognized at December 31, 2008 totaled -€238 million, relating to "Debt securities in issue".

IV.1.3.2 Conditions for designating financial liabilities as at fair value

	12/31/2008				12/31/2007			
in € millions	Carrying value	Accounting mismatch(1)	Management on a fair value basis(2)	Existence of an embedded derivative(3)	Carrying value	Accounting mismatch(1)	Management on a fair value basis(2)	Existence of an embedded derivative(3)
Designated as at fair value	**1,425**	**1,239**	**165**	**19**	**1,643**	**1,564**	**66**	**13**
Due to banks	183	96	86	0	102	102	0	0
Due to customers	1,242	1,143	79	19	1,541	1,461	66	13
Fixed-income securities	**27,471**	**14,674**	**12,772**	**25**	**19,399**	**17,209**	**1,410**	**780**
Debt securities in issue	25,164	14,674	10,488	2	18,195	17,209	239	746
Subordinated debt	24	0	0	24	34	0	0	34
Other (including repos)	2,283	0	2,284	0	1,171	0	1,171	0
TOTAL	**28,896**	**15,914**	**12,937**	**45**	**21,043**	**18,773**	**1,477**	**793**

(1) Carrying value of instruments designated as at fair value through profit and loss due to an accounting mismatch with a related instrument.
(2) Carrying value of instruments designated as at fair value through profit and loss and included in a portfolio of assets managed and measured at fair value through profit and loss.
(3) Carrying value of hybrid instruments designated as at fair value through profit and loss due to the presence of significant and separable embedded derivatives.

IV.1.4 Derivative financial instruments held for trading

Derivatives held for trading are recognized on the balance sheet under "Financial assets at fair value through profit and loss" when their market value is positive, and under "Financial liabilities at fair value through profit and loss" when their market value is negative.

After initial recognition, they are revalued at fair value, and changes are taken to income under "Net gains or losses on financial instruments at fair value through profit or loss". The revaluation takes into account accrued interest on these instruments on the same line item.

If a hybrid instrument (host contract and derivative) is not measured at fair value through profit and loss, the embedded derivative is separated from the host contract and recognized as an asset or liability at fair value through profit and loss if it meets the definition of a derivative and its financial characteristics and associated risks are not closely related to those of the host contract.

	12/31/2008			12/31/2007			12/31/2006	
in € millions	Notional amount	Asset	Liability	Notional amount	Asset	Liability	Asset	Liability
Futures and forwards	**1,963,620**	**42,399**	**44,719**	**1,832,384**	**18,127**	**18,798**	**14,157**	**15,077**
Interest-rate derivatives	1,895,593	36,095	37,301	1,753,726	14,619	14,561	12,941	13,449
Currency	6,613	123	41	11,418	78	36	152	143
Equity	1,186	20						
Other	60,228	6,161	7,377	67,240	3,429	4,200	1,064	1,485
Options	**930,751**	**5,620**	**4,224**	**1,023,721**	**4,039**	**3,387**	**3,981**	**3,540**
Interest-rate derivatives	520,600	967	1,090	635,712	698	774	961	1,014
Currency	60,104	1,085	1,178	57,384	353	361	729	609
Equity	30,203	2,357	1,686					
Other	319,845	1,211	271	330,625	2,987	2,252	2,291	1,917
Credit derivatives	**303,309**	**18,892**	**17,380**	**282,385**	**3,236**	**2,464**	**730**	**675**
TOTAL	**3,197,680**	**66,912**	**66,324**	**3,138,490**	**25,402**	**24,649**	**18,868**	**19,292**

IV.2 *Hedging instruments - assets and liabilities*

IAS 39 defines a derivative as a financial instrument that has all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or other variable (the "underlying");
- it requires little or no initial net investment;
- it is settled at a future date.

IAS 39 defines three types of hedging relationship:

- cash-flow hedges;
- fair-value hedges;
- hedges of net investments in a foreign operation. This type of hedging is not used by the Group.

Hedging derivatives are those that meet the conditions set by IAS 39 from the start of the hedge relationship and throughout its duration, and particularly that relating to formally documented existence of an effective hedge relationship between the derivative instruments and the hedged items, on both a prospective and retrospective basis. In this respect, hedging relationships are presumed to be effective when the ratio of actual changes in the value of the hedging instrument and the hedged item is between 80% and 125%.

IV.2.1 Cash-flow hedges

Cash-flow hedges are used to hedge exposure to changes in interest rates on variable rate assets and liabilities and future fixed-rate transactions. The Group principally uses cash-flow hedges for macro-hedging purposes (hedging portfolios of loans or borrowings). The hedging instruments are recognized in the balance sheet at their fair value and any changes are recognized directly in equity for the effective portion of the hedge under the line item "unrealized or deferred gains or losses". They are released to profit or loss under net banking income symmetrically with gains or losses on the hedged items. The hedged item is measured in line with the rules for measuring the asset class to which it belongs.

Transactions classified as macro-hedges in the separate financial statements have been treated under IFRS as cash-flow hedges, which corresponds exactly to the method of managing interest rate risk used by the Banque Populaire banks.

Portfolios of assets or liabilities that may be hedged are, for each maturity band:

- assets and liabilities exposed to variability in cash flows (variable-rate loans and borrowings) due to the fact that future interest rate levels are not known in advance);
- highly probable forecast transactions whose future cash flows are not known today, i.e. exposure to variability in cash flows on future fixed-rate loans as the interest rate at which the loan will be granted is not yet known. Similarly, the Group may be exposed to variability in cash flows on future refinancing in the market.

Under IAS 39, hedges of an overall net position of fixed rate assets and fixed rate liabilities with similar maturities do not qualify for hedge accounting. However, almost the same effect can be achieved by designating a percentage of one or more portfolios of variable interest rate instruments as the hedged item.

The effectiveness of a hedge is assessed by creating a "hypothetical" derivative for each maturity band and comparing changes in its fair value since inception with those of the derivatives to be documented as hedges.

The characteristics of this derivative are based on those of the hedged item. Effectiveness is then assessed by comparing the changes in value of the hypothetical derivative with the actual hedging instrument. This method requires the preparation of a maturity schedule.

The effectiveness of the hedge must be shown prospectively and retrospectively.

The hedge is effective prospectively if, for each target maturity band, the nominal amount of items to be hedged is higher than the notional amount of the hedging instruments.

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various reporting dates.

On each reporting date, changes in the mark-to-market value of hedging instruments, excluding accrued interest, are compared with those of hypothetical derivative instruments (synthetic instruments representing assets and liabilities to be hedged and the management intention). The ratio of their respective changes should be between 80% and 125%.

If the hedged item is sold or the future transaction is no longer highly probable, the cumulative gain or loss recognized in equity is recycled immediately to profit or loss.

If the hedging relationship is discontinued but the hedged item is still held, the fair value of the derivative, excluding accrued interest, on the date the relationship was discontinued is deferred over the life of the hedged item. After discontinuation of the hedging relationship, changes in the fair value of the former hedging instrument are recognized immediately in profit or loss.

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	12/31/2008			12/31/2007			12/31/2006	
in € millions	Notional amount	Asset	Liability	Notional amount	Asset	Liability	Asset	Liability
Futures and forwards	**14,995**	**454**	**483**	**37,122**	**286**	**221**	**139**	**60**
Interest-rate derivatives	14,811	437	483	35,877	282	221	139	59
Currency	184	17	0	1,245	3	0	0	2
Equity	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Options	**333**	**1**	**0**	**83**	**1**	**0**	**1**	**0**
Interest-rate derivatives	333	1	0	83	1	0	1	0
Currency	0	0	0	0	0	0	0	0
Equity	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Credit derivatives	**0**	**0**	**0**	**0**	**0**	**0**	**7**	**0**
TOTAL	**15,327**	**455**	**483**	**37,205**	**286**	**221**	**147**	**60**

IV.2.2 Fair-value hedges

Fair-value hedges are used by the Group principally for micro-hedging purposes to hedge fixed-rate assets and liabilities. Changes in fair value of the hedging instrument are recognized in profit or loss under the line item "gains or losses on financial instruments at fair value through profit and loss". Accrued interest on the derivatives is recognized as interest income or expense. The hedged item is accounted for symmetrically with the hedging instrument. Hedged items otherwise measured using the effective interest rate method are still measured on an accruals basis and the gain or loss excluding accrued interest is recognized in profit or loss under the line item "gains or losses on financial instruments at fair value through profit or loss".

The Natixis Capital Markets North America subsidiary documents the overall hedging of its interest-rate risk using the fair-value hedging method. For the accounting treatment of these transactions, the entity applies IAS 39 as adopted by the European Union (i.e. the carve-out version of IAS 39). The accounting treatment of derivative financial instruments deemed to be overall fair-value hedges for accounting purposes is similar to that of fair-value hedging derivatives. Changes in fair value of portfolios of hedged items are recorded in a separate line item, "Interest rate hedging reserve", on the balance sheet, with a balancing entry in the income statement.

The prospective test is deemed effective if the financial characteristics of the hedged item and the hedging instrument are almost identical (value date, expiry date, notional amount, fixed rate, payment frequency).

The retrospective test calculates the retrospective effectiveness of a hedge initiated at various reporting dates.

On each reporting date, changes in the fair value of hedging instruments, excluding accrued interest, are compared with those of hypothetical assets and liabilities (synthetic instruments representing assets and liabilities to be hedged at the risk-free rate). The ratio of their respective changes should be between 80% and 125%.

Fair value changes for derivatives are taken to income (effective and ineffective portions). Symmetrically, changes in the fair value of hedged risk components (modeled in the form of "hypothetical" assets and liabilities) are taken to income.

The net impact on the income statement is therefore limited to the ineffective portion of the hedge. Accrued interest relating to these instruments is recorded under "interest and similar income" or "interest and similar expense".

When a hedging relationship is interrupted, the hedging derivative is reclassified in instruments at fair value through profit and loss, and the unrealized gain/loss on the hedged item on the date the hedging relation was terminated is fixed and taken to income over the item's remaining life.

	12/31/2008			12/31/2007			12/31/2006	
in € millions	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities	Assets	Liabilities
Futures and forwards	**144,783**	**352**	**365**	**104,061**	**265**	**1,328**	**235**	**239**
Interest-rate	141,414	321	364	102,579	209	664	202	233
Currency	2,898	30	0	957	51	4	42	6
Equity	0	0	0	0	0	0	0	0
Other	471	0	0	525	4	660	(8)	0
Options	**121**	**3**	**0**	**0**	**0**	**(0)**	**18**	**(11)**
Interest-rate	100	0	0	0	0	(0)	0	0
Currency	0	0	0	0	0	0	0	0
Equity	0	0	0	0	0	0	0	0
Other	21	3	0	0	0	(0)	18	(11)
Credit derivatives	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
TOTAL	**144,904**	**354**	**365**	**104,061**	**265**	**1,328**	**254**	**228**

IV.2.3 Assessing hedge effectiveness

The effectiveness of a hedge is assessed at inception of the hedging relationship and through its life, both prospectively and retrospectively, at least half-yearly. The retrospective test consists of checking that the change in the hedging derivative's value is between 80% and 125% of the change in the hedged item's value. The prospective test is not necessarily quantitative, and relates to the remaining life of the hedge.

To document the effectiveness of fair-value hedge relationship, a synthetic asset (or liability) must be defined to neutralize the effect of unhedged market value components (credit margin and liquidity). The effectiveness test takes into account changes in value in the synthetic asset (or liability) relative to the change in value of the hedging derivative.

IV.2.4 Credit derivatives

Credit derivatives are not considered to be financial guarantees. Accordingly, credit default swaps are classified as derivatives governed by the provisions of IAS 39. Credit-linked notes are hybrid instruments containing a host contract and embedded derivative.

The embedded derivative is measured in the same way as a simple derivative. If there is no quoted price, embedded derivatives are measured using an internal model.

IV.2.5 Internal contracts

Given the structure of the Banque Populaire Group, a large proportion of the hedging instruments used by the Banque Populaire banks are contracted with Natixis. To ensure that these contracts qualify as hedges on a consolidated level, Natixis ensures daily that the transactions are turned around correctly in the market in terms of notional amount and sensitivity, on an index-by-index and currency-by-currency basis and for each maturity band. This rule applies to plain-vanilla futures and forwards.

IV.3 *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and advances, held-to maturity investments or financial assets at fair value through profit and loss under IAS 39. In the case of the Group, they mainly comprise fixed-income securities or variable income securities (equities).

A financial asset recognized as AFS may be reclassified after being purchased:

- under "Held-to-maturity financial assets", subject to the eligibility criteria of that category;
- under "Loans and advances" if it is no longer tradable in an active market and if the management intention changes in relation to the ability to hold the instrument for the foreseeable future or until maturity, and subject to the category's eligibility criteria.

The asset is reclassified in the amount of its fair value on the reclassification date, which constitutes its initial cost in the new category, and it is then valued according to the rules applicable to the new category. Reserves available for release to profit and loss are fixed on the reclassification date, and release to profit and loss is carried out gradually over the asset's remaining life using the effective interest method, or in full in the event that the instrument is impaired or sold after reclassification.

AFS securities are recorded on the balance sheet on the settlement date.

Available-for-sale financial assets are measured at fair value. Discounts are not recognized at inception as the purchase price is presumed to be the market price. Fair value is determined on the basis set out in note IV.1.

Fair value at initial recognition is the purchase price plus directly attributable transaction costs (brokerage, commissions paid to stockbrokers, stock exchange tax) and accrued interest. As the transaction costs on these securities are not material, they are recognized immediately as an expense.

On subsequent reporting dates, available-for-sale financial assets are remeasured at fair value and any changes are recognized in equity, other than interest and amortization of premiums/discounts on fixed-income securities, which are recognized through profit or loss.

In the case of variable income securities, the entire change in fair value is recognized in equity.

Fair value for listed securities is their market price on the reporting date (bid price). Fair value for unlisted securities is determined using price/earnings or discounted cash flow models.

Where there is objective evidence that such an asset has suffered impairment and where a decrease in the asset's fair value has previously been recognized directly in equity, the cumulative loss is extracted from equity and taken to income under "impairment charges and other credit provisions" in the case of fixed-income securities and under "net banking income" in the case of variable-income securities.

Objective evidence of impairment is detected through a multi-criteria analysis that involves expert judgment, particularly for debt instruments.

Evidence of impairment consists of the following:

- for debt instruments: failure to make an interest or principal payment; existence of arbitration, alert or compulsory administration proceedings, bankruptcy of the counterparty and any other indicator showing a significant deterioration in the counterparty's financial position, such as the demonstration of eventual losses through the use of a calculation method that projects and discounts recoverable cash flows and the result of stress tests;
- for equity instruments (excluding equity interests): securities showing unrealized losses for more than 6 months and unrealized losses of more than 30% at period-end, or the existence of other evidence showing that the entity may not recover some or all of its initial investment;
- for equity interests: unrealized loss of more than 20% over a period of more than 18 months, or significant changes in technological, market, economic or legal conditions that have an adverse effect on the issuer, indicating that the amount of the investment in equity instruments may not be recovered;
- for units in venture capital funds, evidence of impairment suggesting that the initial investment will not be recovered cannot be assessed by looking at net asset value alone. During the investment phase, net asset value is reduced by initial costs (structuring costs, brokerage fees, etc.). As a result, for this type of structure, which is not listed on an active market, the following impairment principles are applied:
  - if, at each closing date, the fund's earnings and position are in line with the business plan, there are grounds to recognize impairment on these securities,
  - if they are not, the business plan must be reassessed to determine whether or not there are grounds to recognize impairment.

If, in a subsequent period, the fair value of an instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, reversals of impairment losses:

- on equity instruments are not taken to income, but to equity;
- on debt instruments are taken to income to the extent of the previously recognized impairment.

In accordance with IFRIC 10, impairment on equity instruments recognized at quarterly closing dates (IFRS financial statement publication dates) are fixed in income and cannot be released before the securities are sold.

Once an impairment loss has been recognized in respect of an equity instrument, all additional impairment losses are recognized in profit or loss. Impairment losses are reversed in equity.

Unrealized losses on fixed-income securities are carried in provisions for impairment of securities (under "impairment charges and other credit provisions" on the income statement), since this provision can be reversed in income (under "impairment charges and other credit provisions") if the value of the security increases at a later date, to the extent of the impairment previously recognized.

Available-for-sale financial assets that are part of an interest rate hedging relationship are measured at fair value and any changes attributable to the hedged risk recognized in profit or loss. This does not affect the actuarial deferral of the premium or discount, or the recognition of interest in the case of fixed-income securities.

in € millions	12/31/2008	12/31/2007	12/31/2006
Outstanding loans	**22**	**19**	**25**
Loans and advances	22	19	25
Accrued interest	0	0	0
Other	0	0	0
Securities	**22,234**	**25,489**	**21,705**
Fixed-income securities(1)	15,609	18,670	15,969
Variable-income securities	6,278	6,646	5,588
Accrued interest	348	174	148
TOTAL BEFORE IMPAIRMENT	**22,257**	**25,509**	**21,730**
Impairment	**(924)**	**(193)**	**(140)**
Loans and advances	0	0	0
Fixed-income securities	(96)	(58)	(11)
Variable-income securities(2)	(828)	(136)	(129)
TOTAL	**21,333**	**25,315**	**21,590**

(1) The decrease in fixed-income securities between Dec. 31, 2007 and Dec. 31, 2008 is mainly due to reclassifications of securities into the "Loans and advances" category on October 1, 2008 pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" adopted by the European Union on October 15, 2008 (see note IV.6).

(2) Impairment on variable-income securities in 2008 included €440 million of impairment on shares in CIFG, which was deconsolidated in 2008 (see note III.1.3.1).

IV.4 *Loans and advances to banks and customers*

IV.4.1 General rules

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

All the regional banks' loans and advances to customers are classified as loans and advances, including portfolios of loans acquired. All loans and advances to banks are classified as loans and advances. Most loans granted by Natixis are classified in this category.

At initial recognition, loans are measured at their fair value, which is the nominal amount of the loan less any discount and transaction income plus transaction costs.

If a loan is granted at a below-market interest rate, a discount equal to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market rate is deducted from the nominal value of the loan. Market rate is the rate practiced by the large majority of banks in the market place at a given time for instruments and counterparties with similar characteristics. Amounts recognized by the Group as discounts are not material.

After initial recognition, loans and advances are measured at amortized cost using the effective interest method.

Internal costs included in the effective interest rate comprise variable costs directly incurred in granting the loans. The Banque Populaire Group has adopted a restrictive position whereby only the performance-related component of account managers' salary directly contingent upon granting loans is included in the effective interest rate. No other internal costs are included.

External costs principally comprise fees and commissions paid to outside business introducers.

Transaction income is income directly attributable to the origination of new loans and principally comprises set-up fees charged to customers, rebilled costs and commitment fees (if it is more probable than improbable that the loan will be drawn down). Fees received in respect of financing commitments that will not give rise to a drawdown are deferred on a straight-line basis over the term of the commitment.

Expenses and income arising on loans with a term of less than one year at inception are deferred on a pro rata basis with no recalculation of the effective interest rate. For variable- or adjustable-rate loans, the effective interest rate is recalculated at each repricing date. Changes in future cash inflows or outflows are accounted for using the "catch-up" method, which involves maintaining the original effective interest rate at inception of the contract and recognizing immediately in profit or loss the difference between the carrying amount and the value obtained using discounted cash flow.

The fair value of loans and advances to banks and customers is determined on the basis of discounted future cash flows. The discount rate used is the market rate on the reporting date. If there is a quoted price that meets the criteria of IAS 39, the quoted price is used.

The fair value of loans with an initial term of less than one year is deemed to be their carrying amount.

"Loans and advances" also include assets initially recorded in the "Instruments at fair value through profit and loss" or "Available-for-sale assets" categories and which have been reclassified under "Loans and advances" in accordance with the amendment to IAS 39 and IFRS 7 relating to reclassifications of assets, published on October 13, 2008. Instruments reclassified in this category complied with the definition of "Loans and advances" on the reclassification date. In particular, this means

1 2 3 4 5 6 7 8 9 10 11

that they were not listed on an active market on the reclassification date and they could not be held with the objective of selling them on in the near future.

These instruments are reclassified at their fair value on the reclassification date. The difference between that amount and the estimated recoverable cash flows on the reclassification date is taken to profit or loss (in the net banking income item) over the expected life of the instrument, through the effective interest rate calculated on the reclassification date. After that date, assets are measured at amortized cost using the effective interest method and, at each reporting date, undergo impairment tests that may result in impairment charges to income, presented on the income statement under "Impairment charges and other credit provisions".

In the event that estimates of future cash inflows are revised upwards, the effect of the increase is recognized as an adjustment of the effective interest rate on the date the estimate is changed.

Reserves available for release relating to instruments classified from "Available-for-sale financial assets" to "Loans and advances" are fixed on the reclassification date. Reserves available for release to profit and loss are released to profit and loss is carried out gradually over the asset's remaining life using the effective interest method, or in full in the event that the instrument is impaired or sold after reclassification.

IV.4.2 Impairment of loans and advances

IAS 39 defines the method of recognizing and measuring impairment losses.

A loan or receivable is deemed to be impaired if the following two conditions are met:

- there is objective evidence of impairment on an individual or collective basis: as a result of one or more events that occurred after the initial recognition of the asset (a "loss event");
- these events generate incurred losses on the amount of the future estimated cash flows of loans, that can be reliably estimated.

The impairment loss is equal to the difference between amortized cost and the recoverable amount, i.e. is the net present value of future cash flows estimated to be recoverable taking account of any available collateral, discounted at the original effective interest rate. For short-term assets with a maturity of less than one year, future cash flows are not discounted and impairment losses are assessed on an overall basis with no distinction between interest and principal.

Movements in impairment losses are recognized in profit or loss under the line item "impairment charges and other credit provisions".

IAS standards distinguish between two types of impairment:

- specific impairment;
- collective impairment.

Specific impairment

Specific impairment is calculated on a loan-by-loan basis according to a schedule of future cash flows, and determined according to historical loss experience for the category of loan concerned. Guarantees reduce the amount of the impairment, and when a loan is fully guaranteed, no impairment charges are recognized.

Collective impairment

If there is no objective evidence of impairment for an individually assessed financial asset, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment in accordance with IAS 39.

The method used by the Group is largely based on the internal ratings system implemented as part of the Basel II reform, cross-applied to three portfolios (personal/small business/corporate) and three risk types (pre-default/performing in default/industry). The breakdown by portfolio is based on the segmentation recommended under Basel II and performing loans are grouped into portfolios with similar risk characteristics.

For collective assessment purposes, assets have been divided into two risk groups:

- loans classified in the two highest risk rating categories with a high probability of default: these loans, which are identified in the management systems by a special rating, present objective evidence of deterioration, mostly in the form of payment arrears. Most of these loans are for small amounts and the impairment charge is based on future expected loss rates calculated using the Basel II ratio models;
- industry and country exposure determined according to a combination of quantitative and qualitative criteria: objective evidence of impairment is based on in-depth analysis and monitoring of business sectors and countries. Objective evidence of impairment typically arises from a combination of micro or macroeconomic factors specific to the industry or country.

When a group of financial assets is found to be impaired, the impairment charge is calculated on the basis of expected losses, as required by the Basel II accord.

The Banque Populaire Group uses its experienced judgment to adapt the results of this model to its real perceived risk.

Impairment is recognized on the asset side of the balance sheet as an adjustment to the original entry relating to the impaired asset, which is recorded on the balance sheet at its net value. Additions to and releases from impairment reserves are taken to profit or loss under impairment charges and other credit provisions.

The accounting and prudential rules for performing loans have become similar, with only one exception relating to restructured debts that, by their nature, are initially in default in prudential terms but may remain performing in accounting terms.

IV.4.3 Loans and advances to banks

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Performing loans				
Performing loans	IV.4.2.1	43,983	48,671	48,497
Collective impairment		(16)	(17)	(20)
Net		43,967	48,654	48,477
Loans in default				
Loans in default		275	27	33
Specific impairment		(166)	(17)	(19)
Net(1)		109	10	14
TOTAL(2)		**44,075**	**48,664**	**48,491**

(1) Reserves accounted for 60% of total non-performing loans at December 31, 2008 against 63% at December 31, 2007.
(2) At December 31, 2008, the fair value of loans and advances to banks, determined in accordance with note IV.4, was €44,053 million.

IV.4.3.1 Performing loans and advances to banks

Performing loans and advances to banks mostly comprise repurchase agreements.

Under IFRSs, repurchase agreements are treated as financing transactions, and are therefore not regarded as sales of securities.

The purchaser recognizes the nominal value of the receivable under "loans and advances". The amount disbursed in respect of the asset is recognized under "securities bought under repurchase agreements".

in € millions	12/31/2008	12/31/2007	12/31/2006
Finance leases	0	0	0
Loans and advances	16,700	11,714	10,565
Customer overdrafts	12,953	7,133	5,643
Unlisted fixed-income securities	720	1,367	270
Pledged assets	13,293	27,894	31,500
Other	52	90	219
Accrued interest	265	473	301
TOTAL	**43,983**	**48,671**	**48,497**

IV.4.4 Loans and advances to customers

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Performing loans				
Performing loans	IV.4.3.1	180,134	161,466	140,816
Collective impairment		(725)	(645)	(577)
Specific impairment		(29)	(34)	(37)
Net		**179,380**	**160,787**	**140,203**
Loans in default				
Loans in default		6,916	5,626	5,089
Specific impairment		(4,090)	(3,447)	(3,388)
Net(1)		**2,825**	**2,179**	**1,701**
TOTAL(2)		**182,205**	**162,966**	**141,904**

(1) Reserves, excluding collective reserves covering performing loans, accounted for 59% of total loans in default at December 31, 2008, as opposed to 61% at December 31, 2007.
(2) At December 31, 2008, the fair value of performing loans and advances to customers, determined in accordance with note IV.4, was €183,409 million.

IV.4.4.1 Performing loans and advances to customers

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Finance leases	IV.4.4.2.1	7,282	6,416	5,777
Other loans and advances	IV.4.4.3	150,108	132,306	115,899
Customer overdrafts		8,589	8,303	7,380
Unlisted fixed-income securities(1)		5,758	1,428	1,404
Reverse repos		4,733	9,724	7,639
Factoring		2,329	2,090	1,600
Other		425	374	408
Accrued interest		910	825	709
TOTAL(2)		**180,134**	**161,466**	**140,816**

(1) The change in the "Unlisted fixed-income securities" item between 12/31/2007 and 12/31/2008 includes reclassifications of securities carried out on October 1, 2008 pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets" adopted by the European Union on October 15, 2008 (see note IV.6).
(2) At December 31, 2008, the fair value of performing loans and advances to customers, determined in accordance with note IV.4, was €181,328 million.

IV.4.4.2 Finance leases

Leases are classified as finance leases when substantially all the risks and rewards incidental to legal ownership are transferred by the lessor. Otherwise they are classified as operating leases.

IAS 17 gives five examples of situations that lead to a lease being classified as a finance lease:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price that is expected to be sufficiently below the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- the lease term covers the major part of the asset's economic life;
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset,
- the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

IAS 17 also describes three indicators that may also lead to a lease being classified as a finance lease:

- if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from the change in residual fair value accrue to the lessee;
- the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than the market rent.

At the inception of the contract, the lease finance receivable is recorded on the lessor's balance sheet in an amount equal to the net investment in the lease, which corresponds to the minimum payments receivable from the lessee discounted at the interest rate implicit in the lease plus any unguaranteed residual value accruing to the lessor.

IAS 17 requires unguaranteed residual values to be reviewed on a regular basis. At December 31, 2008, the unguaranteed residual value accruing to the lessor amounted to 56 million. If there is a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised (recalculation of a new payment table). Any reduction in respect of amounts accrued is recognized immediately in profit or loss and any reduction in respect of future amounts is recognized by revising the interest rate implicit in the lease.

Impairment charges for finance leases are determined using the same method as that described for loans and advances.

Finance income corresponding to interest is recognized in the income statement under "interest income" based on a pattern reflecting a constant period rate of return on the net investment in the finance lease, using the interest rate implicit in the lease. The rate of return implicit in the lease is the discount rate that makes the following two items equal:

- the aggregate present value of minimum lease payments receivable by the lessor, plus the unguaranteed residual value,
- and is equal to the initial value of the asset (i.e. fair value at the inception of the lease, plus any direct initial costs comprising expenses incurred specifically by the lessor to set up the lease.

IV.4.4.2.1 Finance lease outstandings

	12/31/2008			12/31/2007			12/31/2006
in € millions	Real estate	Equipment	Total	Real estate	Equipment	Total	Total
Finance lease outstandings	**3,265**	**4,017**	**7,282**	**3,124**	**3,292**	**6,416**	**5,777**
Net outstandings in default[(1)]	**20**	**13**	**33**	**41**	**13**	**54**	**51**
Loans in default	46	71	116	54	50	104	105
Impairment	(26)	(58)	(84)	(13)	(37)	(50)	(54)
TOTAL	**3,285**	**4,030**	**7,315**	**3,165**	**3,305**	**6,470**	**5,828**

(1) Impairment losses covered 72% of finance leases in default at December 31, 2008.

IV.4.4.2.2 Residual maturity of finance leases at 12/31/2008

	Residual maturity				
in € millions	Under 1 year	1 to 5 years	Over 5 years	Not allocated	Total
Finance leases					
Gross investment	1,094	2,851	969	0	4,914
Net present value of minimum lease payments	805	2,173	771	479	4,229
Unearned finance income	////////	////////	////////	578	578
Contingent lease payments recognized	////////	////////	////////	0	0
Operating leases					
Minimum lease payments receivable under non-cancellable contracts	24	92	95	0	211
Contingent lease payments recognized				0	0

IV.4.4.3 Others loans and advances to customers

Other loans and advances to customers amounted to €150 billion against €132 billion at December 31, 2007.

At December 31, 2008, €2.2 billion of loans had been pledged to Caisse de Refinancement Hypothécaire, and a total of €1.7 billion had been borrowed from that entity.

in € millions	**12/31/2008**	12/31/2007	12/31/2006
Commercial loans	2,590	2,942	3,564
Export credits	1,012	865	756
Cash loans and consumer credit	22,469	20,566	18,334
Equipment loans	45,943	39,281	34,600
Home purchase loans	66,994	59,184	51,023
Other	11,100	9,469	7,622
TOTAL	**150,108**	**132,306**	**115,899**

IV.5 *Held-to-maturity financial assets*

These are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Banque Populaire Group has the positive intention and ability to hold to maturity, other than those that are designated as at fair value through profit and loss, those designated as available for sale and those that meet the definition of loans and advances.

At initial recognition, i.e. on the settlement date, they are measured at fair value including transaction costs. After initial recognition, they are measured at amortized cost using the effective interest method. They are tested for impairment on each reporting date and where necessary an impairment loss is recognized through profit and loss under the line item "impairment charges and other credit provisions". Transactions hedging securities in this category against interest-rate risk are not authorized under IFRSs. In the Group's case, this category is only used for fixed-income securities representing insurance company investments.

in € millions	**12/31/2008**	12/31/2007	12/31/2006
Bonds			
Cost	2,195	2,156	2,330
Impairment	0	0	0
Net	**2,195**	**2,156**	**2,330**
Other			
Cost	53	41	40
Impairment	0	0	0
Net	**53**	**41**	**40**
TOTAL	**2,248**	**2,197**	**2,370**

At December 31, 2008, the fair value of held-to-maturity securities, determined in accordance with note IV.4, was €2,307 million.

IV.6 *Reclassifications of financial assets (amendments to IAS 39 and IFRS 7 on October 15, 2008)*

Pursuant to the amendments to IAS 39 and IFRS 7 relating to "reclassifications of financial assets", adopted by the European Union on October 15, 2008, the Group reclassified certain instruments, mainly debt instruments, on October 1, 2008 from the "Instruments at fair value through profit and loss - held for trading purposes" and "Available-for-sale assets" categories to the "Loans and advances" category. No reclassification was made to the "Held-to-maturity assets" category.

Assets were reclassified at their fair value on the reclassification date, which was also their initial cost in their new category.

Instruments reclassified into the "Loans and advances" category are instruments that the Group now intends to hold for the foreseeable future or until maturity, and which comply with the definition of instruments eligible for that category on the reclassification date. They consist of instruments on which payments are fixed, and that are no longer listed on an active market.

in € millions

		2008			
From	**To**	**Carrying value on reclassification date**	**Available-for-sale**	**Loans and advances**	**Held-to-maturity assets**
Held-for-trading assets		3,153	0	3,153	0
Available-for-sale		1,510	0	1,510	0
TOTAL		**4,663**	**0**	**4,663**	**0**

Almost 90% of the reclassifications of securities were carried out by the Natixis sub-group, i.e. €4.1 billion (taking into account the Group's share in Natixis) on October 1, 2008. On the date that these financial instruments were reclassified by the Natixis sub-group:

- expected cash flows totaled €4.4 billion;
- the average effective interest rate on those instruments was 5.4%;
- the change in value of these instruments that were recorded on the balance sheet prior to their reclassification was as follows on October 1, 2008:

Change in fair value on October 1, 2008 (*in € millions)*

Asset		**Liability**	
Original category		**Impact on shareholders' equity (excluding deferred tax)**	
Held-for-trading assets	(233)	Income statement impact	(268)
Available-for-sale	(131)	Unrealized gains	(96)
TOTAL	**(365)**		**(365)**

If the Natixis sub-group had not reclassified these instruments, changes in the fair value of the instruments reclassified as "Loans and advances" would have had the following impact on the Group's shareholders' equity in the fourth quarter of 2008:

Change in fair value of instruments reclassified as loans and advances			**(136)**
Fair value of reclassified instruments on December 31, 2008		3,995	
Carrying value		4,131	
Impact on shareholders' equity in the fourth quarter			**(136)**
Changes in fair value that would have been recognized in the income statement:		(76)	
of which impairment that would have been recognized in the income statement on assets previously classified as AFS	*(43)*		
Changes in fair value that would have been recognized in shareholders' equity available for release to profit and loss:		(60)	

Lastly, gains and losses on assets reclassified as loans and receivables by the Natixis subgroup after October 1, 2008, recognized in profit or loss after their reclassification represent net banking income of €1 million and impairment charges and other credit provisions of €26 million.

IV.7 *Deferred income tax assets and liabilities*

Deferred taxes arise on temporary differences existing in the separate financial statements between the carrying value and the tax basis of assets and liabilities carried on the balance sheet or resulting from specific consolidation adjustments. They are calculated using the liability method based on future applicable tax rates.

The net deferred income tax balance recognized in the balance sheet as either deferred income tax assets or liabilities, arises principally from the following sources:

in € millions		12/31/2008	12/31/2007	12/31/2006
Main sources of deferred income taxes(1)				
Flow-through entities		(343)	(318)	(277)
Leasing reserve		(407)	(363)	(385)
Elimination of equalization reserve		(128)	(140)	(118)
Financial instruments at fair value through equity		616	(540)	(751)
Other financial instruments at fair value		(290)	(352)	(168)
Provisions for employee benefits		822	770	787
Provisions for regulated savings plans		(103)	179	269
Other non-deductible provisions(2)		1,458	1,343	965
Ordinary and evergreen tax loss carryforwards		2,613	225	202
Amortized cost of loans		299	253	223
Unrealized gains on mutual funds		53	179	184
Employee profit-sharing		82	91	100
Zero interest-rate loans		1	1	
CCI dividends: Banque Populaire and Caisse d'Epargne banks		(70)	(73)	
Impairment of CIFG shares		441	690	
Allocation of FONCIA goodwill(3)		(465)		
Own credit risk on liabilities(4)		(238)		
Other temporary differences		80	(58)	6
TOTAL SOURCES OF DEFERRED INCOME TAXES, GROSS		**4,423**	**1,885**	**1,037**
Unrecognized sources of deferred tax assets(5)		(1,395)	(91)	(197)
TOTAL SOURCES OF DEFERRED INCOME TAXES, NET		**3,029**	**1,795**	**840**
Recognized deferred taxes				
Deferred taxes at standard rate		1,031	728	317
Deferred taxes - social security		16	19	8
Deferred taxes at reduced rate		7	(6)	(2)
TOTAL RECOGNIZED DEFERRED TAXES		**1,053**	**741**	**323**
o/w:	- deferred tax assets	1,543	1,016	635
	- deferred tax liabilities	(490)	(274)	(312)

(1) Positive amounts correspond to sources of deferred tax assets and negative amounts to sources of deferred tax liabilities.

(2) Including collective impairment and the impact of discounting specific impairment charges.

(3) In 2008, the Group allocated part of the goodwill on FONCIA to amortizable assets in an amount of €465 million (see note IV.11). These amortizable assets generated deferred tax liabilities.

(4) Own credit risk represents income corresponding to the issuer spread on issues recognized at fair value, and generates deferred tax liabilities.

(5) Sources of deferred tax, which are limited for prudential purposes, increased sharply in 2008 because of the crisis. Losses widened in France and abroad, mainly in the US and UK (see note V.11.2).

IV.8 *Other assets and liabilities*

Other assets and liabilities correspond to technical accounts, details of which are given below:

ASSETS

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Other assets	IV.8.1.1	9,974	6,976	5,447
Accrued income and prepaid expenses	IV.8.2.1	4,936	7,767	4,846
Accrued income and prepaid expenses - insurance companies	IV.8.3.1	742	569	437
TOTAL		**15,651**	**15,312**	**10,730**

EQUITY & LIABILITIES

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Other liabilities	IV.8.1.2	8,414	9,006	5,880
Accrued income and prepaid expenses	IV.8.2.2	5,232	5,856	4,888
Accrued income and prepaid expenses - insurance companies	IV.8.3.2	189	130	162
TOTAL		**13,835**	**14,993**	**10,931**

IV.8.1 Sundry assets and liabilities

IV.8.1.1 Sundry assets

in € millions	12/31/2008	12/31/2007	12/31/2006
Securities settlement accounts	0	7	(0)
Real estate development	0	0	0
Other assets	261	311	188
Miscellaneous debtors	9,689	6,597	5,218
Accrued interest	24	61	41
TOTAL	**9,974**	**6,976**	**5,447**

IV.8.1.2 Sundry liabilities

in € millions	12/31/2008	12/31/2007	12/31/2006
Amounts due on securities	0	1,742	615
Sundry payables	6,496	7,043	4,984
Securities settlement accounts	572	45	58
Other	1,293	121	162
Accrued interest	53	55	61
TOTAL	**8,414**	**9,006**	**5,880**

IV.8.2 Accruals and prepayments

IV.8.2.1 Accrued income and prepaid expenses

in € millions	12/31/2008	12/31/2007	12/31/2006
Collection accounts	786	868	1,013
Adjustment accounts	16	264	102
Prepaid expenses	172	127	102
Accrued income	940	771	1,238
Deferred charges	1	0	0
Other	3,022	5,737	2,390
TOTAL	**4,936**	**7,767**	**4,846**

IV.8.2.2 Deferred income and accrued charges

in € millions	12/31/2008	12/31/2007	12/31/2006
Collection accounts	1,006	935	706
Adjustment accounts	400	207	110
Deferred income	1,251	1,244	1,032
Accrued expenses	1,305	1,002	876
Day-one profit(1)	65	71	87
Other	1,204	2,397	2,077
TOTAL	**5,232**	**5,856**	**4,888**

(1) *Day-one profit relates exclusively to the Natixis sub-group. Changes in day-one profit, which is calculated on the basis of non-observable parameters, were as follows in 2007 and 2008:*

in € millions	12/31/2008	12/31/2007
Day-one profit at the start of the period	71	87
Day-one profit on new transactions	19	23
Released to income during the year	(27)	(27)
Other movements	2	(12)
DAY-ONE PROFIT AT THE END OF THE PERIOD	**65**	**71**

The sensitivity of day-one profit depends on the amortization profile of the transactions. The income-statement impact of shortening the period over which day-one profit is recognized was as follows at December 31, 2008:

INCOME-STATEMENT IMPACT AT 12/31/2008

in € millions	Equities	Fixed-income
1-year reduction	2.1	1.8
5-year reduction	23.5	17.1
10-year reduction	26.9	25.8

IV.8.3 Accruals and prepayments – insurance companies

IV.8.3.1 Accrued income and prepaid expenses – insurance companies

in € millions	12/31/2008	12/31/2007	12/31/2006
Reinsurers' share of technical reserves	158	113	111
Insurance receivables	117	148	198
Reinsurance receivables	21	48	40
Accrued premium income	61	220	52
Deferred acquisition costs	54	40	37
Deferred participation liability	331	0	0
TOTAL	**742**	**569**	**437**

IV.8.3.2 Deferred income and accrued charges – insurance companies

in € millions	12/31/2008	12/31/2007	12/31/2006
Insurance liabilities	111	67	105
Reinsurance liabilities	43	44	38
Cash deposits received from reinsurers	34	17	18
Other liabilities	1	1	2
TOTAL	**189**	**130**	**162**

IV.9 Investments in associates

Holdings in equity affiliates mainly consist of holdings in the Caisse d'Epargne banks, which are 20%-owned by Natixis through its ownership of cooperative certificates of investment. Applying the Group's ownership percentage of Natixis, its stake in these banks is 7%.

in € millions	12/31/2008	12/31/2007	12/31/2006
Financial institutions	**2,175**	**2,097**	**1,918**
Caisse d'Epargne (cooperative certificates of investment)	1,695	1,684	1,617
of which goodwill	*106*	*104*	*120*
Volksbank International AG	309	267	214
of which goodwill	*20*	*20*	*20*
Other	170	146	87
Non-financial companies	**13**	**24**	**23**
TOTAL	**2,188**	**2,121**	**1,941**

IV.10 *Investment real estate*

IAS 40 defines investment real estate as real estate held to generate rental income, or for capital appreciation, or both.

As is the case for property, plant and equipment (*see note IV.11*), investment real estate is recognized as an asset when it meets the following conditions:

- it is probable that future economic benefits associated with the asset will flow to the enterprise;
- the cost of the asset can be measured reliably.

Investment real estate is measured in the same way as property, plant and equipment (cost less accumulated depreciation and impairment losses) by all Group entities except the Natixis Assurance subgroup, which measures its investment properties at fair value with changes in fair value recognized through profit and loss. Fair value is calculated using a multi-criteria approach, by capitalizing rent at market interest rates and through comparisons with the transaction market.

In accordance with Article R. 332-20-1 of the code des assurances, valuations are carried out every five years by an independent valuer accredited by ACAM (Autorité de Contrôle des Assurances et des Mutuelles). Between valuations, the market value of buildings is certified by valuers every six months.

Investment real estate leased under an operating lease may have a residual value that will reduce the depreciable amount of the asset. Gains or losses on disposal of investment real estate are recognized in profit or loss under the line item "net income or expenses on other activities".

	12/31/2008			12/31/2007			12/31/2006
in € millions	Cost	Depreciation and impairment	Net[2]	Cost	Depreciation and impairment	Net	Net
Investment real estate							
Fair value[1]	325	////////	325	329	////////	329	283
Cost	444	(190)	254	396	(183)	214	256
TOTAL	**769**	**(190)**	**579**	**725**	**(183)**	**543**	**540**

(1) *Insurance company investments. Changes in fair value give rise to the symmetrical recognition of a deferred participation reserve equal, on average, to 92% of the base concerned.*
(2) *The fair value of investment real estate is obtained by capitalizing the rental income at the market yield:*

	12/31/2008	
in € millions	Net	Fair value
Operating leases	206	340
Finance leases - TUP*	12	13
Other	36	33
TOTAL	**254**	**386**

* *TUP: Temporarily unlet properties.*

IV.11 *Property, plant and equipment and intangible assets*

This item includes owner-occupied property, equipment owned and used in the business, equipment acquired under operating leases, property acquired under finance leases and assets temporarily unlet under finance leases, and interests in non-trading real estate companies (SCIs).v

In accordance with IAS 16 and IAS 38, property, plant and equipment and intangible assets are recognized as assets only if they meet the following conditions:

- it is probable that future economic benefits associated with the asset will flow to the enterprise;
- the cost of the asset can be measured reliably.

In accordance with IFRS 1, the Group elected not to measure these assets at fair value in the 2004 opening balance sheet. They were maintained at cost, which is defined as the purchase price plus directly attributable transaction expenses (transfer duties, fees, commissions and registration expenses). Borrowing costs are not capitalized.

Software developed in-house is included in assets under "intangible assets" at their direct development cost. This cost includes spending on hardware and services, along with the cost of staff directly involved in the production and preparation of the software with a view to using it. Spending during the development phase is capitalized if the project meets the criteria set by IAS 38: technical feasibility, intention to complete the intangible asset and use or sell it, probability of future economic benefits, availability of resources and the ability to measure reliably development expenditure. Expenses incurred during the research phase are recognized as expenses when they are incurred.

A specific depreciation schedule is drawn up for each significant component of an item of property, plant and equipment which has a different useful life or rate of consumption of future economic benefits than the item as a whole. Useful life is not necessarily the same as the depreciation period for tax purposes, nor the asset's economic life. The following significant components and depreciation periods have been identified:

Components	**Depreciation period**
Land	N/A
Indestructible elevations	N/A
Walls, roofing, weatherproofing	20-40 years
Foundations, frameworks	30-60 years
External rendering	10-20 years
Equipment and installations	10-20 years
Internal fixtures and fittings	8-15 years

Other items of property, plant and equipment are depreciated over their estimated useful life, which ranges from five to ten years.

The depreciable amount of each component is cost less residual value. Residual value is the present value of the asset at the end of its estimated useful life. The Group does not believe it can reliably measure the residual value of items other than land and indestructible elevations.

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful lives, which may not exceed eight years in the case of software. Amortization begins as soon as the asset is ready for use. No residual value is assigned. Intangible assets with an indefinite useful life, including purchased goodwill, are not amortized but tested for impairment at least once a year. Leasehold rights are amortized on a straight-line basis over the residual term of the lease (with no extension) and tested for impairment by comparing the net present value of market rents and actual rents. The charge to depreciation or amortization is recognized in the income statement under the heading "depreciation, amortization and impairment of property, plant and equipment and intangible assets".

Non-current assets undergo an impairment test if objective evidence of impairment appears and at least once per year for intangible assets with finite useful lives. Checks are carried out to look for evidence of impairment at each balance sheet date. If evidence exists, the recoverable value of the isolated asset, or if it cannot be isolated that of the CGU to which it belongs, is estimated. Recoverable value is the higher of fair value less disposal costs and the value in use calculated as the present value of future cash flows. The recoverable amount is estimated on an asset-by-asset basis, but not allocated to components of an asset.

Impairment losses are recognized in the income statement under the heading "depreciation, amortization and impairment of property, plant and equipment and intangible assets". They may be reversed if conditions change (e.g. evidence of impairment no longer exists). Impairment losses are deducted from the depreciable or amortizable amount of the asset and therefore have an impact on the future depreciation or amortization schedule.

Gains or losses on the sale of property, plant and equipment or intangible assets are recognized in the income statement under the heading "gains or losses on other assets".

Assets held under finance leases (Group as lessee) are recognized in the consolidated balance sheet under property, plant and equipment if their amount is material. At inception of the lease, they are measured at the lower of fair value or the net present value of minimum future lease payments. Leased assets are depreciated over the same period as other assets in the same category.

Assets leased under operating leases (Group as lessor) are recognized as assets on the balance sheet as property, plant and equipment.

IV.11.1 Property, plant and equipment and intangible assets

	12/31/2008			12/31/2007			12/31/2006
in € millions	Cost	Depreciation, amortization and impairment	Net	Cost	Depreciation, amortization and impairment	Net	Net
Property, plant and equipment	**4,450**	**(2,390)**	**2,059**	**3,872**	**(2,076)**	**1,797**	**1,600**
Assets held under finance leases	***87***	***(37)***	***50***	***86***	***(59)***	***27***	***29***
Buildings	87	(37)	50	86	(59)	27	29
Other	0	0	0	0	0	0	0
Owned assets	***4,363***	***(2,354)***	***2,009***	***3,786***	***(2,016)***	***1,770***	***1,571***
Shares in non-trading real estate companies	26	0	26	27	0	27	28
Land and buildings	2,102	(862)	1,240	1,732	(676)	1,056	944
Other	2,235	(1,492)	743	2,027	(1,340)	687	600
Intangible assets	**1,634**	**(549)**	**1,085**	**964**	**(461)**	**503**	**260**
Leasehold rights	145	(82)	63	137	(82)	55	48
Trade goodwill[(1)]	241	(44)	197	216	(41)	175	14
Software	576	(358)	218	446	(291)	155	112
Other	673	(66)	607	166	(48)	118	87
Assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**13**
Property, plant and equipment	0	0	0	0	0	0	13
Other	0	0	0	0	0	0	0
TOTAL	**6,084**	**(2,940)**	**3,144**	**4,837**	**(2,536)**	**2,300**	**1,873**

(1) Including FONCIA contribution in 2007 and 2008.

IV.11.2 Movements in property, plant and equipment and intangible assets during the year

in € millions	Cost 12/31/2007	Increase	Decrease and other disposals	Change in scope[1]	Exchange differences	Other[2]	Cost 12/31/2008
Property, plant and equipment	**3,872**	**550**	**(129)**	**205**	**1**	**(50)**	**4,450**
Assets held under finance leases	***86***	***0***	***0***	***0***	***0***	***0***	***86***
Buildings	86	0	0	0	0	0	87
Other	0	0	0	0	0	0	0
Owned assets	***3,786***	***550***	***(129)***	***205***	***1***	***(50)***	***4,363***
Shares in non-trading real estate companies	27	1	(2)	1	0	(1)	26
Land and buildings	1,732	234	(25)	160	0	2	2,102
Other	2,027	315	(102)	45	1	(51)	2,235
Intangible assets	**964**	**165**	**(70)**	**30**	**4**	**542**	**1,634**
Leasehold rights	137	10	(2)	8	0	(7)	145
Trade goodwill	216	13	(3)	7	0	9	241
Software	446	81	(41)	11	1	77	576
Other[2]	166	62	(24)	5	2	463	673
TOTAL	**4,837**	**715**	**(199)**	**235**	**5**	**492**	**6,083**

(1) Movements arising from changes in scope relate mainly to the consolidation of regional banks acquired on July 2 from HSBC France.

(2) Other movements in intangible assets relate mainly to the identification of amortizable and non-amortizable intangible assets within the goodwill initially recognized by the Banque Populaire Group when consolidating FONCIA. (see note IV.12.3.2):

	465
Building management	156
Rental management	219
FONCIA brand	90

IV.11.3 Seized collateral

Seized collateral totaled €32 million at December 31, 2008, including €18 million of investment real estate and €10 million of equity and debt instruments and €3 million of equity and debt instruments.

IV.12 *Goodwill*

IV.12.1 Accounting treatment

Goodwill is the surplus of the cost of the business combination over the buyer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. On the acquisition date, goodwill is allocated to one or more cash generating units (CGUs) likely to enjoy the benefits of the acquisition.

Goodwill is maintained in the balance sheet at its historic value in the currency of origin and translated into euros at the year-end rate. Adjustments to goodwill are made within twelve months of the date of acquisition.

Negative goodwill is recognized immediately in the income statement under "Changes in value of goodwill".

Goodwill is not amortized but tested for impairment whenever there is objective evidence that its value may be impaired, using the discounted cash flow method.

IV.12.2 Cash generating units (CGUs)

For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). The Group's CGUs correspond to the segments defined for the purpose of segment reporting (*see note VIII*):

- "Retail Banking", mainly represented by the 20 Banque Populaire banks, Crédit Maritime Mutuel and since December 31, 2008, the regional banks acquired by the Banque Populaire banks, and Société Marseillaise de Crédit, owned by Banque Fédérale des Banques Populaires. This segment constitutes a single CGU;
- "Corporate and investment banking and project finance", represented by Natixis and consisting of six core businesses: "Corporate and Investment Banking", "Private Equity and Private Banking", "Services", "Receivables Management", "Asset Management" and "Services and Guarantees". These core businesses represent six CGUs;
- "Federal and other activities", relating mainly to the activities of Banque Fédérale des Banques Populaires and its other directly owned

subsidiaries apart from Natixis, mainly FONCIA, MA BANQUE and BICEC. At December 31, 2008, goodwill in this segment related solely to FONCIA, which constitutes a separate CGU.

IV.12.3 Summary

At December 31, 2008, the total carrying value of goodwill was €4.2 billion. The main changes arose from:

- the acquisition of regional banks from HSBC France on 2 July 2008, in the Retail Banking CGU;
- impairment of the "Corporate and Investment Banking" CGU within the "Corporate and investment banking and project finance" segment;
- the identification of amortizable and non-amortizable intangible assets within the goodwill initially recognized by the Group on FONCIA, within the "other activities" segment.

	12/31/2008		12/31/2007	
	Value *in € millions*	Weighting %	Value *in € millions*	Weighting %
Retail banking	1,710	39%	4	NM
Investment banking and project finance	1,722	39%	1,999	59%
Federal and other activities	962	22%	1,397	41%
TOTAL	**4,394**	**100%**	**3,401**	**100%**

IV.12.3.1 Retail banking

On July 2, 2008, the Banque Populaire Group acquired seven regional banks from HSBC France: Société Marseillaise de Crédit, Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy, de Parseval, Banque Pelletier and Crédit Commercial du Sud-Ouest.

These banks operate in retail banking in southern France, and in client segments that are very similar to those of the Banque Populaire banks. They are consolidated by the Group, and were acquired for €2,100 million, generating total goodwill of €1,547 million.

The Group also allocated part of the residual goodwill on FONCIA, after the identification of intangible assets (*see note IV.11.3.1*), to the "Retail Banking" CGU, in an amount relating to the synergies identified in retail banking, i.e. €159 million.

IV.12.3.2 Investment banking and project finance

The change in goodwill in the "Corporate and investment banking and project finance" segment, consisting solely of the Natixis sub-group, arose mainly from the impairment of all goodwill relating to the "corporate and investment banking" CGU, i.e. €324 million (*see note IV.12.4, "Impairment testing"*).

IV.12.3.3 Federal and other activities

At December 31, 2007, goodwill on FONCIA totaled €1,398 million, including €1,116 million recorded by the Group on FONCIA and €281 million by FONCIA on its subsidiaries. Taking into account acquisitions during the period, goodwill recorded by FONCIA on its subsidiaries increased by €28 million, taking total gross goodwill, before allocation, to €1,425 million at December 31, 2008.

When FONCIA was acquired, synergies with retail banking were valued. They were valued at a gross, non-amortizable amount of €159 million through the discounting of future cash flows from those synergies.

In addition, in 2008, the Group allocated part of the goodwill recognized when FONCIA was first consolidated.

This allocation caused the Group to recognize:

- intangible assets by capitalizing building management and rental management contracts, which generate stable revenues. These assets correspond to future cash flows from contracts in force at the time of acquisition. They were measured using the discounted cash flow method and gave rise to a gross value, amortizable over 30 years, of €156 million for building management contracts and €219 million for rental management contracts;
- intangible assets relating to the FONCIA brand in a gross, non-amortizable amount of €90 million, measured on the basis of discounted cash flows generated by the brand.

Before deferred tax, all assets identified in this way total €624 million, and of the €961 million of residual goodwill on FONCIA activities.

Overall, goodwill allocated to FONCIA activities, to synergies with Retail Banking and to amortizable intangible assets amount to €1,425 million and break down as follows:

TOTAL GROSS GOODWILL BEFORE ALLOCATION				**1,425**
Residual goodwill on FONCIA activities			**961**	
• Group on FONCIA activities		651		
• FONCIA on subsidiaries		310		
Goodwill on synergies (FONCIA) with Retail Banking			**159**	
Intangible items (net of deferred tax)			**306**	
• Gross intangible items		466		
Building management assets	156			
Rental management assets	220			
FONCIA brand	90			
• Deferred tax		(160)		

IV.12.4 Impairment testing

All goodwill is subject to impairment testing, based on the value in use of the cash-generating units (CGUs) to which it is allocated.

The impairment loss is equal to the difference between the carrying amount of a CGU (which includes a portion of goodwill) and its recoverable amount, defined as the higher of fair value and value in use.

If recoverable value is lower than carrying value, impairment is recorded in consolidated income for the period and charged first against the goodwill allocated to the CGU and then against the assets of the CGU proportional to their net carrying values. Impairment losses charged against goodwill are definitive.

At December 31, 2008, the measurement methods and assumptions used in these tests are as follows:

Corporate and investment banking and project finance:

At December 31, 2008, and after the impairment of all goodwill on the Corporate and Investment Banking CGU, an impairment test was performed on residual goodwill.

This test, based on Natixis' latest business plan (December 2008), shows residual goodwill of €1.1bn.

Impairment tests were carried out using the discounted cash flow method.

Remaining goodwill was calculated for each CGU as follows:

- recoverable value was determined by discounting free cash flows arising from the business plan, using discount rates for each business area ranging between 9.7% and 10.3%;
- expenses not relating to business segments and allocated capital are deducted from recoverable value to obtain residual goodwill;
- the long-term growth rate used is 2%.

SUMMARY

in € millions		Net value of the CGU		Goodwill	Residual value of the CGU
		Natixis (100%)	Group share		
Investment banking and project finance Cash generating units (CGUs)	**Discount rate**	*a*	*b = a x 35.78%*	*c*	*d = b - c*
Asset Management	9.7%	3,522	1,260	1,191	69
Private Equity and Private Banking	10.3%	1,145	410	27	383
Services	10.2%	1,523	545	260	285
Guarantees	10.3%	320	115	56	59
Receivables Management	10.3%	1,377	493	185	308
Other*	-	26	9	3	6
TOTAL		**7,914**	**2,831**	**1,722**	**1,110**

* *Gross residual goodwill stated at carrying value.*

FONCIA

The Group performed an impairment test on the residual goodwill amount of €961 million in accordance with IAS 36, based on the latest strategic plan for 2009-2012, in line with the Group Strategic Plan.

Value in use is mainly determined by discounting the expected future cash flows from the CGU on the basis of the medium-term business plans drawn up by the Group for strategic planning purposes.

- Expected future cash flows for the next seven years are discounted: cash flows for the first three years are taken from the business plan, and those for the next four years are extrapolated on the basis of the business plan.
- The discount rate used is 8.83%. This rate corresponds to the weighted average cost of capital, which is the weighted average cost of equity and debt.
- The perpetual growth rate is 2.5%.

The test was performed in late 2008 and did not give rise to any impairment.

IV.12.5 Detailed analysis of goodwill

	12/31/2008						
in € millions	Opening balance	Acquisitions	Impairment	Allocation of goodwill	Other movements	Exchange differences	Closing balance
RETAIL BANKING	**4**	**1,547**	**0**	**0**	**159**	**0**	**1,710**
Regional banks		**1,547**	**0**	**0**	**0**	**0**	**1,547**
Société Marseillaise de Crédit		*797*					*797*
Banque Chaix		*241*					*241*
Banque de Savoie		*167*					*167*
Crédit Commercial du Sud-Ouest		*142*					*142*
Banque Dupuy, de Parseval		*122*					*122*
Banque Pelletier		*43*					*43*
Banque Marze		*36*					*36*
Other	**4**	**0**	**0**	**0**	**159**	**0**	**163**
FONCIA/Retail Banking synergies					*159*		*159*
BCI Mer Rouge	*4*				*0*		*4*
INVESTMENT BANKING AND PROJECT FINANCE	**1,999**	**8**	**(325)**	**(23)**	**44**	**19**	**1,722**
Corporate and investment banking	**324**	**0**	**(324)**	**0**	**0**	**0**	**0**
Natixis SA	*294*		*(294)*		*0*		*0*
Natexis Bleichroeder Inc.	*10*		*(10)*		*(0)*		*0*
Other subsidiaries	*20*		*(20)*		*0*		*0*
Private equity and private banking	**20**	**0**	**0**	**0**	**7**	**0**	**27**
Compagnie 1818	*16*				*7*		*22*
Natixis Investissement	*3*				*0*		*3*
Other subsidiaries	*2*				*(0)*		*1*
Asset management	**1,152**	**8**	**(1)**	**(1)**	**16**	**17**	**1,191**
Natixis Global Asset Management	*1,152*	*8*	*(1)*	*(1)*	*16*	*17*	*1,191*
Receivables management	**171**	**0**	**0**	**0**	**13**	**0**	**185**
Coface SA	*82*				*3*		*85*
Coface Services	*30*				*2*		*32*
Coface Krédit	*29*				*1*		*30*
kompass	*13*				*0*		*13*
Coface Collections North America, Inc.	*5*				*0*		*5*
Coface Austria Holding AG	*2*				*0*		*2*
Other subsidiaries	*10*				*7*		*17*
Services	**273**	**0**	**0**	**(21)**	**5**	**3**	**259**
CACEIS	*206*			*(21)*	*5*	*3*	*192*
Natixis Financement	*48*				*0*		*49*
Natexis Assurances	*14*				*1*		*15*
Natexis Intertitres	*2*				*0*		*2*
Natixis Consumer Finance	*1*				*0*		*1*
Other subsidiaries	*3*				*(2)*		*1*
Guarantees	**56**	**0**	**0**	**0**	**0**	**0**	**56**
Natixis Garanties	*56*				*0*		*56*
Other	**2**				**2**	**0**	**4**
FEDERAL AND OTHER ACTIVITIES	**1,397**	**29**	**0**	**(306)**	**(159)**	**0**	**962**
Residential real-estate services	**1,397**	**29**	**0**	**(306)**	**(159)**	**0**	**962**
FONCIA SA	*1,116*			*(306)*	*(159)*		*651*
FONCIA SA subsidiaries	*281*	*29*					*311*
TOTAL	**3,401**	**1,584**	**(325)**	**(329)**	**44**	**19**	**4,395**

Comments on table IV.12.5
As a result of allocation discrepancies, the breakdown of goodwill by CGU at December 31, 2007 was adjusted, with no impact on total goodwill:

- *Corporate and Investment Banking: €324 million as opposed to €332 million reported at December 31, 2007.*
- *Private Equity and Private Banking: €20 million as opposed to €16 million reported at December 31, 2007.*
- *Receivables Management: €171 million as opposed to €172 million reported at December 31, 2007.*
- *Services: €273 million as opposed to €326 million reported at December 31, 2007 (including the Guarantees segment).*
- *Guarantees and other €56 million and €2 million respectively, as opposed to zero reported at December 31, 2007.*

IV.13 *Deposits from banks and customer deposits*

Deposits from banks and customer deposits are presented by nature and divided into demand or time deposits. They are measured in accordance with IAS 39 as other financial liabilities using the amortized cost method and the effective interest rate method.

At initial recognition, these liabilities are measured at fair value, which corresponds to market rates for the Group. Accordingly, no discount or premium is recognized at inception. For liabilities with an initial maturity of more than one year, fair value includes transaction costs if they are material. After initial recognition, deposits are measured at amortized cost, which consists of reducing the liability by the amount of repayments. Accrued interest is recognized in profit or loss under the heading "interest expense" whether or not the liability is hedged.

The fair value of deposits from banks and customer deposits is calculated by discounting future cash outflows. The discount rate used is the market rate on the reporting date. If a quoted price is available that meets the criteria of IAS 39, the quoted price is used.

The fair value of liabilities with an initial maturity of less than one year and of variable-rate liabilities corresponds to the carrying amount.

IV.13.1 Deposits from banks

Deposits and borrowings from banks are deemed to pay interest at market rates. Accordingly, no discount is recognized. Repurchase agreements and pledged securities are accounted for in the same way as in the separate financial statements. Securities sold or pledged are not derecognized by the vendor or pledgor as the risks and rewards have not been transferred.

in € millions	**12/31/2008**	**12/31/2007**	**12/31/2006**
Current accounts in credit	**9,332**	**6,763**	**6,225**
Accounts and deposits	**39,569**	**33,859**	**29,467**
Demand	*1,655*	*2,903*	*3,058*
Time	*37,914*	*30,956*	*26,409*
Pledged securities	**3,563**	**2,660**	**1,007**
Demand	*0*	*0*	*7*
Time	*3,563*	*2,660*	*1,000*
Repurchase agreements	**13,406**	**26,264**	**28,152**
Demand	*422*	*1,158*	*881*
Time	*12,984*	*25,106*	*27,271*
Other liabilities	**238**	**352**	**414**
Accrued interest payable	**431**	**639**	**495**
TOTAL	**66,539**	**70,536**	**65,760**

IV.13.2 Customer deposits

Customer deposits amounted to €126,588 million at December 31, 2008 against €115,175 million at December 31, 2007:

in € millions	12/31/2008	12/31/2007	12/31/2006
Current accounts in credit	**63,291**	**49,739**	**49,154**
Demand	*45,061*	*40,129*	*38,361*
Time	*18,231*	*9,610*	*10,793*
Accounts and deposits	**7,365**	**4,838**	**5,069**
Demand	*3,561*	*1,614*	*672*
Time	*3,804*	*3,224*	*4,397*
Pledged securities	**52**	**10**	**87**
Demand	*52*	*10*	*87*
Time	*0*	*0*	*0*
Repurchase agreements	**10,829**	**13,763**	**7,725**
Demand	*1,556*	*2,156*	*2,559*
Time	*9,274*	*11,607*	*5,166*
Special savings accounts	**42,397**	**44,265**	**38,789**
Factoring liabilities	**646**	**589**	**431**
Accrued interest payable	**1,193**	**1,261**	**1,109**
Other	**814**	**709**	**463**
TOTAL	**126,588**	**115,175**	**102,827**

IV.14 *Debt securities in issue*

Debt securities in issue (interest-bearing notes, interbank market instruments, etc.) are broken down by nature, apart from subordinated debt, which is recorded separately in a specific line item.

Debt securities are measured at fair value at inception, i.e. at their issue price less transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

No internal income or expenses are included in the effective interest rate. Transaction costs include external expenses where they are material. Debt securities are issued at market rates and no market discount is recognized.

Premiums and discounts representing the difference between the issue price and the redemption price are included in the calculation of the effective interest rate. The discount is deferred on an actuarial basis and released to income under net banking income. Accrued interest on debt securities is recognized in profit or loss and recorded in an accrued interest account in the balance sheet.

The fair value of variable-rate debt securities is equal to their carrying amount on the balance sheet. Fixed-rate debt securities are discounted using the rate available in the market on the reporting date for a liability with the same residual maturity.

in € millions	12/31/2008	12/31/2007	12/31/2006
Interbank market instruments	**765**	**152**	**153**
Money market instruments	**21,880**	**33,693**	**27,972**
MTNs	5,201	5,312	7,118
CDs	16,679	28,381	20,854
Bonds	**17,339**	**5,220**	**2,203**
Other debt securities	**2,382**	**1,465**	**2,520**
Accrued interest payable	**442**	**357**	**300**
TOTAL	**42,808**	**40,887**	**33,148**

At December 31, 2008, the fair value of debt securities in issue, determined in accordance with note IV.4, was 43,019 million.

IV.15 *Insurance companies' technical reserves*

Insurance companies cover their liabilities towards policyholders by building up technical reserves calculated on a statistical basis:

- **mathematical reserves** principally comprise:
  - unearned premium reserves which correspond to the proportion of premiums written during the year but relating to a subsequent financial period,
  - life insurance reserves which correspond to total premiums received, plus investment income distributed to policyholders, less benefits paid. They also include a reserve to cover future administration costs;
- **loss reserves for life insurance** correspond to the compensation due following a claim. For credit insurance, loss reserves also include an amount to cover the estimated total cost of reported claims not settled at the period end. A reserve is also recorded for claims incurred but not reported, determined by reference to claims experience in prior underwriting years;
- **deferred participation reserves** represent the share of investment income due to policyholders that has not yet been distributed. These reserves must be distributed within a period of eight years. Unrealized gains and losses on investments representing contracts with a discretionary participation feature are largely offset (about 92%) by the recognition of a deferred participation liability under the shadow accounting principle permitted by IFRS 4, as a proportion of these gains and losses will accrue to the policyholders through the return on their contract;
- **other technical reserves** comprise reserves for financial uncertainties and reserves for deferred acquisition costs.

in € millions	**12/31/2008**	**12/31/2007**	**12/31/2006**
Mathematical reserves	**15,024**	**14,616**	**13,165**
Life insurance business	12,394	11,576	10,437
Unit-linked business	2,630	3,040	2,728
Loss reserves	**508**	**490**	**379**
Other technical reserves(1)	**221**	**742**	**865**
TOTAL	**15,753**	**15,848**	**14,408**

(1) Other technical reserves include deferred participation reserves. They fell sharply in 2008 because of the substantial decline in equity markets and the widening in credit spreads on fixed-income instruments. Because of shadow accounting, these developments caused the recognition of deferred participation assets in 2008. Property and casualty insurance reserves in the Natixis Assurance segment were reclassified at the start of the period from mathematical reserves to other technical reserves, with an impact of €211 million after applying the proportionality rule.

IV.16 *Provisions and impairment charges*

IV.16.1 Summary

in € millions	12/31/2007	Increase	Utilization	Surplus released	Changes in scope[1]	Exchange differences and other[2]	12/31/2008
Impairment charges deducted from assets	**4,512**	**2,407**	**(458)**	**(825)**	**271**	**245**	**6,152**
Performing loans	662	205	0	(140)	9	6	742
Loans in default	3,464	1,696	(436)	(574)	231	(16)	4,365
Other	160	76	(22)	(38)	24	(79)	121
Other-than-temporary impairment on AFS securities	227	430	0	(73)	7	333	924
Provisions recognized as liabilities	**1,656**	**650**	**(349)**	**(44)**	**61**	**50**	**2,024**
Provisions	*1,541*	*618*	*(344)*	*(17)*	*58*	*36*	*1,893*
Counterparty risk	280	347	(100)	(12)	15	16	545
Impairment risk	20	37	(39)	(5)	1	25	39
Employee benefits	924	35	(62)	0	33	1	931
Operating risks	139	188	(90)	0	8	(6)	239
Regulated savings accounts	179	10	(52)	0	1	0	138
Provisions for current income tax	*115*	*32*	*(5)*	*(27)*	*3*	*14*	*131*
TOTAL	**6,169**	**3,057**	**(808)**	**(869)**	**332**	**294**	**8,174**
Impact on net income[3]			**(1,381)**				

(1) At December 31, 2008, the impact of the change in scope resulted mainly from the integration of the regional banks acquired on July 2, 2008 (see note III.1.1).

(2) Other changes in impairment deducted from assets related mainly to €440 million of other-than-temporary impairment on shares in CIFG, recognized after CIFG was deconsolidated in 2008 (see note III.1.3.1), and a negative impact of €85 million on the Natixis sub-group from reclassifications arising from the application of the amendment to IAS 39 and IFRS 7 dated October 15, 2008 (see note IV.6).

(3) Impact of impairment and provisions on the income statement. Given the presentation of the financial statements, charges to and reversals of provisions may impact on each line item on the income statement. The table below shows the impact (excluding deferred tax) of movements in provisions on the main consolidated income statement item.

in € millions	Charges	Reversals	Net impact
Net banking income	**(491)**	**118**	**(373)**
Operating expenses	(155)	105	(50)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets	(25)	2	(23)
Gross operating income	**(671)**	**225**	**(446)**
Impairment charges and other credit provisions	(2,354)	1,416	(937)
Gains or losses on other assets	(0)	2	2
Income before income taxes	**(3,025)**	**1,643**	**(1,382)**
Income taxes	(32)	32	1
NET INCOME	**(3,057)**	**1,676**	**(1,381)**

IV.16.2 Provisions

A provision is a liability of uncertain timing or amount. A liability is a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits that can be reliably measured.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation on the reporting date. This amount is discounted where the effect is material.

Provisions are reviewed on each reporting date and adjusted if necessary to reflect the best estimate on that date.

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Provisions are not recognized for future operating losses or major repairs. No contingent assets or liabilities have been recognized.

Restructuring provisions are recognized if the general criteria for recognizing provisions, set out above, are met and if the following conditions are satisfied:

- there is a formal, detailed restructuring plan setting out:
  - the activities concerned,
  - the main sites affected,
  - the roles and approximate number of staff who will be compensated with respect to their employment contract,
  - the expenditure to be incurred,
  - and the time at which the plan will be implemented;
- the plan and its terms have been revealed to the persons concerned.

Restructuring provisions only include expenditure directly related to restructuring. Restructuring provisions were recognized in Natixis' financial statements at December 31, 2008 with respect to:

- the employment adjustment plan adopted for Natixis SA employees in September 2008;
- the plan to transform the Corporate and Investment Banking business, adopted by the Supervisory Board on December 18, 2008.

In accordance with IAS 37, a provision is taken against a financing commitment if there is a risk that the counterparty might default during the commitment period. The provision covers the risk of future default, as the financing commitment is irrevocable.

Provision charges and reversals are recognized in the income statement on the line items corresponding to the nature of future expenditure.

in € millions	Notes	12/31/2007	Increase	Utilization	Surplus released	Changes in scope	Exchange differences and other	12/31/2008
Counterparty risk		**280**	**347**	**(100)**	**(12)**	**15**	**16**	**545**
Financing and guarantee commitments		95	130	(56)	(4)	1	4	172
Customer disputes		171	38	(42)	(4)	13	(2)	174
Other provisions		13	179	(3)	(4)	1	13	199
Impairment risk		**20**	**37**	**(39)**	**(5)**	**1**	**25**	**39**
Non-current financial assets		2	0	(1)	0	1	0	2
Real estate development		0	0	0	0	0	0	0
Other provisions		18	37	(38)	(5)	1	25	37
Employee benefits	VII.3	**924**	**35**	**(62)**	**0**	**33**	**1**	**931**
Current employees		373	26	(29)		19	(2)	387
Retired employees		551	10	(34)		13	3	544
Operating risk		**139**	**188**	**(90)**	**0**	**8**	**(6)**	**239**
Restructuring		15	61	(10)		0	(7)	59
Other provisions		124	127	(80)		8	1	181
Homebuyers' savings plans	IV.15.3	**179**	**10**	**(52)**	**0**	**1**	**0**	**138**
Homebuyers' savings plans		179	10	(52)		1	0	138
Homebuyers' savings accounts								
TOTAL		**1,541**	**618**	**(344)**	**(17)**	**58**	**36**	**1,893**

IV.16.3 Provisions for homebuyers' savings plans and accounts

Risks relating to homebuyers' savings plans and accounts have been assessed and provided for in the IFRS consolidated financial statements since January 1, 2005.

The purpose of the provisions is to cover the two risks inherent in these plans and accounts:

- the risk of having to grant future loans at a contractually agreed rate which is lower than the market rate;
- the risk of paying future interest on the savings at an above-market rate and for an indeterminate period.

Both risks have been measured prospectively until extinction of the savings carried on the balance sheet. This required modeling current outstandings (savings and conversion into loans) based on assumptions regarding future market rates and client behavior. The model used is that applied at the Banque Populaire Group level for the preparation of consolidated financial statements. It comprises three stages:

Stage 1: Generating 10,000 interest-rate paths using a Monte-Carlo simulation. This is done using the Ornstein-Uhlenbeck process with mean-reversion. This method incorporates a correlation matrix between the various indices based on a rolling ten-year period of historic data. The mean reversion target for each index is determined on the basis of long-term forecasts made by the Group's economists, which are also used for asset and liability management purposes.

Stage 2: Modeling savings for each simulated interest-rate path based on an expected profile representing the average historical trend of savings in each generation and including the sensitivity of client behavior to the difference between the contractually agreed rates and market rates, both in terms of savings and conversion into loans (simulated interest-rate paths).

Stage 3: Calculating the final provision based on the average difference observed for each path between cash flows based on the contractually agreed rates (savings with no government premium or loan) and those determined by the model using future market rates for equivalent products for each year of the plan. These differences are discounted using the average zero-coupon yield in the last twelve months, deduced from swap rates. The reference interest rate (market rate) is determined for the savings phase, using the Fidélis step-up interest rate account distributed via the Banque Populaire network as the equivalent product, and for the lending phase, applying Group pricing for home loans with the same term as homebuyers' savings plan loans.

Provisions are taken for net capital losses per generation of interest rate. Capital gains are not recognized. Each of the 10,000 provisions is calculated after deducting flows relating to the amount outstanding that are deemed not to be sensitive to changes in rates. For reasons of prudence, this risk-free profile is capped at the level observed in the tenth year of each generation, and then run off on a straight-linebasis over the next twenty years. The risk on homebuyers' savings accounts is calculated in a similar way, using separate interest rate mismatch assumptions. However, for these accounts, the mismatch risk is only relevant in the event of conversion into a loan, as the rate paid during the savings phase is revisable and indexed to market rates. The future level of lending rates is determined by the model based on the regulatory formula.

The total provision includes the difference between future cash flows discounted at the market rate in the year in which the loan is granted and future cash flows at the contractually agreed rate, for all home loans granted under the plans that are outstanding on the calculation date. The difference is reversed on an actuarial basis over the term of the loans concerned.

In 2008, the Group backtested the parameters used in its model for estimating provisions for these loans. This work led to a review of the model for simulating market rates, with the introduction of a two-factor Hull and White model, based on the run-off profile of loans and interest-rate sensitivities. These new parameters will be used in calculating provisions in 2009.

	12/31/2008				12/31/2007				12/31/2006
in € millions	Less than 4 years	4-10 years	Over 10 years	Total	Less than 4 years	4-10 years	Over 10 years	Total	Total
Homebuyers' savings plans *(by generation)*									
Savings	3,730	5,332	2,530	**11,591**	3,239	6,253	3,155	**12,647**	**13,379**
Loans	49	58	33	**140**	24	93	30	**148**	**201**
Provision	2	8	58	**69**	9	35	79	**124**	**218**
Charge/reversal in the year	7	27	21	**55**	25	35	37	**96**	**(8)**
Homebuyers' savings accounts *(by generation)*									
Savings	/////	/////	/////	**1,899**	/////	/////	/////	**1,937**	**1,988**
Loans	/////	/////	/////	**428**	/////	/////	/////	**403**	**427**
Provision	/////	/////	/////	**63**	/////	/////	/////	**54**	**50**
Charge/reversal in the year	/////	/////	/////	**(9)**	/////	/////	/////	**(4)**	**45**

IV.17 *Subordinated debt*

Subordinated debt ranks after all other secured or unsecured liabilities but before participating loans and notes and deeply subordinated notes. It is measured at amortized cost.

Preferred shares may be classified as either debt or equity depending on their characteristics. All the preferred shares issued by the Banque Populaire Group are recognized as subordinated debt whereas they were recognized as minority interests in the French GAAP consolidated financial statements.

IV.17.1 Amounts outstanding

Deeply subordinated notes with fixed maturities mainly consist of Redeemable Subordinated Notes.

Under IAS 32, financial instruments in issue are classified as debt or equity instruments depending on whether or not the issuer has a contractual obligation to deliver cash to holders of the securities. This obligation must result from clauses and conditions in the contract, not just from "economic compulsion".

Other issues include a "dividend pusher" clause, which specifies the mandatory payment of interest in the event of a dividend payment to shareholders, the payment of any capital securities or the payment of a coupon on any security ranked *pari passu*. Their remuneration is thus subordinated to the obligation to remunerate another debt instrument (linked instrument). Given that the contractual link between the instruments, along with the contractual obligation to pay interest on the instrument, creates an obligation to remunerate the basic instrument, these issues are classified as debt instruments.

In its financial sector support plan, approved by the European Commission, the French government has set up a system to strengthen banks' capital through Société de Prise de Participation de l'État (SPPE), which is authorized to buy newly issued subordinated debt that can be included in the issuing banks' core capital.

On December 11, 2008, Banque Fédérale des Banques Populaires issued €950 million of perpetual deeply subordinated bonds paying a fixed rate of interest annually until 2013, and an adjustable rate of interest (3-month Euribor +5.29%) from March 2014. Because the issue included discretionary clauses relating to interest payments, the bonds are classified as equity instruments and are included in consolidated reserves.

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006
Subordinated debt with fixed maturities		**5,446**	**5,338**	**4,908**
Deeply subordinated notes[1]		1,330	563	300
Perpetual subordinated debt	IV.17.2	**99**	**89**	**92**
Preferred shares[1]		**122**	**182**	**194**
Mutual guarantee deposits		**44**	**33**	**27**
Accrued interest		**141**	**129**	**113**
TOTAL		**7,182**	**6,333**	**5,634**

(1) At December 31, 2008, the outstanding amount of hybrid securities, net of intra-group transactions and representing amounts actually received (regulation 90-02, Article 4, section c, final paragraph) included in Tier I capital amounted to €2,316 million and consisted of deeply subordinated notes and preferred shares:

- At December 31, 2008, the outstanding amount of deeply subordinated notes in the Natixis sub-group was **€1,244 million (A)** after applying the proportionality rule:

		100%	x 35.78%
Non-innovative deeply subordinated notes		**1,605**	**574**
December 2004	142		
January 2005	300		
April 2008	213		
December 2008	950		
Innovative deeply subordinated notes		**1,871**	**670**
December 2004	418		
October 2007	750		
November 2007 (CACEIS)	20		
March 2008	150		
April 2008 ($750m)	533		
			1,244

- At December 31, 2008, preferred shares related solely to those issued by the Natixis sub-group. Of these, the Group's 35.78% share was worth **€122 million (B)** after the total reimbursement of preferred shares at Natixis AMBS Company LLC.

		100%	x 35.78%
Innovative preferred shares		200	72
Natixis Preferred Capital I LLC	200		
Non-innovative preferred shares		142	51
Natixis Preferred Capital IIII LLC	142		
			122

- On December 11, 2008, Banque Fédérale des Banques Populaires issued **€950 million (C)** of deeply subordinated notes, which were bought by Société de Prise de Participation de l'État as part of the financial sector support plan. Total hybrid securities included in Tier I capital **(A+B+C): €2,316 million**.

IV.17.2 Movements in other subordinated debt during the year

in € millions	12/31/2006	12/31/2007	Issues(1)	Redemptions(2)	Exchange differences	Change in scope	Other(3)	12/31/2008
Other subordinated debt with fixed maturities	**4,908**	**5,338**	**195**	**(284)**	**7**	**82**	**110**	**5,446**
Subordinated notes	4,501	4,932	9	(283)	7	71	108	4,844
Subordinated borrowings	407	406	186	(1)	0	11	2	603
Other perpetual subordinated debt	**92**	**89**	**10**	**(0)**	**1**	**1**	**(1)**	**99**
Subordinated notes	81	98	0	(0)	1	1	(11)	89
Subordinated borrowings	12	(9)	10	0	0	0	9	10
TOTAL	**5,000**	**5,427**	**205**	**(284)**	**7**	**83**	**108**	**5,545**

(1) Issues:
- issue of a €186 million subordinated loan by BRED;
- issues by the Natixis sub-group: €100 million (group share: €25 million) issued by CACEIS (March 2008, maturing March 29, 2018), i.e. €9 million taking into account the Group's 35.78% stake in Natixis;
- issue of a €10 million perpetual subordinated loan issued by EDEL on October 31, 2008 (E3M +0.60% with quarterly interest payments).
(2) Redemptions:
redemption at maturity:
- redemption by Banque Fédérale des Banques Populaires of the redeemable subordinated notes issued in May 1998 (€149 million), July 1998 (€69 million) and October 1998 (€47 million);
- redemption by Crédit Coopératif of €15 million of redeemable subordinated notes issued in June 1998, maturing in June 2008;
- redemption by Natixis of redeemable subordinated notes issued in May 1998 and July 1998; early redemption:
- redemption of redeemable subordinated notes by the Natixis sub-group: CACEIS concerning €200 million of notes issued in April 2005 (Group share: €50 million), giving an impact of €18 million taking into account the Group's stake in CACEIS, and Natixis Coficiné concerning €0.8 million of notes issued in April 1997 (€0.3 million impact for the Group) and €0.8 million issued in December 1998 (€0.3 million impact for the Group).
(3) Other movements in other subordinated debt mainly comprise the change in elimination of intragroup transactions, where other consolidated entities have taken up the subordinated debt issued by the Group and the revaluation of subordinated debt subject to fair-value hedges.

IV.18 *Assets and liabilities by residual maturity*

IFRS 7 requires the disclosure of information on exposure to interest rate risk. The table below shows the contractual maturity of all the Group's assets and liabilities.

Assets and liabilities with no specific maturity, such as accrued interest, current accounts or receivables due on demand, appear in the "demand" column.

	12/31/2008							
in € millions	< 1 month	> 1 month < 3 months	> 3 months < 1 year	> 1 year < 2 years	> 2 years < 5 years	> 5 years	Indefinite	Total
ASSETS								
Cash and due from central banks	4,616	100	0	0	0	0	0	4,716
Financial assets at fair value through profit and loss	9,749	2,393	5,169	3,046	6,096	11,185	15,677	53,316
Derivative trading instruments	35,792	1,851	3,173	2,576	10,855	12,665	0	66,912
Derivative hedging instruments	191	9	41	42	196	325	4	809
Available-for-sale financial assets	725	623	1,669	1,303	2,120	9,187	5,706	21,333
Loans and advances to banks	22,057	5,707	3,654	2,675	4,785	5,127	69	44,075
Loans and advances to customers	26,126	9,851	15,697	15,056	46,993	68,344	131	182,198
Held-to-maturity financial assets	33	112	283	187	421	1,211	0	2,248
TOTAL ASSETS	**99,290**	**20,646**	**29,686**	**24,886**	**71,466**	**108,044**	**21,588**	**375,606**
LIABILITIES								
Due to central banks	299	0	0	0	0	0	0	299
Financial liabilities at fair value through profit and loss	15,167	9,137	2,270	1,829	5,042	6,909	42	40,396
Derivative trading instruments	37,066	1,850	2,842	2,386	10,284	11,896	0	66,324
Derivative hedging instruments	77	7	43	76	409	237	0	849
Deposits from banks	16,790	13,041	7,963	5,758	10,599	12,347	34	66,532
Customer deposits	93,967	11,334	5,140	3,164	7,370	3,440	2,174	126,588
Debt securities in issue	10,674	7,307	3,408	5,184	5,762	10,073	400	42,808
Subordinated debt	259	124	225	593	716	2,811	2,455	7,182
TOTAL LIABILITIES	**174,298**	**42,800**	**21,889**	**18,989**	**40,182**	**47,712**	**5,106**	**350,977**

IV.19 *Other information relating to financial assets and liabilities*

IV.19.1 Financial assets given as collateral

The table below shows the carrying value of securities and bills pledged to guarantee liabilities. Instruments pledged to guarantee liabilities are kept on the consolidated balance sheet in the various financial asset items in which they have been included since their initial recognition. The carrying value of financial assets pledged to guarantee liabilities breaks down as follows:

in € millions	12/31/2008	12/31/2007
Equity instruments	1,932	1,715
Debt instruments	21,088	38,776
Loans and advances	8,684	2,916
Other	319	52
TOTAL	**32,022**	**43,460**

IV.19.2 Financial assets received as collateral that can be assigned or repledged as collateral

At December 31, 2008, the Banque Populaire Group did not have any material amount of on-balance sheet assets received as collateral as part of financial guarantee contracts that include a right of reuse which may be exercised provided that the owner of the guarantee does not default. The French regulatory framework for these contracts is determined by order 2005-171 of February 24, 2005.

IV.19.3 Financial assets that have been transferred but not derecognized

Transfers of assets without derecognition (total or partial) are transfers that do not meet the derecognition terms set out in sections 15-37 of IAS 39. These transfers are carried out mainly as part of synthetic securitization transactions.

Cash securitizations are not concerned if the special-purpose entity is included in the scope of consolidation. Synthetic securitizations in which risk is transferred through credit derivatives (CDSs) are also not concerned, since there is no transfer of cash flows. Partial derecognitions of assets resulting from ongoing involvement are covered by section 13 of IFRS 7, but do not concern the Group.

With the exception of pledged assets, which are covered by a specific note (note IV.18.1), the Group does not hold assets whose cash flows would have been transferred within the meaning of IAS 39 and would not be derecognized (fully or in part) as a result of the Group retaining control of those assets or substantially all of the benefits and risks attached to those assets.

IV.19.4 Restructured financial assets

This table shows restructured loans classified as performing. Restructuring differs from commercial renegotiation due to the initial counterparty risk.

in € millions	**12/31/2008**	**12/31/2007**
Loans and advances to banks	15	10
Loans and advances to customers	173	207
TOTAL	**188**	**217**

IV.19.5 Past-due but non-impaired financial assets

Past-due assets are those on which past-due payments exist, but that have not been impaired. The amount stated is the total amount of outstandings, including overdue repayments. Overdrafts are counted as past due from the time this is notified to the customer, and the amount stated is the entire overdraft. Payments overdue for technical reasons, with no relation to the counterparty's financial position, are excluded. The amount of time for which an item is considered past due is counted from the date of the first payment not made on the item in question.

	12/31/2008				
	Items past due				
in € millions	**< 90 days**	**> 90 days < 180 days**	**> 180 days < 1 year**	**> 1 year**	**Total**
Debt instruments	11	0	0	0	11
Loans and advances	623	42	7	24	696
Other financial assets	5	2	0	0	7
TOTAL	**639**	**44**	**7**	**24**	**714**

	12/31/2007				
	Items past due				
in € millions	**< 90 days**	**> 90 days < 180 days**	**> 180 days < 1 year**	**> 1 year**	**Total**
Debt instruments	54	0	0	0	55
Loans and advances	501	16	2	16	535
Other financial assets	7	0	0	0	7
TOTAL	**563**	**16**	**2**	**16**	**597**

IV.19.6 Fair value of financial assets and liabilities

IAS 39 establishes a hierarchy of methods for determining fair value:

- quoted market prices in an active market are the best evidence of fair value. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions;
- if a market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. These techniques include recent market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, equity valuation models and any valuation technique commonly used by market participants.

A market is deemed inactive on the basis of qualitative criteria contained in the CNC's recommendation of October 15, 2008 and the report by the panel of experts on October 31, 2008, which calls for judgment, taking into account indicators including the following:

- decline in trading volumes;
- wide dispersal of available prices over time and between market participants;
- absence of recent transactions;
- existence of forced sales.

Valuation models must make maximum use of market inputs. In the case of certain structured products, which are often custom-made, parameters non-observable in the market are sometimes input into the valuation model. No profit or loss can be recorded on these instruments at initial recognition. Any day-one profit must be deferred in this situation, and recognized over the instrument's life.

Instruments whose fair value is calculated using a valuation technique not based on market data are those whose day-one profit has been deferred and those whose day-one profit has not been deferred for the sole reason that the non-observable criterion has no impact on the valuation.

Carrying value is deemed to represent market value in the following cases:

- variable-rate assets or liabilities where changes in interest rates have no significant influence on fair value as rates are frequently adjusted to market rates;
- short-term financial assets and liabilities (whose initial term is one year or less) to the extent that sensitivity to interest-rate and credit risk is not material during the period;
- demand liabilities;
- transactions in a regulated market (particularly regulated savings products), whose prices are set by the public authorities.

Fair value based on listed prices is obtained on the valuation date with direct reference to prices published on an active market to which the entity has access. Where fair value is based on a valuation technique, there must be a distinction based on whether the valuation is based on observable or non-observable data.

Some products, particularly derivatives, are valued on the basis of valuation models. The valuations obtained can be deemed equivalent to market prices where they are based on observable parameters and models recognized as standard in the market (i.e. models whose valuation techniques are widely accepted) for the financial instrument concerned. Where one of these two conditions is not met, the valuation obtained will be regarded as marked-to-model, not marked-to-market.

Within the meaning of IAS 39, a parameter is defined as observable if it is non-proprietary: data must come from an easily accessible source external to the entity: Data must be easily accessible, for example via data providers supplying data that are regularly available and based on consensus forecasts or market transactions (completed transactions or based on quotes that represent an undertaking by a counterparty). The observable nature of the data is gauged with respect to each individual source or combination of sources.

The valuation of derivatives traded on regulated markets is established on the basis of quoted prices. However, over-the-counter derivatives like swaps and options are valued using valuation techniques based on market data. However, complex derivatives are valued using internal models.

The fair value of securities on a non-active market is determined using internal valuation techniques.

Special case relating to customer loans and deposits:

- the fair value of customer loans and deposits has been systematically entered in the "Fair value determined using valuation techniques not based on observable market data" column, given the lack of generalized external ratings for these portfolios. The fair value of loans is determined using internal valuation models that discount future payments of recoverable capital and interest over the remaining loan term, at the interest rate at which loans are produced in the given month, for loans in the same category and with the same maturities.

The table below sets out the fair value of all financial assets and liabilities, recognized at fair value or otherwise in the December 31, 2008 balance sheet. This information is broken down according to the hierarchy set out in IAS 39 for determining an instrument's fair value.

FINANCIAL ASSETS

	12/31/2008					
		Fair value				
					Based on internal valuation models	
in € millions	Carrying value	Total	Based on quoted prices	Based on a valuation technique	Fair value	Change in fair value taken to income
Financial assets held for trading	102,255	102,255	22,986	79,269	1,003	218
Financial assets designated as at fair value through profit and loss	17,972	17,972	10,142	7,831	710	62
Derivative hedging instruments (assets)	809	809	4	805	13	4
Available-for-sale financial assets	21,333	21,334	11,628	9,705	2,638	////////
Loans and advances to banks	44,075	43,744	0	43,744	43,744	////////
Loans and advances to customers	182,205	181,035	0	181,034	181,034	////////
Held-to-maturity assets	2,248	2,276	2,173	103	32	////////
TOTAL FINANCIAL ASSETS	**370,897**	**369,425**	**46,933**	**322,491**	**229,175**	**284**

FINANCIAL LIABILITIES

	12/31/2008					
		Fair value				
					Based on internal valuation models	
in € millions	Carrying value	Total	Based on quoted prices	Based on a valuation technique	Fair value	Change in fair value taken to income
Financial liabilities held for trading	77,824	77,824	11,028	66,796	716	(453)
Financial liabilities designated as at fair value through profit and loss	28,896	28,896	10	28,885	5	2
Derivative hedging instruments (liabilities)	848	848	0	848	21	(32)
Financial liabilities at amortized cost - Deposits from banks	66,539	66,418	0	66,418	66,418	////////
Financial liabilities at amortized cost - Deposits from customers	126,588	126,815	0	126,815	126,815	////////
Debt securities in issue	42,808	43,019	0	43,019	43,019	////////
Subordinated debt	7,182	6,932	0	6,932	6,932	////////
TOTAL FINANCIAL LIABILITIES	**350,685**	**350,751**	**11,038**	**339,713**	**243,926**	**(482)**

IV.19.7 Derecognition of assets and liabilities

IV.19.7.13 Assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available for immediate sale and its sale must be highly probable within a period of one year, evidenced by an active plan to locate a buyer and complete the sale.

Non-current assets or groups of assets held for sale are no longer amortized. Impairment charges are taken corresponding to the difference between the carrying amount and fair value less costs to sell.

Net gains or losses generated by discontinued operations are identified separately in the income statement under the line item "discontinued operations and non-current assets held for sale". The net gain or loss includes net income generated by discontinued operations up to the date of discontinuation, plus gains or losses on revaluing assets or groups of assets held for sale at their fair value less costs to sell, or gains or losses on actual disposal, and the corresponding tax charge.

IV.19.7.2 Derecognition of financial assets and liabilities

If substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the Group then determines whether it has retained control of the financial asset. If control is not retained, the financial asset is derecognized. If control is retained, the financial asset continues to be recognized to the extent of the Group's continuing involvement.

Continuing involvement is evidenced by the existence of contractual conditions such as an option or obligation to repurchase the assets transferred or receipt of financial compensation related to the performance of the asset transferred.

A financial liability is derecognized when it is settled, discharged, cancelled or expires.

Repurchase agreements

Vendor: the securities sold are not derecognized. The Group recognizes a liability representing the commitment to return the cash received ("securities sold under repurchase agreements"). This financial liability is measured at amortized cost, not fair value.

Purchaser: Securities purchased are not recognized on the balance sheet. The amount disbursed in respect of the asset is recognized under "securities bought under repurchase agreements". This financial asset is treated for accounting purposes as "loans and advances".

On subsequent reporting dates, the vendor continues to measure the securities sold in accordance with the rules governing their original category. The purchaser recognizes the receivable at face value under loans and receivables.

Stock lending

Stock lending/borrowing transactions do not qualify as transfers of financial assets within the meaning of IASs. Accordingly, the securities loaned are not derecognized. Under IASs, loaned securities are not separately identified; but recognized in their original category and measured accordingly. Borrowed securities are not recognized by the borrower.

Note V Notes to the income statement

V.1 *Net interest income*

The line items "interest and similar income" and "interest and similar expense" comprise interest receivable on fixed-income securities classified as available-for-sale financial assets, interest receivable on loans and advances to banks and customers, and interest payable on deposits from banks and customer deposits.

They also include interest receivable on held-to-maturity financial assets, although this is a minority category for the Group and concerns insurance subsidiaries only.

Financial assets and liabilities measured at amortized cost give rise to the recognition of interest calculated on the basis of the effective interest rate.

	12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	Income	Expense	Net	Income	Expense	Net	Net
Central banks and post offices	**79**	**(9)**	**70**	**99**	**(11)**	**87**	**45**
Securities	**1,595**	**(2,109)**	**(514)**	**1,741**	**(2,557)**	**(817)**	**(291)**
Loans and advances	**11,607**	**(7,096)**	**4,511**	**11,296**	**(6,899)**	**4,398**	**3,883**
Banks and other credit institutions	2,899	(4,076)	(1,177)	3,322	(4,343)	(1,021)	(711)
Customer accounts	8,335	(3,007)	5,328	7,597	(2,545)	5,052	4,323
Finance leases	372	(13)	360	377	(11)	366	271
Subordinated debt		**(384)**	**(384)**		**(301)**	**(301)**	**(269)**
Other	**7**		**7**	**79**		**79**	**6**
Hedging instruments	**1,258**	**(1,091)**	**167**	**668**	**(541)**	**126**	**133**
Discontinuation of hedging relationship (CFH)	59	(53)	6	15	(15)	(0)	4
Accrued interest on derivatives	1,199	(1,039)	161	652	(526)	126	129
Interest on impaired receivables including rescheduled loans	**21**		**21**	**30**		**29**	**57**
TOTAL	**14,567**	**(10,690)**	**3,877**	**13,912**	**(10,309)**	**3,603**	**3,564**

V.2 *Net fee and commission income*

The accounting for fees and commissions received for services or financial instruments depends on the purpose for which the service was provided and the method of accounting for the financial instruments associated with the service. Fees for provision of an immediate service are recognized as income when the service has been provided; fees for provision of an ongoing service, such as bank card fees, guarantee fees and management fees, are recognized pro rata over the term of the service.

Fees and commissions that form an integral part of the effective yield of the instrument, such as commitment fees or loan set-up fees, are recognized as an adjustment to the effective interest rate over the term of the loan. Accordingly, these fees are recognized as interest income rather than fee and commission income.

Fees and commissions for trustee transactions and similar activities are those that arise from holding or investing assets in the name of individuals, pension plans or other institutions. Trustee transactions cover the activities of asset management and custody for third parties.

	12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	Income	Expense	Net	Income	Expense	Net	Net
Interbank transactions	18	(32)	(14)	12	(13)	(0)	3
Customer transactions	1,550	(47)	1,503	1,433	(80)	1,353	1,279
Securities transactions	180	(64)	117	232	(36)	196	249
Payment services	839	(398)	441	786	(390)	396	353
Financial services	402	(252)	150	287	(123)	164	243
Trustee transactions	876	(6)	870	1,024	(190)	834	649
Financing, guarantee, securities, and derivatives commitments	158	(26)	132	134	(29)	105	95
Other	26	(2)	23	29	(3)	27	23
TOTAL	**4,050**	**(827)**	**3,222**	**3,936**	**(862)**	**3,074**	**2,893**

V.3 Net gains or losses on financial instruments at fair value through profit and loss

This item includes gains and losses on financial assets and liabilities at fair value through profit and loss, whether held for trading or designated as at fair value through profit and loss, including interest.

The "hedging instruments" item includes changes in fair value of FVH derivatives, including interest, as well as symmetrical revaluation of the items hedged. It also includes the ineffective portion of cash-flow hedges (CFH).

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Net gains on financial assets and liabilities excluding hedging instruments[1]	**(997)**	**(115)**	**1,049**
Net gains on financial assets and liabilities held for trading[1]	(846)	569	1,239
o/w derivatives held for trading	*(228)*	*(594)*	*226*
Net gains on other financial assets and liabilities designated as at fair value	(398)	(746)	(169)
Other	247	62	(22)
Hedging instruments and changes in value of hedged items	**51**	**4**	**(18)**
Ineffective portion of cash-flow hedges (CFH)	18	3	1
Ineffective portion of fair-value hedges (FVH)	34	0	(19)
Changes in value of fair-value hedges	*132*	*90*	*(45)*
Changes in value of hedged items	*(98)*	*(90)*	*26*
TOTAL	**(946)**	**(112)**	**1,031**

(1) At December 31, 2008, the line item "Net gains on financial assets and liabilities held for trading" includes, as the proportionate contribution of the Natixis subgroup:
- *reductions agreed with monoline insurers in the fair value of CDS contracts, in the amount of €465 million;*
- *losses resulting from remeasurement of CDOs of ABSs with subprime components, in the amount of €234 million;*
- *losses resulting from remeasurement of RMBSs with subprime components, in the amount of €118 million.*

V.4 Net gains or losses on available-for-sale financial assets

Net gains or losses on available-for-sale financial assets comprise mainly gains or losses on disposal and impairment losses on variable income securities (other-than-temporary impairment).

Variable-income securities classified as available-for-sale are tested for impairment, and an impairment charge is recognized if the carrying amount is lower than the recoverable amount.

Impairment losses on fixed income securities are recognized under impairment charges and other credit provisions.

This item also includes dividends on variable income securities, where the Group's right is established.

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Dividends	151	120	92
Gains and losses on disposal	101	293	132
Impairment losses on variable-income securities	(292)	(103)	(24)
TOTAL	**(40)**	**310**	**200**

V.5 Income and expenses from other activities

Income and expense of other activities comprise mainly incidental income and expense relating to finance leases and income and expense relating to investment real estate.

This item also includes income and expense relating to insurance activities, in particular life insurance premium income, paid benefits and changes in insurance companies' technical reserves.

in € millions	Notes	12/31/2008			12/31/2007			12/31/2006 Proforma
		Income	Expense	Net	Income	Expense	Net	Nets
Finance leases	V.5.1	304	(302)	2	281	(327)	(46)	(28)
Operating leases		36	(22)	14	34	(24)	9	9
Investment real estate		192	0	192	159	(0)	159	241
Other non-operating assets		3	(12)	(9)	0	(2)	(2)	(1)
Subtotal - Real estate activities		**535**	**(336)**	**200**	**475**	**(354)**	**121**	**222**
Change in insurance companies' technical reserves		0	(75)	(75)	(5)	(808)	(813)	(713)
Other insurance income and expense	V.5.2	2,050	(1,669)	382	2,480	(1,759)	721	730
Subtotal - insurance		**2,050**	**(1,743)**	**307**	**2,475**	**(2,568)**	**(92)**	**17**
Other related income and expense	V.5.3	896	(263)	633	760	(219)	542	155
TOTAL		**3,481**	**(2,342)**	**1,139**	**3,710**	**(3,141)**	**571**	**394**

V.5.1 Finance leases

in € millions	12/31/2008			12/31/2007			12/31/2006 Proforma
	Income	Expense	Net	Income	Expense	Net	Net
Gains and losses on disposal	9	(20)	(11)	13	(57)	(45)	(20)
Impairment	13	(22)	(9)	20	(21)	(1)	(4)
Other related income and expense	282	(260)	22	248	(248)	0	(4)
TOTAL	**304**	**(302)**	**2**	**281**	**(327)**	**(46)**	**(28)**

V.5.2 Other operating income and expenses

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Life insurance premium income	1,526	2,032	1,964
Personal risk insurance premium income	112	83	31
Credit insurance premium income	313	278	259
Paid benefits and claims	(1,481)	(1,709)	(1,456)
Other net income	(89)	37	(68)
TOTAL	**382**	**721**	**730**

V.5.3 Other related income and expense

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Real estate activities	2	9	9
Income from real estate services[1]	500	369	0
IT development and other services	94	50	33
Credit management services	59	56	50
Other activities	(23)	56	64
TOTAL	**633**	**540**	**155**

(1) Since December 31, 2007, this item has included income from the following activities of FONCIA:
- building management of properties for which FONCIA is the agent (syndic);
- management of the relationship between owner landlords and tenants;
- intermediary in the sale of real estate assets.

V.6 *General operating expenses*

Operating expenses comprise mainly payroll costs, including wages and salaries net of rebillings (*see note VII.1*), social security charges and employee benefits (*see note VII.3*) such as pensions (defined benefit plans) and share-based payments (*see note VII.4*), in accordance with IFRS 2.

This item also includes all administrative expenses and external services.

in € millions	Notes	12/31/2008	12/31/2007	12/31/2006 Proforma
Payroll costs				
Wages and salaries		(2,226)	(2,129)	(1,930)
o/w payments in shares		*(5)*	*(8)*	*(5)*
Post-employment and other benefits		(251)	(235)	(236)
Social security charges		(687)	(630)	(566)
Incentive and profit-sharing plans		(232)	(328)	(301)
Payroll-based taxes		(187)	(176)	(157)
Workforce adaptation plan[1]		(52)	-	-
Other		(19)	(3)	(22)
TOTAL PAYROLL COSTS	VII. 1	**(3,653)**	**(3,501)**	**(3,213)**
Other operating expenses				
Taxes other than on income		(168)	(171)	(158)
Other general operating expenses		(1,918)	(1,823)	(1,587)
Merger-related costs		(2)	(1)	(22)
Other		(141)	(84)	(49)
TOTAL OTHER OPERATING EXPENSES		**(2,229)**	**(2,079)**	**(1,815)**
TOTAL		**(5,883)**	**(5,580)**	**(5,028)**

(1) Estimated cost of the workforce adaptation plan at Natixis: €144 million, provisioned in full in the 2008 financial year, or €52 million for the Group's proportionate 35.78% share.

V.7 *Impairment charges and other credit provisions*

This item comprises mainly charges to and reversals of specific and collective impairment allowances relating to loans and receivables (see *note IV.4*), plus amounts written off during the year and recoveries of amounts previously written off as uncollectible.

The line item "Impairment on individual receivables" includes impairment of securities classified as loans and advances as well as impairment of securities reclassified as such under the amendment of October 13, 2008.

	12/31/2008				
in € millions	**Charges**	**Net reversals**	**Write-offs not provided for**	**Recoveries of receivables written off**	**Net**
Provisions	**(254)**	**105**			**(149)**
Financing commitments	(132)	60			(72)
Other	(122)	44			(78)
Financial assets at amortized cost	**(1,862)**	**977**	**(58)**	**76**	**(867)**
Loans and advances	(1,862)	977	(58)	76	(867)
Specific impairment	*(1,787)*	*929*	*(58)*	*76*	*(840)*
Collective impairment of performing loans	*(75)*	*48*			*(27)*
Available-for-sale financial assets	**(1)**	**4**			**3**
Other	**(191)**	**0**			**(191)**
IMPAIRMENT CHARGES AND OTHER CREDIT PROVISIONS	**(2,308)**	**1,086**	**(58)**	**76**	**(1,204)**
o/w:					
• Released not applicable		1,086			
• Utilized		283			
subtotal - reversals:		**1,369**			
• Write-offs provided for		(283)			
total net reversals:		**1,086**			

	12/31/2007				
in € millions	**Charges**	**Net reversals**	**Write-offs not provided for**	**Recoveries of receivables written off**	**Net**
Provisions	**(109)**	**96**			**(14)**
Financing commitments	(53)	45			(7)
Other	(56)	50			(6)
Financial assets at amortized cost	**(1,325)**	**891**	**(61)**	**25**	**(470)**
Loans and advances	(1,325)	891	(61)	25	(470)
Specific impairment	*(1,097)*	*733*	*(61)*	*25*	*(400)*
Collective impairment of performing loans	*(228)*	*158*			*(70)*
Available-for-sale financial assets	**(2)**	**5**			**4**
Other	**(6)**	**0**			**(6)**
IMPAIRMENT CHARGES AND OTHER CREDIT PROVISIONS	**(1,441)**	**992**	**(61)**	**25**	**(486)**
o/w:					
• Released		992			
• Utilized		284			
subtotal - reversals:		**1,276**			
• Write-offs provided for		(284)			
total net reversals:		**992**			

	12/31/2006 Proforma				
in € millions	Charges	Net reversals	Write-offs not provided for	Recoveries of receivables written off	Net
Provisions	**(108)**	**128**			**20**
Financing commitments	(45)	56			11
Other	(63)	72			9
Financial assets at amortized cost	**(1,254)**	**940**	**(59)**	**36**	**(337)**
Loans and advances	(1,254)	940	(59)	36	(337)
Specific impairment	*(997)*	*664*	*(59)*	*36*	*(355)*
Collective impairment of performing loans	*(257)*	*274*			*17*
Available-for-sale financial assets	**(0)**	**13**			**13**
Other	**(3)**	**0**			**(3)**
IMPAIRMENT CHARGES AND OTHER CREDIT PROVISIONS	**(1,366)**	**1,081**	**(59)**	**36**	**(308)**
o/w:					
• Released		1,081			
• Utilized		426			
subtotal - reversals:		**1,507**			
• Write-offs provided for		(426)			
total net reversals:		**1,081**			

V.8 *Share of results of associates*

in € millions	12/31/2008	12/31/2007	12/31/2006 Proforma
Financial institutions	127	151	145
• Caisses d'Epargne banks(1)	88	123	123
• Volksbank International AG (VBI)	17	13	8
• Other	22	15	14
Non-financial companies	1	4	3
TOTAL	**128**	**154**	**148**

(1) The Caisses d'Epargne banks are included in the consolidation at 7.15% via the CCIs held by Natixis.

V.9 *Gains or losses on other assets*

This item comprises capital gains and losses on disposal of property, plant and equipment and intangible assets, as well as capital gains and losses on disposal of investments included in the scope of consolidation.

	12/31/2008			12/31/2007			12/31/2006 Proforma
in € millions	Investments in associated companies	Property, plant and equipment and intangible assets	Total	Investments in associated companies	Property, plant and equipment and intangible assets	Total	Total
Net gains on disposal	142	14	155	147	166	312	51
Net losses on disposal	0	(13)	(12)	(18)	(44)	(62)	(48)
TOTAL	**142**	**1**	**143**	**129**	**121**	**250**	**3**

At December 31, 2008, net gains on disposal consisted essentially of the €95 million accretion gain over the period, corresponding to the increase of 1.12 percentage points (from 34.66% to 35.78%) in Banque Populaire Group's equity interest in Natixis.

At December 31, 2007, the main net gains on disposals relating to other assets were as follows:

- *the gain on disposal of Banque d'Initiative Socio-Economique (BISE SA) in Poland (€49 million);*
- *the gain on disposal of the former head offices of BP Sud-Ouest and BP Rives de Paris (€14 million);*
- *the gain of exchange of Euronext securities for the NYSE securities held by Portzamparc (€17 million);*
- *the gain on sale of the Saint-Dominique building (€101 million);*
- *restructuring of the Asset Management segment (€62 million);*
- *other asset disposals (€7 million).*

V.10 *Changes in value of goodwill*

This item includes goodwill impairment losses. An impairment loss is recognized whenever there is objective evidence of impairment.

At December 31, 2008, impairment testing led Banque Populaire Group to write off all of the Natixis goodwill relating to the corporate and investment banking cash-generating unit, amounting to €324 million. Of this impairment loss, €24 million was taken at the level of Natixis (€69 million in Natixis' financial statements) and €300 million at the level of the Group (*see note IV.12.4 – Testing for impairment*).

V.11 *Income tax*

V.11.1 Income tax expense

The tax expense for the period comprises:

- tax payable by French companies at the standard rate of 34.43% and by foreign companies and branches at the local rate;
- deferred taxes arising on temporary differences existing in the separate financial statements between the book value and the tax value of assets and liabilities on the balance sheet, or arising on specific consolidation adjustments, calculated using the liability method.

Deferred income tax assets and liabilities are set off at the level of each tax entity. The tax entity may either be a single entity or a group of entities that have elected for group tax relief.

The Group does not recognize net deferred tax assets unless it is reasonably certain that they will be used to offset a future tax charge. Accordingly, the effect of tax losses is not recognized if the tax entity has incurred losses in the previous two years, as it is presumed that the future tax benefit will not be recovered. The capitalization reserve recognized in the separate financial statements of insurance companies is intended to defer capital gains realized on the sale of certain bonds for the purpose of offsetting later capital losses. The portion presumed to have a high probability of never being used is reclassified in equity.

However, under IAS 12, it is treated as a temporary difference that gives rise to a deferred tax liability.

All temporary differences have been recognized regardless of the recovery or payment date. The net deferred tax balance is recognized in the balance sheet as a deferred tax asset or liability.

V.11.2 Reconciliation between tax expense in the financial statements and theoretical tax expense

in € millions		Notes	12/31/2008	12/31/2007	12/31/2006 Proforma
+ Net income attributable to equity holders of the parent			(467)	1,056	1,700
+ Net income attributable to minority interests			42	64	51
+ Income tax expense			139	337	841
+/- Other permanent differences			128	(341)	(235)
- Share of income of associates			(129)	(154)	(148)
= CONSOLIDATED TAXABLE INCOME			**(287)**	**962**	**2,209**
* Standard tax rate			33.33%	33.33%	33.33%
= THEORETICAL TAX EXPENSE			**96**	**(321)**	**(736)**
+ Tax assets			6	9	11
+ Impact of tax consolidation			11	1	(23)
+ Social security charges			5	(9)	(18)
+ Income taxed at reduced rates			8	(15)	(9)
+ Tax reassessments			6	(11)	(64)
+ Differences in foreign tax rates			(23)	9	(1)
+ Change in deferred tax assets, restricted for prudence(1)			(336)	3	(1)
+ Tax on cooperative investment certificates (CCIs)			(24)	0	0
+ Tax on previous years			96	0	0
+ Other(2)			16	(3)	0
= TOTAL TAX EXPENSE FOR THE YEAR			**(139)**	**(337)**	**(841)**
o/w	• current tax expense		(328)	(633)	(738)
	• deferred tax expense		189	296	(103)

At December 31, 2008:

(1) The change in deferred taxes restricted by prudence is attributable mainly to the financial crisis: losses widened both in France and abroad. The tax losses not recognized on the balance sheet for reason of prudence relate to Great Britain (€54 million), the United States (€97 million) and France (€174 million).

(2) Consists primarily of €48 million of deferred tax assets booked in the United States and €22 million of basis corrections on flow-through groups.

Note VI Risk management

Information on risk management required by IFRS 7 is presented in the "risk management" section (section 2) of the management report.

The effects relating to the financial crisis are included in the management report in section 2.1 ("Effects of the financial crisis").

It forms an integral part of the financial statements certified by the statutory auditors.

Note VII Payroll costs, number of employees, compensation and employee benefits

VII.1 *Payroll costs*

Payroll costs amounted to €3,653 million in 2008 against €3,501 million in 2007.

Payroll costs include wages and salaries net of rebilled expenses, social security charges, incentive and profit-sharing payments, payroll-based taxes, share-based payments in accordance with IFRS 2, and employee benefits such as expenses relating to defined contribution pension plans and the annual charge for defined benefit pension plans, including:

- incremental benefit entitlement for all employees;
- interest cost (impact of discounting);
- gross return on plan assets;
- amortization of actuarial gains or losses (corridor method) and past service costs.

VII.2 *Number of employees*

Number	12/31/2008	12/31/2007	12/31/2006
Retail banking[(1)]	35,385	32,666	32,407
Natixis[(2)]	22,096	21,959	21,138
Federal activities and other[(3)]	9,063	8,121	2,586

(1) The change in the number of employees is primarily attributable to the acquisition of the seven HSBC regional banks
(2) Natixis employees have been counted at 100%
(3) The increase in the number of employees derived chiefly from acquisition-led growth at FONCIA (rise of 945) owing to acquisitions of firms.

VII.3 *Employee benefits*

In accordance with IAS 19, the Banque Populaire Group provides for all its obligations with respect to employee benefits.

VII.3.1 Liabilities at year-end 2008

Obligations mainly comprise the following:

Supplementary banking pension

The Banque Populaire Group "CAR" pension scheme was closed to new entrants as of December 31, 1993, pursuant to the banking industry agreement of September 13, 1993, the terms of which were applied to the Banque Populaire banks through an internal agreement dated January 7, 1994. This scheme also covered Natexis employees previously employed by the former Caisse Centrale des Banques Populaires.

The Group's obligations towards active and retired employees concern supplementary pension benefits payable under the Banque Populaire Group plan and the portion of benefits due under the banking industry scheme closed to new entrants on December 31, 1993 that is not covered by the Social Security system, as well as the ARRCO and AGIRC obligatory supplemental pension plans.

Concerning the specific Natixis pension plans, the assets of the former BFCE pension fund are equal to the projected benefit obligation while those of the former Crédit National fund are slightly lower than the projected benefit obligation.

The total amount of contributions payable with respect to the CAR plan in 2009 is estimated at 31 million.

An expected return is allocated to each asset class (fixed-income, equities, money market and real estate) based on macro-economic forecasts drawn up at the beginning of the year by the Strategic Planning Committee, which includes members of the executive management, the heads of each asset class and the Group's economist.

At December 31, 2008, the assets of the BP CAR pension plan broke down as follows:

- 28% in equities;
- 37% in fixed income;
- 35% in money market;
- 0% in real estate.

The expected return on all assets in 2009 is 3.4%.

End-of-career allowances

For end-of-career allowances, consolidated entities cover all or part of their commitments through insurance policies with Natixis Assurance, a proportionally consolidated insurance subsidiary of the Group.

Provisions are recognized in the consolidated financial statements for all obligations of Group entities not covered by insurance policies.

The end-of-career contracts of the Group's entities are mainly funded by ABP Vie's "General Fund", with the following asset structure: 87% in bonds and fixed or adjustable rate money market debt securities, 10% in equity and diversified mutual funds and 3% in real estate.

The 2008 Social Security Financing Act removes the transitional system set up by the 2007 Act for the period between January 1, 2010 and January 1, 2014. Retirement before the age of 65 at the employer's initiative and with the employee's agreement will no longer be possible after January 1, 2010, and charges will be applied to voluntary departures before the age of 65.

In addition, a new social security levy has been introduced on compensation paid for departures at the employer's initiative before or after age 65 (25% of the amount from October 11, 2007 to December 31, 2008 and 50% thereafter).

This change in the obligation is deemed a change in plan conditions, and the gradual charging of the obligation at December 31, 2007 is only taking place from 2008 (since the law was enacted in late 2007).

The Banque Populaire Group has adopted a systematic voluntary retirement assumption since January 1, 2009.

Long-service awards

Long-service awards are payable to all Group employees who reach 20 years, 30 years, 35 years and 40 years of service with the Group.

The amount payable is based on the number of years' service. The Group's obligation is determined using the projected unit credit method, similar to that used for end-of-career allowances.

Other benefits

Other employee benefits principally comprise:

- mutual health plan for retirees and early retirees:

  Under IAS 19, the employer's contribution paid by some consolidated companies in the Banque Populaire Group to mutual health funds on behalf of retirees and early retirees is treated as a post-employment benefit. The liability is therefore provided for in the consolidated financial statements;
- senior executives:

  This new plan, which was set up in late 2007, is intended for Executive Committee members of the Group's units. It is backed by an insurance policy signed by BFBP and Natixis Assurance. It represents a funded policy (external transfer of the annuity risk upon settlement of an annuity and of the reversibility risk). The plan provides for a defined benefit subject to employment conditions within the Group upon settlement of the pension rights;
- pensions for Banque Populaire Group's senior managers or equivalent (FCR plan):

  The obligation relates to both active and retired employees. BFBP has opted to harmonize the operation of its FCR pension plans on a funded basis;
- executive officers' plan:

  The plan switched to funded status, with plan-related obligations no longer being borne by the Banque Populaire Group but transferred to an external insurer. This external transfer was made in return for a charge by the insurer to the capital required to set aside the annuities currently being serviced. The gradual accumulation of an asset to cover retirements is planned with the aim of 80% coverage of the liability in 2013;
- plan for Banque Populaire bank chairmen:

  This plan was set aside in 1986 has been covered by provisions since 2006. A new contract was signed in late 2007 with Natixis Assurance. The immediate consequence of this change is that BFBP must cover benefits already paid by making a payment to the fund. As soon as the insurer has delivered a life annuity, it must set aside a technical provision and must have the necessary financing, otherwise it must recognize a loss. This coverage has been passed on to the Banque Populaire banks from 2007.

VII.3.2 Determination and recognition of the provision

The provision for employee benefits recognized in the balance sheet is equal to:

- the amount of the actuarial liability in respect of post-retirement and similar benefits for active and retired employees;
- less the market value of plan assets;
- plus or minus any actuarial gains or losses arising from:
  - experience adjustments in respect of demographic variables,
  - changes in actuarial assumptions: discount rate, employee turnover and future salary increases,
  - differences between the actual return and expected return on plan assets.

The main actuarial assumptions made as at December 31, 2008 are as follows:

	Supplementary banking pension	End-of-career allowances	Pension benefits for senior managers or equivalent	Senior executives	Chairmen's plan	Executive officers' plan
Discount rate	3.82%	4.32%	2.39%	3.54%	3.18%	2.83%
Inflation rate	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
Expected return on plan assets	3.40%	3.60%	4.66%	4.00%	4.00%	4.66%
Residual maturity	///	12 years	2.4 years	9.3 years	6.3 years	6.7 years
Maturity	14.6 years	///	2.2 years	8.5 years	6.7 years	4.6 years
Mortality tables	TGH05/TGF05	TF0002	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05	TGH05/TGF05

For end-of-career allowances and long service awards, employee turnover is calculated by age bracket and grade based on a three-year average. The rate is 0% for employees over 55. Future salary increases are estimated by grade based on a constant population and a three-year average. Actuarial assumptions are updated annually.

Actuarial gains and losses are recognized in income using the "corridor" method. Under this method, the portion that exceeds 10% of the greater of the Group's obligation or the fair value of plan assets is deferred over the remaining working lives of the employees participating in the plan. The "corridor" method is not used for other long-term employee benefits such as long-service awards.

The Group has used the option available under IFRS 1 to recognize all as-yet-unrecognized actuarial gains or losses in equity in the opening balance sheet at January 1, 2004.

The change in liability recognized in income therefore corresponds to:

- incremental benefit entitlements (expenses);
- benefits paid during the period (income);
- interest cost on the opening liability (expenses);
- expected return on plan assets;
- amortization of actuarial gains and losses outside the corridor.

The Banque Populaire Group uses independent actuaries to measure its main liabilities.

VII.3.3 Summary of liabilities and provisions

	2008				
in € millions	Supplementary pensions	End-of-career allowances	Long-service awards	Other	Total
IAS liability at 01/01/2008					
Provisions recognized	**490**	**244**	**95**	**96**	**924**
Unrecognized actuarial gains or losses[1]	**37**	**(31)**		**59**	**64**
Difference at 01/01/2008[5]		**9**			**9**
Deferral of changes in plan[4]	**(1)**	**12**		**(8)**	**3**
TOTAL LIABILITY AT 01/01/2008	**528**	**234**	**95**	**146**	**1,002**
Benefits paid in the period	(24)	(13)	(8)	(6)	(51)
Incremental benefit entitlement	1	16	6	3	25
Interest cost	33	14	4	4	54
Expected gross return on plan assets	(11)	(4)		(1)	(16)
Change in management fees	0	(0)			(0)
Contribution to fund	(5)	(3)		(30)	(38)
Contribution-related expenses	0	(1)			(1)
Impact of change in plan conditions recognized during the period	0	2	(0)	0	2
Actuarial gains and losses	0	(4)	4	2	3
Other items	(3)	(7)	1	6	(3)
CHANGE RECOGNIZED IN "PAYROLL COSTS"[2]	**(9)**	**(1)**	**7**	**(21)**	**(24)**
Actuarial gain or loss on liabilities	40	13		3	56
Actuarial gain or loss on return on plan assets	32	1		(0)	33
Other actuarial gains or losses	(3)	2		(4)	(5)
CHANGE IN ACTUARIAL GAINS OR LOSSES NOT RECOGNIZED[1]	**68**	**16**		**(1)**	**83**
Impact of change in plan during the period	1	9		2	12
Other	1	(1)		(1)	(2)
COST NOT YET RECOGNIZED[1]	**2**	**8**		**0**	**10**
Changes in scope - impact on liability	(1)	12	2	16	28
Changes in scope - impact on actuarial gains or losses					
Changes in scope - impact on changes in plan		(1)			(1)
CHANGES IN SCOPE AND RECLASSIFICATIONS[3]	**(1)**	**11**	**2**	**16**	**27**
Provisions recognized	480	254	103	90	928
Unrecognized actuarial gains or losses[1]	105	(1)		58	161
Deferral of changes in plan	1	17		(8)	11
TOTAL LIABILITY AT 12/31/2008[6]	**586**	**270**	**103**	**140**	**1,099**

(1) Pursuant to IAS 19.
(2) As these provisions are recognized as liabilities in the balance sheet, increases/(expense) are shown as positive amounts and reversals/(income) are shown as negative amounts in brackets.
(3) The impact reflects reallocations of data concerning the addition of the regional banks to the Banque Populaire Group scope.
(4) The "deferral of changes in plan" item relates to both changes in plan at the start of the period arising from the Social Security Financing Acts for 2007 and 2008.
(5) Actuarial gains and losses at the beginning of the year correspond to the recalculation of obligations following the change in firm now handled by Orpère.
(6) Change in fair value of assets held to cover post-employment benefits granted:

1 2 3 4 5 6 7 8 9 10 11

in € millions	**Supplementary pensions**	**End-of-career allowances**	**Other**	**Total**
Fair value at 01/01/2008	**238**	**130**	**21**	**388**
Expected return on plan assets	11	(3)	3	12
Actuarial gains and losses generated during the period	(29)	0	(2)	(31)
Contributions paid		1		1
Exchange differences				
Benefits paid - change in scope of consolidation	21	3	0	23
Transfers and other		0		0
Fair value at 12/31/2008	**240**	**131**	**21**	**393**

	2007				
in € millions	**Supplementary pensions**	**End-of-career allowances**	**Long-service awards**	**Other**	**Total**
Provisions recognized	**494**	**223**	**95**	**113**	**924**
Unrecognized actuarial gains or losses(1)	**60**	**12**		**37**	**108**
Deferral of changes in plan		**10**		**(12)**	**(2)**
TOTAL LIABILITY AT 01/01/2007	**553**	**245**	**95**	**137**	**1,031**
Benefits paid in the period	(27)	4	(6)	(2)	(32)
Incremental benefit entitlement		15	6	4	25
Interest cost	30	11	3	5	50
Expected gross return on plan assets	(13)	(5)		(0)	(18)
Change in management fees		0			0
Contribution to fund	(0)	(10)	(0)	(14)	(24)
Contribution-related expenses		0			0
Impact of change in plan conditions recognized during the period		(1)	0	(2)	(3)
Actuarial gains and losses	1	(0)	(6)	2	(3)
Other items	(0)	0	0	(2)	(2)
CHANGE RECOGNIZED IN “PAYROLL COSTS”(2)	**(10)**	**14**	**(4)**	**(9)**	**(8)**
Actuarial gain or loss on liabilities	(21)	(37)		(3)	(61)
Actuarial gain or loss on return on plan assets	1	(0)		0	1
Other actuarial gains or losses	(1)	(6)		25	17
CHANGE IN ACTUARIAL GAINS OR LOSSES NOT RECOGNIZED(1)	**(22)**	**(44)**		**22**	**(43)**
Impact of change in plan during the period	(1)	1		4	5
Other		0		1	1
COST NOT YET RECOGNIZED(1)	**(1)**	**1**		**5**	**6**
Changes in scope - impact on liability	6	7	3	(8)	8
Changes in scope - impact on actuarial gains or losses					
Changes in scope - impact on changes in plan		(1)		(1)	(2)
CHANGES IN SCOPE AND RECLASSIFICATIONS(3)	**6**	**6**	**3**	**(8)**	**7**
Provisions recognized	490	244	95	96	924
Unrecognized actuarial gains or losses(1)	37	(31)		59	64
Deferral of changes in plan	(1)	12		(7)	5
TOTAL LIABILITY AT 12/31/2007	**527**	**224**	**95**	**148**	**993**

(1) Pursuant to IAS 19.

(2) As these provisions are recognized as liabilities in the balance sheet, increases/(expense) are shown as positive amounts and reversals/(income) are shown as negative amounts in brackets.

(3) Impacts arise from data relating to entities being reallocated to the correct items and FONCIA's addition the Banque Populaire Group's scope of consolidation.

VII.4 *Share-based payment plans*

VII.4.1 Stock option plans

The Banque Populaire Group grants stock options to certain of its employees. As required by IFRS 2, stock options granted after November 7, 2002, which have not vested at the balance sheet date, are valued at their fair value on the grant date using the Black & Scholes model.

The fair value is expensed in payroll costs on a straight-line basis over the vesting period with a corresponding increase in equity. Fair value is reviewed on each reporting date and adjusted if subsequent information indicates a change to the initial estimate of vested rights. The expense is then adjusted for the current and future years.

The Banque Populaire Group has four stock option plans covered by IFRS 2. The options are on Natixis shares and are exercisable over a period of three years after a lock-up period of four years.

GLOBAL SCOPE (INCLUDING NATIXIS AND SUBSIDIARIES)

	Plan details			Number of options		Amount *(in €)*
Year	**Date of grant**	**Vesting date**	**Expiration date**	**Granted**	**Outstanding at year-end 2008**	**Exercise price**
2004	11/17/2004	11/17/2008	11/16/2011	6,930,000	6,361,740	5.79
2005	11/15/2005	11/15/2009	11/14/2012	7,700,000	7,543,690	7.74
2007	01/28/2007	01/28/2011	11/28/2014	11,550,000	11,245,696	14.38
2008	01/21/2008	01/21/2012	01/21/2015	3,726,800	2,858,240	8.27

The charge for 2008 recognized in "payroll costs" amounted to €5 million versus €8 million in 2007.

Following the capital increase carried out in September 2008, Natixis' Management Board decided on December 8 to adjust the terms of exercise and number of shares covered by options (1.54 option for 1 share). These adjustments are intended to protect the rights of stock subscription rights holders without any additional advantage being granted to beneficiaries:

- that applying to the exercise price is simply intended to factor in a decline in the value of the share following detachment of the preferential subscription right;
- the adjustment of the number of options, based on an unchanged ratio of 1 option for one share, keeps the amount of the beneficiary's investment unchanged before and after the adjustment.

VII.4.2 Stock options granted to the top 10 beneficiaries

The number of stock options over Natixis shares exercised by the 10 employees (excluding executive officers) of Banque Fédérale des Banques Populaires who exercised the highest number of options was zero in 2008.

VII.4.3 Bonus share grant to employees

Natixis' shareholders' meetings of November 17, 2006, and May 24, 2007, set the framework for bonus grants of Natixis shares to its employees as well as employees of the Banque Populaire Group and the Caisse d'Epargne Group. The bonus share grants are based on two French laws enabling employees to become shareholders in the company they work for free of charge, and therefore be more closely involved in their company's expansion.

On November 12, 2007, Natixis' Management Board adopted the terms of the allotment relating to vesting and holding periods, in accordance with the law. Banque Populaire Group staff were given the right to receive 60 shares after a two-year vesting period. At the end of this period, shares allocated to employees must be held for two years before they become available (lock-up period). The shares will be available from November 14, 2011. Holders will be able to keep or sell the shares from that date.

Natixis will charge the BP Group, in November 2009 when the bonus shares are granted to employees of the Banque Populaire banks, of BFBP and of i-BP, the cost of purchasing the shares to be used in the bonus share grant. At December 31, 2007, a €33 million provision for employee benefits was set aside for this deferred charge, based on the price that Natixis paid for the shares and the estimated employee turnover rate of 3.5% for the Banque Populaire Group. As part of the September 2008 capital increase, the preferential subscription rights, which were attached to the treasury shares held in the portfolio, were sold.

To protect the rights of beneficiaries under the bonus share grant plan, Natixis' Management Board decided at its December 8, 2008 meeting to make an adjustment to this plan. This resulted in the grant of 33 additional Natixis shares in addition to the 60 initially awarded. Pursuant to IFRS 2, this latest grant increases the total fair value of the grant program. As a result, the fair value of the obligation corresponding to the 33 additional shares granted to Natixis group employees should be recognized in addition to the IFRS 2 charge in respect of the first 60 shares granted by deferral over the remaining duration until effective grant (i.e. November 12, 2009).

Note VIII Segment reporting

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IAS 14 requires the disclosure of information broken down by business or geographical segments that are subject to different risks and returns.

The Banque Populaire Group's primary reporting format is business segment *(see note VIII.1)* and its secondary format is geographical segment *(see note VIII.2)*.

Segment reporting is based on financial aggregates taken from the balance sheet and income statement and reconciled with the consolidated financial statements.

VIII.1 *Segment reporting analysis*

The Banque Populaire Group is organized into three sectors (or levels):

Level 1: Retail banking

This level encompasses all the retail banking units in France: the Banque Populaire banks (including the dividends received from BFBP), the Crédit Maritime Mutuel regional banks linked to Banque Populaire banks, the SCM mutual guarantee companies, the SAS companies holding shares in its capital and their holding subsidiaries, the other subsidiaries belonging to the BP held directly and/or related to joint ventures: SBE and the Cristallys and Amaren II mutual debt funds (the Elide mutual debt fund is consolidated directly as a subsidiary). At December 31, 2008, it includes the contribution made by the regional banks acquired by the Banque Populaire banks and Société Marseillaise de Crédit, which is owned by Banque Fédérale des Banques Populaires.

Level 2: Corporate and investment banking and project finance

This level comprises Natixis, the corporate and investment banking and services bank owned jointly by the Banque Populaire Group and the Caisse d'Epargne Group.

Until the third quarter of 2008, Natixis adopted five business segments representing the five core businesses recognized in Natixis' organizational structure to that point in time.

During the fourth quarter of 2008, the Corporate and Investment Banking (CIB) businesses were split into "CIB continuing activities", which house the core business activities due to be developed, and another part which comprises segregated "Workout Portfolio Management" (GAPC) activities. This separation is geared to ensuring optimal proactive management of the segregated assets, protecting the core assets to be retained within the Group and highlighting the performance of the CIB continuing activities. The CIB business now comprises two business segments, i.e. CIB continuing activities and CIB-GAPC.

At December 31, 2008, Corporate and investment banking and project finance broke down into six business lines, aside from retail banking, and an "other businesses" unit:

Corporate and investment banking (CIB)

CIB continuing activities

CIB continuing activities thus offer clients, businesses, institutional investors, insurers and banks, a full range of financing and capital market products incorporating all Natixis' expertise in advisory services, organization, structuring and distribution. This segment is organized into three business lines and two regional platforms:

- corporate and institutional relationships: handles the relationship with clients in France and in international markets and directly manages conventional lending, flow products, and mergers and acquisitions;
- debt and financing: encompasses the structured financing and commodities, real estate, debt solutions and the structured credit and securitization activities;
- capital markets: is organized around units of expertise in the bond, currency, commodities, credit and equity markets;
- two regional platforms, North America and Asia, have dedicated resources enabling them to support each of the business lines with their international expansion in a controlled manner.

Segregated CIB assets-GAPC

The segregated CIB assets segment was set up within the CIB business line to handle the run-off of assets worst affected by the crisis and, secondly, those identified as no longer fitting with the core business based on Natixis' new strategic choices aimed at focusing on client-related activities. This notably concerns: the proprietary credit and structured credit investment activities, the credit-linked activities, the mortgage-backed securities portfolios of the ABM Corp. subsidiary in New York and the most complex activities at the equity and interest-rate derivatives business lines.

Private equity and private banking

This core business comprises:

- the private equity business, which has its own sales force serving a clientele of small and medium-sized, mostly unlisted companies. It is active in expansion capital (mature companies), buy-ins and buyouts, venture capital (young, innovative companies) and international private equity;
- private banking in France and Luxembourg, providing advice, planning and asset management services for a clientele of high-net-worth individuals, mostly clients of the Caisses d'Epargne and Banque Populaire networks, but also of Natixis.

Services

This business line combines all the service activities, which are geared mainly to the Caisses d'Epargne and Banques Populaires networks and Natixis' other business lines:

- securities back-office services: custody services (account administration, securities back-office outsourcing, depository control), fund administration and accounting, issuer services, order receipt and transmission, office service;
- payment systems: electronic payments, issuance and collection of low-volume electronic transfers and check processing;
- insurance: life, property/casualty and personal risk insurance;
- employee benefits planning (comprehensive range for companies), and employee savings plans: employee account-keeping, fund administration and accounting; group life insurance, service vouchers;
- specialized financing: the specialized financing business comprises the leasing activities (transferred from CIB to services) and consumer finance;

- financial guarantees: this business is handled by Natixis Garanties. The business mainly includes: guarantees on personal and business mortgages granted by the Caisses d'Epargne network, legal guarantees and financial guarantees;
- international banking services: services provided to businesses via Pramex and expansion of the retail network in Algeria (transferred from CIB to services).

Receivables management

This business line was restructured in 2007. Initially, there was a merger between GCE Affacturage and Natixis Factor, consolidating the latter's number-three ranking in the French factoring market. Secondly, Coface Holding was set up, and now houses all receivables management subsidiaries within a unified legal structure. The business line includes trade receivables management and offers clients tailored products to manage, protect and finance their receivables.

More than half of revenues come from outside France, where there remains substantial growth potential.

The main activities are: credit insurance, factoring, business information and credit rating (solvency and marketing), trade receivables management (from issuance to recovery) and management of public procedures on behalf of the French State.

Training in receivables management techniques is another growing business area.

The business line has an extensive distribution network:

- it has its own distribution network (64 countries), supported by the Crédit Alliance network (91 countries) developed by Coface;
- it also uses the Banque Populaire and Caisses d'Epargne banking networks, which are a major source of factoring business in France and offer substantial development potential for other activities.

Asset Management

Asset management activities are grouped within Natixis Global Asset Management. They cover all asset classes and are carried out mainly in the USA and France. Activities take place through a federation of autonomous entities (specialist asset management companies and specialist distribution structures) controlled by a holding company responsible for providing guidance and ensuring consistency throughout the Group. Its companies can thus focus on their core business generating performance while continuing to build up their own clientele of institutional clients and benefiting from the division's other support functions, with appropriate business models. A number of these companies are highly reputed, such as Harris Associates, Loomis Sayles, Ixis AEW and Natixis Asset Management.

Together, these specialist asset management companies enable the Group to offer a comprehensive array of expertise that meets the demands of all client categories. Distribution to these various client groups is optimized through the Advisors/Global Associates platform, as well as the business franchises historically built up by the asset management companies, particularly serving Group clients. However, the asset management companies themselves are responsible for distribution to the shareholders' banking networks in France.

Other businesses

Other activities not covered by these five core businesses are grouped under "Other businesses", which primarily comprise the functional departments (information systems, human resources, finance and internal audit). Profits from the Banques Populaires and Caisses d'Epargne banks, accounted for under the equity method through CCI cooperative certificates of investment, go to this business line.

Level 3: The Group's Federal activities

This level encompasses:

- the activities of Banque Fédérale des Banques Populaires, which guarantees the consistency and financial solidarity of the Group through its function as central body and holding company of Natixis (jointly with Caisse Nationale des Caisses d'Epargne);
- international retail banking activities, performed by subsidiaries owned by Banque Fédérale des Banques Populaires;
- residential real estate activities performed by FONCIA;
- lastly, the joint IT subsidiaries shared by the Banques Populaires banks (I-BP) and Société Centrale du Crédit Maritime Mutuel, and certain consolidation adjustments, principally comprising the elimination of the dividends received by Banque Populaire banks originating from Banque Fédérale des Banques Populaires.

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VIII.1.1 Segmental analysis of the income statement

NET INCOME (YEAR ENDED 12/31/2008) (1)

		Corporate and investment banking and project finance								
in € millions	Retail banking	Corporate and investment banking (2)	Asset Management	Private equity & private banking	Services	Receivables management	Other activities (2)	Total	Federal activities	Total group
Net banking income	**5,841**	**(213)**	**486**	**68**	**528**	**286**	**(129)**	**1,027**	**385**	**7,253**
year-on-year change 2008/2007	*0%*	*-135%*	*-21%*	*-63%*	*1%*	*-14%*	*ns*	*-47%*	*ns*	*-4%*
Operating expenses	**(3,870)**	**(692)**	**(345)**	**(61)**	**(342)**	**(249)**	**(103)**	**(1,791)**	**(624)**	**(6,285)**
year-on-year change 2008/2007	*6%*	*-6%*	*-24%*	*0%*	*5%*	*4%*	*ns*	*-2%*	*ns*	*5%*
Gross operating income	**1,970**	**(904)**	**141**	**8**	**187**	**37**	**(232)**	**(764)**	**(239)**	**968**
year-on-year change 2008/2007	*-10%*	*-650%*	*-9%*	*-92%*	*-6%*	*-59%*	*ns*	*ns*	*ns*	*-39%*
Income before income taxes	**1,456**	**(1,447)**	**120**	**3**	**185**	**36**	**(501)**	**(1,604)**	**(142)**	**(290)**
year-on-year change 2008/2007	*-22%*	*-629%*	*-35%*	*-97%*	*-5%*	*-60%*	*ns*	*-585%*	*ns*	*ns*

(1) *Results for each segment comprise directly attributable operating income and expenses, including transactions with other Group segments.*

(2) *Following the reorganization of Corporate and Investment Banking (CIB) and reorientation of its operations, its results are now split between CIB continuing activities and the segregated CIB activities (Workout Portfolio Management). Net income for the year ended December 31, 2008 breaks down as follows:*

in € millions	CIB continuing activities	Segregated CIB assets-GAPC	Total CIB
Net banking income	**1,022**	**(1,235)**	**(213)**
Operating expenses	(629)	(63)	(692)
Gross operating income	**393**	**(1,298)**	**(904)**
Income before income taxes	**153**	**(1,601)**	**(1,447)**

VIII.1.2 Segmental analysis of the balance sheet

ASSETS (AT 12/31/2008) (1)

		Corporate and investment banking and project finance								
in € millions	Retail banking	Corporate and investment banking (2)	Asset Management	Private equity & private banking	Services	Receivables management	Other (2)	Total	Federal activities	Total group
Assets at fair value through profit and loss	5,711	98,455	235	628	2,570	46	65	101,900	12,516	120,227
Available-for-sale financial assets	14,894	2,803	111	73	7,463	395	(391)	10,454	(4,016)	21,333
Loans and advances to banks	10,029	20,866	50	147	1,046	68	(4,624)	17,553	16,493	44,075
Loans and advances to customers	139,883	33,357	1	378	3,841	2,435	1,147	41,159	1,163	182,205
Held-to-maturity financial assets	0	0	0	0	2,262	32	(46)	2,248	0	2,248
Goodwill	386	0	1,191	27	316	185	3	1,722	2,287	4,395
Other assets	16,025	8,433	(1,043)	(185)	739	102	3,894	11,938	1,143	29,106
TOTAL ASSETS	**186,929**	**163,913**	**545**	**1,069**	**18,237**	**3,263**	**47**	**187,074**	**29,586**	**403,588**

(1) *Each segment is presented according to its contribution to the consolidated financial statements of the Banque Populaire Group. Intragroup transactions between segments are eliminated at the level of each business line.*

LIABILITIES (AT 12/31/2008) (1)

		Corporate and investment banking and project finance								
in € millions	Retail banking	Corporate and investment banking (2)	Asset Management	Private equity & private banking	Services	Receivables management	Other (2)	Total	Federal activities	Total group
Financial liabilities at fair value through profit and loss	2,735	97,933	0	26	307	10	(1,344)	96,933	7,052	106,720
Deposits from banks	36,576	29,227	125	231	3,097	1,482	(5,558)	28,604	1,359	66,539
Customer deposits	104,161	17,270	0	273	2,180	659	637	21,019	1,409	126,588
Debt securities in issue	18,213	12,421	(28)	61	(317)	244	1	12,381	12,214	42,808
Insurance companies' technical reserves	3,783	39	0	0	11,530	438	(37)	11,970	0	15,753
Subordinated debt	457	4,679	0	4	242	9	(695)	4,238	2,487	7,182
Other liabilities	21,005	2,345	447	475	1,198	422	7,042	11,929	5,066	38,000
TOTAL LIABILITIES AND EQUITY	**186,929**	**163,913**	**545**	**1,069**	**18,237**	**3,263**	**47**	**187,074**	**29,586**	**403,589**

(1) *Each segment is presented according to its contribution to the consolidated financial statements of the Banque Populaire Group. Intragroup transactions between segments are eliminated at the level of each business line.*

(2) *Following the reorganization of Corporate and Investment Banking (CIB) and reorientation of its operations, its results are now split between CIB continuing activities and the segregated CIB activities (Workout Portfolio Management). The balance sheet at December 31, 2008 was as follows:*

in € millions	CIB continuing activities	Segregated CIB assets-GAPC	Total CIB
Assets at fair value through profit and loss	72,600	25,855	98,456
Available-for-sale financial assets	2,083	719	2,803
Loans and advances to banks	20,740	126	20,866
Loans and advances to customers	30,508	2,848	33,356
Other assets	7,517	915	8,432
TOTAL ASSETS	**133,450**	**30,463**	**163,913**

in € millions	CIB continuing activities	Segregated CIB assets-GAPC	Total CIB
Financial liabilities at fair value through profit and loss	79,145	18,788	97,933
Deposits from banks	20,107	9,120	29,227
Customer deposits	16,069	1,201	17,270
Debt securities in issue	12,421	0	12,421
Insurance companies' technical reserves	39	0	39
Subordinated debt	4,679	0	4,679
Other liabilities	990	1,354	2,344
TOTAL LIABILITIES AND EQUITY	**133,450**	**30,463**	**163,913**

VIII.2 *Analysis by geographical segment*

The Banque Populaire Group has a large domestic banking network through the Banque Populaire banks, but also a significant international business through Natixis' offices abroad (including Coface).

The Group has identified four main geographical segments:

- France;
- other EU countries;
- North America (Canada, US);
- other OECD countries.

Each legal entity has been allocated to a geographical segment based on its country of location.

VIII.2.1 Analysis of the income statement by geographical segment

INCOME STATEMENT (YEAR ENDED 12/31/2008)

in € millions	France	Other EU countries	North America	Other OECD countries	Unallocated [1]	Total
Net banking income	**6,591**	**291**	**268**	**24**	**79**	**7,253**
Operating expenses	(5,617)	(260)	(350)	(31)	(26)	(6,285)
Gross operating income	**973**	**30**	**(82)**	**(7)**	**53**	**968**
Impairment charges and other credit provisions	(824)	(217)	(161)	(1)	(2)	(1,204)
Operating income	**150**	**(187)**	**(243)**	**(8)**	**52**	**(236)**
Share of results of associates	120	4	4	0	0	128
Gains or losses on other assets	148	(5)	(0)	(0)	0	143
Changes in value of goodwill	0	0	0	0	(324)	(324)
Income before income taxes	**418**	**(188)**	**(240)**	**(8)**	**(272)**	**(290)**
Income taxes	(130)	(56)	65	(2)	(16)	(139)
Share of net income	**287**	**(245)**	**(175)**	**(9)**	**(287)**	**(429)**
Minority interests	(20)	(1)	(8)	(0)	(11)	(40)
Net income attributable to equity holders of the parent	**268**	**(245)**	**(183)**	**(9)**	**(299)**	**(468)**

(1) Intragroup balances and transactions between geographical segments (IAS 14 para 24) and countries outside the four identified geographical segments are not broken down by geographical segment.

VIII.2.2 Analysis of the balance sheet by geographical segment

ASSETS (AT 12/31/2008)

in € millions	France	Other EU countries	North America	Other OECD countries	Unallocated [1]	Total
Assets at fair value through profit and loss	91,504	10,714	17,519	30	460	120,227
Available-for-sale financial assets	20,360	1,222	161	19	(429)	21,333
Loans and advances to banks	45,496	3,118	497	27	(5,063)	44,075
Loans and advances to customers	164,443	8,925	7,102	81	1,653	182,205
Held-to-maturity financial assets	2,272	22	0	0	(46)	2,248
Goodwill	3,304	177	199	1	713	4,395
Other assets	34,322	(44)	540	(5)	(5,707)	29,106
TOTAL ASSETS	**361,699**	**24,135**	**26,019**	**154**	**(8,418)**	**403,589**

LIABILITIES (AT 12/31/2008)

in € millions	France	Other EU countries	North America	Other OECD countries	Unallocated [1]	Total
Financial liabilities at fair value through profit and loss	81,510	8,298	17,398	30	(517)	106,720
Deposits from banks	64,942	10,499	(3,350)	88	(5,640)	66,539
Customer deposits	116,310	4,165	5,159	6	950	126,588
Debt securities in issue	35,732	352	6,224	2	498	42,808
Insurance companies' technical reserves	15,044	677	21	11	0	15,753
Subordinated debt	7,335	457	23	2	(636)	7,182
Other liabilities	40,827	(313)	544	15	(3,073)	38,000
TOTAL LIABILITIES AND EQUITY	**361,699**	**24,135**	**26,019**	**154**	**(8,418)**	**403,589**

(1) Intragroup balances and transactions between geographical segments (IAS 14 para 24) and countries outside the four identified geographical segments are not broken down by geographical segment.

Note IX Commitments

IX.1 *Guarantees*

A financial guarantee that is not a qualified derivative financial instrument is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. The exercise of these rights is subject to the occurrence of an uncertain future event.

In accordance with paragraph 43 of the amendment to IAS 39 and IFRS 4 (published by the IASB in August 2005 and adopted by the European Union), financial guarantees given are carried at their fair value plus any transaction costs directly attributable to the issuance of the guarantees. For independent agreements entered into at market rates, in line with the Group's practice, fair value at the inception of the agreement is in principle equal to the amount of the premium(s) received. All guarantees issued by the Group are priced at market rates.

Subsequently, financial guarantees are measured at the higher of:

- the amount initially recognized less the amount of any amortization recorded according to the principles of IAS 18, Revenue. Such amortization corresponds to pro-rating of the fees received over the period of the guarantee;
- the value determined in accordance with IAS, Provisions, Contingent Liabilities and Contingent Assets, which is the amount the entity would reasonably pay to extinguish the obligation or to transfer it to a third party.

The amount stated is the nominal value of the commitment.

All financial guarantees issued by insurance subsidiaries that meet the definition of an insurance contract have been accounted for in accordance with the requirements of IFRS 4, Insurance Contracts, as permitted in paragraph AG64(a) of the amendment thereto.

in € millions	12/31/2008	12/31/2007	12/31/2006
Guarantees given			
To banks and other credit institutions:	*1,361*	*1,603*	*1,901*
• Confirmed documentary credits	472	591	494
• Other guarantees	888	1,012	1,406
To customers:	*50,590*	*95,612*	*63,644*
• Real estate guarantees	1,258	1,564	1,089
• Tax and other bonds	1,355	1,324	1,214
• Other bonds and endorsements	35,833	79,254	48,575
• Other guarantees	12,144	13,470	12,766
TOTAL GUARANTEES GIVEN	**51,951**	**97,215**	**65,545**
GUARANTEES RECEIVED FROM BANKS AND OTHER CREDIT INSTITUTIONS	**16,801**	**15,543**	**7,129**

IX.2 *Financing commitments*

In accordance with IAS 39 (para 2), financing commitments outside the scope of IAS 39 are recognized in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

- The following financing commitments fall within the scope of IAS 39:
  - commitments classified as financial liabilities at fair value through profit and loss. If an entity has a past practice of reselling or securitizing loans shortly after origination, these loans are subject to IAS 39 from the commitment phase.
  - commitments that can be fulfilled by a net settlement (i.e., a sale).
  - commitments to provide a loan at a below-market interest rate.

  The Group has no commitments of this type.
- Other financing commitments covered by IAS 37:

  Financing commitments given by the Banque Populaire Group are for loans at market rates. These commitments constitute contingent liabilities and are recorded in accordance with IAS 37. At initiation, they are not recognized in the balance sheet. A provision for contingencies and losses, recorded under liabilities, is recognized subsequently in the event that default by the counterparty becomes probable during the commitment period.

The nominal value of commitments governed by IAS 37 is as follows:

in € millions	**12/31/2008**	**12/31/2007**	**12/31/2006**
Financing commitments given			
To banks and other credit institutions:	*3,925*	*1,606*	*1,134*
To customers:	*30,857*	*33,360*	*31,594*
• Documentary credits	844	1,161	979
• Other confirmed lines of credit	27,232	29,466	27,842
• Other commitments	2,781	2,733	2,774
TOTAL FINANCING COMMITMENTS GIVEN	**34,783**	**34,966**	**32,728**
Financing commitments received			
• from banks and other credit institutions	9,208	2,425	8,719
• from customers	0	0	0
FINANCING COMMITMENTS RECEIVED	**9,208**	**2,425**	**8,719**

IX.3 *Other commitments*

Acquisition of Natexis Bleichroeder Inc.

In 2002, Banque Fédérale des Banques Populaires issued a guarantee relating to the shares issued by Natixis on the acquisition of Natexis Bleichroeder Inc. in December 2002.

The acquisition of Natexis Bleichroeder Inc. (formerly Arnhold & Bleichroeder Inc) was paid for through the issuance of 1,401,082 new Natixis shares. The share issue, carried out on December 6, 2002, represented a capital increase of 3%.

Arnhold & Bleichroeder Holdings, the former owner of Natexis Bleichroeder Inc., committed to retain at least 45% of these shares for a minimum of five years.

The other 55% of the shares may be sold gradually over a period of seven years, in accordance with predetermined "windows" and "level": at most 10% of the shares may be sold between six months and one year after the transaction date; a cumulative maximum of 35% of the shares may have been sold between one year and two years after the transaction date; a cumulative maximum of 45% between two years and three years; and a cumulative maximum of 55% between three years and seven years after the transaction date.

Arnhold & Bleichroeder Holdings and Banque Fédérale des Banques Populaires have also signed a Value Protection Agreement stating that if any of the 55% of the shares referred to above are sold at a price below their value at the date of issue, i.e. €7.556, Banque Fédérale des Banques Populaires will transfer additional Natixis (formerly Natexis Banques Populaires) shares to Arnold & Bleichroeder Holdings for no consideration. At December 31, 2008, this floor price was estimated at 5.454 euros after payout of dividends and sale of preferential subscription rights.

This value protection agreement will apply only if the shareholders of Arnold & Bleichroeder Holdings have refused an offer to repurchase the Natixis shares at a price previously proposed to them by Banque Fédérale des Banques Populaires. In such case, the Natixis shares may not be sold to a third party at a price lower than that offered by Banque Fédérale des Banques Populaires.

In 2008 Arnhold & Bleichroeder Holdings exercised this value guarantee, which had been provisioned at the amount estimated to be at risk.

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Funding from Société de Financement de l'Economie Française (SFEF)

The Banque Populaire Group has benefited from funding made available to banks by the French national government under the financial sector support plan enacted as part of the Finance Act of October 16, 2008 (Article 6) and approved by the European Commission.

SFEF, owned 34% by the French State and 66% by the main French banks, has been set up to ensure medium-term refinancing of French banks by raising funds on the market through issues of medium-term notes guaranteed by the State. On behalf of the Group, Banque Fédérale des Banques Populaires has signed two agreements, a loan agreement and a guarantee beneficiary agreement. Banque Fédérale des Banques Populaires receives the funds but immediately passes them through to the Banque Populaires Regional Banks. The borrower beneficiary (the term used in the agreement) is the regional Banque Populaire bank, not Banque Fédérale des Banques Populaires.

Loans from SFEF are secured by the pledging of receivables as collateral, under the legal provisions set forth in Article 421-7-3I of the French Monetary and Financial Code. A conveyance with immediate transfer of title is not involved, nor is a Dailly conveyance of security. In the event of default, that is, if the regional Banque Populaire bank fails to repay the SFEF loan, the receivable pledged as collateral become the property of SFEF. The receivables provided as collateral must be sound, not non-performing.

The receivables provided as collateral are of various kinds: consumer loans, housing loans, equipment loans. A haircut depending on the kind of loan is applied to determine the amount of the borrowing from SFEF.

At December 31, 2008, the carrying amount of the portfolio of loans pledged to SFEF of SFEF amounted to €1,265 million, including €908 million for retail banking and €357 million for Natixis (after applying the Group's share).

Note X Related Parties

Related parties are companies consolidated in the Banques Populaires Group (regardless of consolidation method), as well as the corporate officers and Board members of Banque Fédérale des Banques Populaires (BFBP), the Banque Populaire Group's parent company.

X.1 *Compensation of corporate officers and Board members*

X.1.1 Compensation, benefits, loans, and Director's fees paid to Banque Fédérale des Banques Populaires (BFBP) corporate officers

X.1.1.1 Compensation, stock options, and performance shares paid to each corporate officer (Table 1)

Compensation for the year		2008	2007
Philippe DUPONT **BFBP Chairman and Chief Executive Officer, and Chairman of the Natixis Management Board**	For services at BFBP	€301,721	€410,642
	For services at Natixis	€350,000	€350,000
	TOTAL	**€651,721**	**€760,642**

Value of stock options received during the year (under IFRS 2)		2008 (1)	2007
Philippe DUPONT	For services at BFBP	N/A (1)	€324,765
	For services at Natixis	€0	€881,505
	TOTAL	**N/A (1)**	**€1,206,270**

(1) Philippe Dupont has renounced any stock options as compensation for his services at BFBP in 2008.

The value of stock options calculated under IFRS 2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options granted as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		2008	2007
Philippe DUPONT **Executive Chairman**	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**None**	**None**

Compensation for the year		2008	2007
Bruno METTLING **BFBP Deputy Chief Executive Officer**	For services at BFBP	€345,525	€500,806
	For services at Natixis	€23,000	€26,600
	TOTAL	**€368,525**	**€527,406**

Value of stock options received during the year		2008 (1)	2007
Bruno METTLING	For services at BFBP	N/A (1)	324,765 €
	For services at Natixis	€0	0 €
	TOTAL	**N/A (1)**	**324,765 €**

(1) Bruno Mettling has renounced any stock options as compensation for his services at BFBP in 2008.

The value of stock options calculated under IFRS 2 does not reflect the potential gain upon exercise of the options. It reflects only the accounting charge for options given as compensation for services rendered or expected to be rendered by an employee.

At the date of this registration document, the exercise period for options granted in 2007 was closed and the Natixis share price was significantly lower than the options' strike price (€14.38). Therefore it is difficult to estimate the future potential gain from the exercise of these options. As a result, the value of these options has not been included in the reported monetary compensation paid to BFBP corporate officers.

Value of performance shares received during the year		2008	2007
Bruno METTLING	For services at BFBP	-	-
	For services at Natixis	-	-
	TOTAL	**None**	**None**

The gross compensation paid to BFBP corporate officers includes a fixed portion and a variable portion. These portions are set in accordance with the Banque Populaire Group's executive compensation policy.

X.1.1.2 Summary of compensation paid to each corporate officer (Table 2)

	2008		2007	
Philippe Dupont	Amount due (5)	Amount paid (6)	Amount due (5)	Amount paid (6)
Fixed compensation (1)	**€595,000**	**€595,000**	**€595,000**	**€595,000**
For services at BFBP	€245,000	€245,000	€245,000	€245,000
For services at Natixis	€350,000	€350,000	€350,000	€350,000
Variable compensation (1) (2)	**€0**	**€110,000**	**€110,000**	**€110,000**
For services at BFBP	€0	€110,000	€110,000	€110,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation (1) (4)	**€0**	**€0**	**€0**	**€0**
Director's fees (7)	**€11,484**	**€11,040**	**€11,040**	**€11,285**
For services at BFBP subsidiaries	€0	€0	€0	€586
For services at BFBP	€11,484	€11,040	€11,040	€10,699
Benefits (3)	**€45,237**	**€45,237**	**€44,602**	**€44,602**
For services at BFBP	€45,237	€45,237	€44,602	€44,602
For services at Natixis	€0	€0	€0	€0
TOTAL	**€651,721**	**€761,277**	**€760,642**	**€760,887**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.

(3) Corporate car and housing for Philippe Dupont.

(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

	2008		2007	
Bruno Mettling	Amount due (5)	Amount paid (6)	Amount due (5)	Amount paid (6)
Fixed compensation (1)	**€290,000**	**€290,000**	**€290,510**	**€290,510**
For services at BFBP	€290,000	€290,000	€290,510	€290,510
For services at Natixis	€0	€0	€0	€0
Variable compensation (1) (2)	**€0**	**€130,000**	**€130,000**	**€130,000**
For services at BFBP	€0	€130,000	€130,000	€130,000
For services at Natixis	€0	€0	€0	€0
Non-recurring compensation (1) (4)	**€0**	**€0**	**€0**	**€0**
Director's fees (7)	**€32,792**	**€62,163**	**€61,163**	**€62,600**
For services at BFBP subsidiaries	€9,792	€34,563	€34,563	€20,000
For services at BFBP	€23,000	€27,600	€26,600	€42,600
Benefits (3)	**€45,733**	**€45,733**	**€45,733**	**€45,733**
For services at BFBP	€45,733	€45,733	€45,733	€45,733
For services at Natixis	€0	€0	€0	€0
TOTAL	**€368,525**	**€527,896**	**€527,406**	**€528,843**

(1) (2) The variable compensation paid in any given year is based on the results of the previous year. On January 21, 2009, the BFBP Board of Directors decided not to award any variable compensation in 2009 based on the 2008 results.

(3) Corporate car and housing expense reimbursement for Bruno Mettling.

(7) Amounts due (5) are Director's fees earned in 2007 and 2008 to be paid in 2008 and 2009, respectively. Amounts paid (6) in 2007 and 2008 are Director's fees earned in 2006 and 2007, respectively.

Neither Philippe Dupont, Michel Goudard, nor Bruno Mettling currently receives any allowances or benefits from companies controlled by BFBP.

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X.1.2 Director's fees and other compensation paid to BFBP Board members

X.1.2.1 Director's fees and Other compensation paid to non-executive Board members (Table 3)

	Amount due in 2008 and paid 2009 [1]		Amount due in 2007 and paid 2008 [1]	
(in €)	**Director's fees**	**Other compensation**	**Director's fees**	**Other compensation**
Thierry Cahn	€8,820	-	-	-
Jean Clochet	€41,523	-	€40,036	-
Pierre Delourmel	€17,468	-	€8,832	-
Pierre Desvergnes	€18,168	-	€12,436	-
Jean-Claude Detilleux	€13,284	-	€12,840	-
Michel Dolige	€16,690	-	€11,124	-
Bernard Fleury	€18,540	-	€15,624	-
Stève Gentili	€36,175	-	€44,001	-
Yves Gevin	€16,525	-	€18,738	-
Jacques Hausler	€21,885	-	€17,005	-
Marc Jardin	€18,540	-	€13,824	-
Bernard Jeannin	€35,003	-	€41,652	-
Yvan De La Porte du Theil	€53,350	-	€58,862	-
François Moutte	€8,352	-	€5,520	-
Christian Du Payrat	€17,934	-	€13,536	-
Philippe Queuille	€5,500	-	-	-
Jean-Louis Tourret	€29,005	-	€47,090	-
Gonzague de Villele	€5,532	-	-	-
TOTAL	**€382,294**		**€361,120**	

(1) Fees paid as compensation for positions held on the Board of Directors and Board Committees of BFBP and the companies it controls.

X.1.3 Stock options

No options on BFBP shares have been granted to date. However, corporate officers have been granted options on Natixis shares as compensation for their services at BFBP and the companies it controls.

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X.1.3.1 Stock options granted by the Group and all Group companies to each corporate officer during the year (Table 4)

	Plan date and No.	Type of option (purchase or subscription)	Value of options recognized in the consolidated financial statements		Number of options granted during the year[1]		Strike price	Exercise period
			For services at BFBP	For services at Natixis	For services at BFBP	For services at Natixis		
Philippe DUPONT	Jan. 21, 2008 Natixis Plan 2	Subscription	N/A[2]	€0	N/A[2]	€0	€8.27	Jan. 21, 2012 Jan. 21, 2015
Bruno METTLING	Jan. 21, 2008 Natixis Plan 2	Subscription	N/A[2]	-	N/A[2]	-	€8.27	Jan. 21, 2012 Jan. 21, 2015

(1) After adjusting for the share issue in September 2008.
(2) Philippe Dupont and Bruno Mettling have renounced any stock options as compensation for their services at BFBP in 2008.

X.1.3.2 Stock options exercised by each corporate officer during the year (Table 5)

	Plan date and No.	Number of options exercised during the year	Strike price
Philippe DUPONT	N/A	**None**	
Bruno METTLING	N/A	**None**	

X.1.3.3 Performance shares granted to each corporate officer (Table 6)

Performance shares granted during the year by the AGM of the Group and all Group companies to each corporate officer	Plan date and No.	Number of shares granted during the year	Value of shares recognized in the consolidated financial statements	Acquisition date	Vesting date	Performance criteria
	N/A			**None**		

Vested performance shares owned by each corporate officer (Table 7)	Plan date and No.	Number of shares vested during the year	Vesting terms
	N/A	**None**	

The number of Natixis stock options allocated to the Banque Populaire Group is determined by the Natixis Management Board and AGM.

X.1.3.4 Stock option grants since 2002 (Table 8)

STOCK OPTION DETAILS

	2002	2003	2004	2005	2007	2008
Natixis AGM date	**05/31/2001**	**05/31/2001**	**05/27/2004**	**05/19/2005**	**11/17/2006**	**05/24/2007**
Natixis Management Board decision date	**09/10/2002**	**09/10/2003**	**11/17/2004**	**11/15/2005**	**01/29/2007**	**01/21/2008**
Number of stock options granted on the Natixis Management Board decision date to Banque Populaire Group employees, with the number granted to specific individuals listed below*	**2,630,474**	**2,648,800**	**2,771,230**	**3,187,800**	**4,142,600**	**3,726,800**
Corporate officers and Board members						
Corporate officers						
Philippe Dupont	169,400	184,800	192,500	215,600	400,400	N/A
For services at Banque Populaire Group	84,700	92,400	92,400	107,800	107,800	N/A
For services at Natixis	84,700	92,400	100,100	107,800	292,600	0
Bruno Mettling	-	-	-	77,000	107,800	N/A
Non-executive Board members						
Jean Clochet	-	-	-	15,400	20,020	N/A
Steve Gentili	10,780	10,780	10,780	15,400	20,020	N/A
Yvan De La Porte du Theil	43,120	43,120	43,120	47,740	61,600	N/A
Bernard Jeannin	43,120	43,120	43,120	47,740	61,600	N/A
Thierry Cahn	7,700	10,780	10,780	15,400	20,020	N/A
Pierre Delourmel	-	10,780	10,780	15,400	20,020	N/A
Pierre Desvergnes	-	-	-	-	-	-
Jean-Claude Detilleux	0	38,500	38,500	43,120	58,520	-
Michel Dolige	10,780	10,780	10,780	15,400	20,020	N/A
Bernard Fleury	9,240	9,240	9,240	13,860	20,020	N/A
Yves Gevin	43,120	43,120	43,120	47,740	61,600	N/A
Jacques Hausler	43,120	43,120	43,120	47,740	61,600	N/A
Marc Jardin	10,780	10,780	10,780	15,400	20,020	N/A
François Moutte	38,500	38,500	38,500	47,740	61,600	N/A
Christian Du Payrat	15,400	38,500	38,500	43,120	58,520	N/A
Philippe Queuille	43,120	43,120	43,120	47,740	61,600	N/A
Jean-Louis Tourret	7,700	9,240	9,240	13,860	18,480	N/A
Gonzague de Villele	15,400	13,860	18,480	43,120	58,520	N/A
Exercise period start date	09/10/2006	09/10/2007	11/17/2008	11/15/2009	01/29/2011	01/21/2012
Expiration date	09/09/2009	09/09/2010	11/16/2011	11/14/2012	01/28/2014	01/20/2015
Adjusted strike price (in euros) **	4.71	5.41	5.79	7.74	14.38	8.27
Exercise terms if there are several tranches	N/A	N/A	N/A	N/A	N/A	N/A
Number of stock options exercised by Banque Populaire Group employees at Dec. 31, 2008 (after accounting for employee mobility)	2,009,407	589,897	107,030	21,560	-	-
Cumulative number of stock options cancelled or expired (after accounting for employee mobility)	46,970	31,108	18,480	3,850	-	868,560
Cumulative number of unexercised stock options held by Banque Populaire Group employees (after accounting for employee mobility)	635,466	2,063,985	2,677,752	3,179,330	4,107,334	2,846,690

* *After adjusting for the Natixis share issue in September 2008.*

** *Equal to the average Natixis share price over the 20 stock market trading days preceding the date of the Management Board's decision.*

Table 9

Stock options granted to and exercised by the ten employees who are not corporate officers receiving the highest number of options	Total stock options granted / exercised	Average weighted strike price	Plan 1	Plan 2
Stock options granted to these employees during the year by the Group and all Group companies in the stock option scope	337,260[1]	€8.27	01/21/2008	-
Number of these stock options exercised during the year	-	-	-	-

(1) *After adjusting for the Natixis share issue in September 2008.*

X.1.4 Post-employment benefits granted to corporate officers

Philippe Dupont and Bruno Mettling receive retirement benefits under the French social security system, ARRCO, AGIRC, and a supplemental retirement plan. Post-employment benefits for BFBP's other corporate officers are described on the Group's investor relations website, *www.ir.banquepopulaire.fr* (in French), under "Rémunérations Différées des Dirigeants Sociaux".

	Employment contract (1)		Supplementary retirement plan (2)		Benefits due if the employee changes or leaves his or her position (3)		Allowances related to a non-competition clause	
Corporate officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Philippe DUPONT **Chairman and Chief Executive Officer** Date appointed: 08/08/1999 Term expiration date: 05/2011		X	X		X			X
Bruno METTLING **Deputy Chief Executive Officer** Date appointed: 07/01/2006 Term expiration date: 03/02/2009	X		X		X			X

(1) *Bruno Mettling's employment contract was suspended when he was appointed a corporate officer on July 1, 2006.*

(2) *Philippe Dupont, Bruno Mettling, and all Banque Populaire Group executives receive retirement benefits under a supplementary retirement plan in accordance with the Group's bylaws. The total retirement benefit paid to a Banque Populaire Group executive cannot exceed 70% (or 60% after the executive turns 70) of his or her salary, capped at €370,000. The percentage is 50% for executives appointed after July 1, 2004, such as Bruno Mettling.*

(3) *For more information, see the Group's investor relations website,* **www.ir.banquepopulaire.fr** *(in French), in the section "Rémunérations Différées des Dirigeants Sociaux".*

X.2 *Information about consolidated companies*

X.2.1 Transactions with consolidated companies

A list of consolidated companies can be found in note III.2.

Transactions with fully-consolidated companies are eliminated in consolidation and therefore not included in this note.

Transactions with proportionately consolidated joint venture companies are eliminated in proportion to the Group's interest in the assets and liabilities of the consolidated company. The uneliminated portion is shown in the tables below. These are mainly transactions with the Natixis subgroup.

Transactions with associated companies accounted for by the equity method are not eliminated. These transactions are mainly transactions with the Caisses d'Epargne banks but also with Banque Calédonienne d'Investissement and SOCREDO.

Transactions with other non-consolidated related companies are shown in the column headed "Other". These are mainly transactions with Caisse Nationale des Caisses d'Epargne.

X.2.1.1 Balance sheet transactions

ASSETS

in € millions	Joint ventures	Associates	Other
Assets at fair value through profit or loss	2,802	1,255	645
Available-for-sale financial assets	1,027	1,852	212
Loans and advances to banks	15,200	2,494	1,114
Loans and advances to customers	55	1	0
Held-to-maturity financial assets	0	16	0

LIABILITIES

in € millions	Joint ventures	Associates	Other
Financial liabilities at fair value through profit or loss	387	759	3,550
Deposits from banks	17,144	670	4,096
Customer deposits	92	2	1
Debt securities in issue	1,666	(8)	0
Subordinated debt	101	0	913

X.2.1.2 Income statement transactions

in € millions	Joint ventures	Associates	Other
Net banking income	**(603)**	**470**	**(475)**
General operating expenses	(59)	(8)	(1)
GROSS OPERATING INCOME	**(661)**	**462**	**(476)**

X.2.2 Results of joint venture companies and associates

The following table shows the total net income of joint venture companies and associates and the share attributable to the Group at December 31, 2008:

	2008			
	Joint ventures		Associates	
in € millions	100%	Group share	100%	Group share
Net income (1)	(3,057)	(1,381)	1,018	117

(1) *Net income from joint ventures at December 31, 2008 mainly comprises net income from Natixis and its subsidiaries. Net income from associates mainly comprises net income from Caisses d'Epargne banks (€918 million at 100% and €88 million Group share).*

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	2007			
	Joint ventures		Associates	
in € millions	100%	Group share	100%	Group share
Net income [(1)]	143	(142)	1,886	148

(1) Net income from joint ventures at December 31, 2007 mainly comprises net income from Natixis and its subsidiaries, but also from CIFG (50%-owned by Banque Fédérale des Banques Populaires). Net income from associates mainly comprises net income from Caisses d'Epargne banks (€1,595 million at 100% and €123 million group share).

Note XI Preparation of the *proforma* financial statements

As Natixis was created on November 17, 2006, two sets of financial statements have been prepared:

- the **statutory financial statements**, which include the former Natexis Banque Populaire subgroup on a fully consolidated basis until November 17, 2006, and the new Natixis subgroup on a proportionately consolidated from November 17, 2006 to December 31, 2006. These financial statements are not inherently comparable and cannot provide a relevant comparative analysis of performance between the two periods concerned;
- the **proforma financial statements** for the period ended December 31, 2006, showing the Group in its new configuration from January 1, 2005 by proportionately consolidating the Natixis subgroup in its new form at 34.44%.

The principles used to prepare the proforma income statements for 2006 and 2006 are provided below.

XI.1 *Principles of the 2006 proforma financial statements*

The 2006 proforma income statement includes all expenses and revenues for the year generated by the entities contributed or acquired as part of the merger.

Natixis is proportionately consolidated at 34.44% for the whole of 2006.

The cooperative certificates of investment are deemed to have been issued by the Banque Populaire banks on January 1, 2005. The theoretical return on reinvestment of the proceeds from January 1, 2006 to November 17, 2006 in the proforma financial statements is determined on the basis of 6-month Euribor + 25 bp. Meanwhile, the cooperative certificates of investment acquired by Natixis are deemed to have been refinanced for the whole of 2006 on the terms and conditions of the refinancing transactions implemented between November 17, 2006 and December 31, 2006.

Lastly, the significant impacts on net income associated with the formation of Natixis in the published financial statements at December 31 2006 have been neutralized in the proforma financial statements. At issue is neutralization of the expenses and fees incurred on the transactions that created the new entity as well as the dilution gain (€1.7 billion) on consolidation resulting from the decrease in the Group's equity interest in Natixis from 80.87% to 34.44%.

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XI.2 *Reconciliation of the 2006 published and proforma income statements*

		Pro forma impacts					
				Other proforma adjustments			
in € millions	12/31/2006 Statutory	Caisse d'Epargne Group contributions (1)	Change of method of accounting (2)	Natixis subgroup (3)	Banques Populaire banks (4)	Other (5)	12/31/2006 *Proforma*
Net banking income	**9,040**	**1,124**	**(2,091)**	**(64)**	**70**	**4**	**8,083**
General operating expenses	(6,008)	(759)	1,382	8		44	(5,333)
Gross operating income	**3,032**	**365**	**(709)**	**(56)**	**70**	**48**	**2,750**
Impairment charges and other credit provisions	(370)	9	54			(1)	(308)
Net operating income	**2,662**	**374**	**(655)**	**(56)**	**70**	**47**	**2,442**
Share of results of associates	37	117	(6)			0	148
Gains or losses on other assets	1,688	1	(6)			(1,680)	3
Change in value of goodwill		(1)				0	(1)
Income before income tax	**4,387**	**491**	**(667)**	**(56)**	**70**	**(1,633)**	**2,592**
Income tax	(858)	(111)	194	(4)	(24)	(38)	(841)
Net income	**3,529**	**380**	**(473)**	**(60)**	**46**	**(1,671)**	**1,751**
Minority interests	(197)	(26)	163	9			(51)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**3,332**	**354**	**(310)**	**(51)**	**46**	**(1,671)**	**1,700**

Comments:

(1) Income and expense from January 1, to November 17, 2006 generated by the assets contributed by the Caisse d'Epargne Group to Natixis (corporate and investment banking and service subsidiaries and contribution of Caisse d'Epargne banks) have been included in the 2006 proforma income statement.

(2) Income and expense from January 1, to November 17, 2006 generated by the assets contributed by the Banque Populaire Group to Natixis (Novacrédit and contribution of Banque Populaire banks) have been included in the 2006 proforma income statement.

(3) Other proforma impacts concerning Natixis comprise mainly the cost of financing the cooperative certificates of investment issued by the Banque Populaire banks, i.e. €44 million recognized in net banking income, and the reclassification of €8 million in fee and commission income received from Natixis Garanties from net banking income to general operating expenses.

(4) Proforma impacts concerning Natixis mainly comprise the theoretical gain on reinvesting the proceeds of the Banque Populaire banks cooperative certificates of investment from January 1, 2006 to November 17, 2006, i.e. €70 million (€46 million net of deferred tax).

(5) Other proforma impacts relate mainly to neutralization of income and expense attributable exclusively to the transactions involved in the formation of Natixis, namely:

- *in the item "General operating expenses", neutralization of €43 million in expenses and fees incurred to form Natixis and place its securities on the market;*
- *in the item "Gains or losses on other assets", neutralization of (i) the dilution gain of €1,741 million resulting from the decrease in the Group's proportionate share of equity in Natixis, and (ii) expenses of €61 million in commissions on the open price offer paid by SNC Champion to the Banque Populaire banks, Caisse d'Epargne banks, and capital market banks on the occasion of the placement of Natixis securities.*

8.2.4 Statutory Auditors' report on the consolidated financial statements

Banque Fédérale des Banques Populaires SA
"Le Ponant de Paris", 5, rue Leblanc - 75511 PARIS CEDEX 15

Year ended December 31, 2008

Dear Shareholders,

In accordance with our appointment by the Board of Directors of Banque Fédérale des Banques Populaires, we hereby submit our report on the following items for the year ended December 31, 2008:

- our audit of the accompanying consolidated financial statements of the Banque Populaire Group;
- the justification of our assessment;
- specific verifications required by law.

The consolidated financial statements have been approved by the Board of Directors of Banque Fédérale des Banques Populaires. Our responsibility is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We performed our audit in accordance with professional standards applicable in France. These standards require that we carry out procedures to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis or through another method, the evidence supporting the amounts and disclosures presented in the financial statements. An audit also involves assessing the accounting principles and significant estimates used by management, as well as the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted in the European Union.

Without calling into question the opinion expressed above, we draw your attention to note IV.6 of the notes to the financial statements, which details the Group's change of accounting method in accordance with the amendment to IAS 39 of October 15, 2008, authorizing the reclassification of certain financial assets.

II - Justification of our assessment

The financial and economic crises during the year triggered a sharp rise in volatility and a reduction in liquidity in certain markets, and made it difficult to establish financial and economic forecasts. As a result, generating the Company's financial statements for 2008 proved particularly challenging, especially in terms of establishing accounting estimates. Therefore we bring the following items to your attention, in accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessment:

Change of accounting method

As explained in note IV.6, the Group has reclassified a portfolio of financial assets into the "Loans and advances" category in accordance with the requirements of the amendment to IAS 39 and IFRS 7 as adopted on October 15, 2008. We have assured ourselves that the conditions required for the application of these requirements are in place and that the accounting treatment used and information produced comply with the aforementioned amendment.

Accounting estimates made within the context of banking activities

The Group recognizes impairment charges to cover credit and counterparty risks inherent to its business activities *(note IV.4.2 of the notes to the financial statements)*. We examined the control procedures applicable for monitoring credit and counterparty risks, impairment methodologies, assessing the risks of non-recovery and coverage of impairment losses by specific and collective impairment charges.

The Group uses internal models and methodologies to value financial instruments that are not traded on active markets, as well as to book certain impairment charges *(note IV.1.1 of the notes to the financial statements)*. We have reviewed control procedures relating to determining the inactive character of a market, verifying models and determining the data used.

The Group recognizes impairment charges on available-for-sale assets when there is objective evidence of a prolonged or material reduction in the value of these assets *(note IV.3 of the notes to the financial statements)*. We have reviewed control procedures relating to the identification of evidence of impairment, valuation of the most significant line items, and estimates leading, where applicable, to the coverage of impairment losses by provisions.

The Group has booked a provision to cover the risk of imbalance in homebuyers' savings plans and accounts *(note IV.16.3 of the notes to the financial statements)*. The methods used to calculate this provision have been prepared in accordance with the requirements made public in CNC notice 2006-02 of March 31, 2009. We have carried out tests to verify the application of these methods on a test basis.

Other accounting estimates

The Group records provisions to cover employee benefits *(see note VII.3 of the notes to the financial statements)*. We examined the methodology used to value these commitments, as well as the underlying assumptions and data used.

The Group reviewed its material intangible assets and goodwill recorded in the consolidated balance sheet *(notes II.10, IV.12.4 and V.10 of the notes to the financial statements)*. We have reviewed the means of carrying out impairment testing, as well as the main assumptions leading, where applicable, to the recognition of impairment charges.

The Group has recognized deferred tax assets, particularly in respect of tax loss carryforwards *(notes V.11.1 and IV.7 of the notes to the financial statements)*. We have reviewed the main estimates and assumptions leading to the recognition of these taxes.

Our assessment was performed as part of our audit of the financial statements taken as a whole, and assisted us in reaching the unqualified opinion expressed in the first part of this report.

III - Specific verifications

We also carried out the specific verifications required by law of the information provided in the Group's Management Report. We have no comments to make with respect to the fairness of their presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, April 24, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Agnès Hussherr
Partner

KPMG Audit
Fabrice Odent
Partner

Notes

9 Sustainable development

9.1 The Banque Populaire Group's commitment

The Banque Populaire Group has played an active role in the French economy at both regional and national level for many years and has forged a strong personality. Via its values, it intends to contribute to creating wealth over the long term for its member-stakeholders and customers, as well as for the environment and local regions. Promoting social and environmental responsibility is therefore vital. Favoring an effective business model based on financing methods that help to protect the environment and develop a solidarity-based economy is a key tenet of the Banque Populaire Group's sustainable development policy. The cooperative project expresses the Group's efforts in the area of social and environmental responsibility.

9.1.1 Protecting the environment: a priority for the Banque Populaire Group

Promoting "green" finance

The Banque Populaire Group has maintained its position as a pioneer and innovator in green finance by continuing to develop specific products such as "CODEVair" and "PREVair". While the CODEVair passbook account, created in 1999, was the precursor to the "Livret Développement Durable" (LDD) savings account, it differs in that it is dedicated entirely to financing environmentally-friendly projects. It provides financing for projects beyond the targets set by the LDD, i.e. renovation works eligible for tax credits. CODEVair also allows the Banque Populaire banks that distribute it to support the financing of a wide range of ecological projects.

Having received Finansol accreditation at six Banque Populaire banks, CODEVair also enables the Group to adopt a clear commercial approach that raises awareness among its customers and stakeholders, based on the message: "give meaning to your savings".

These products have also been praised by market observers. The Banque Populaire banks that distribute them occupy 12 of the top 20 places in the construction eco-loan and 6 of the top 10 places in the construction best-buy lists developed by ADEME(12) and "Testé pour vous" magazine(13).

CODEVair is distributed by 13 Banque Populaire banks and Crédit Coopératif. Customer deposits rose from €63 million in 2007 to €140 million in 2008. €50 million has also been lent out again for financing green projects.

The Banque Populaire banks rely on the opinions of a committee of local experts or the expertise of the regional ADEME agency to determine the ecological value-add of the projects financed.

Banque Populaire Occitane and Banque Populaire du Sud have gone even further with the launch in 2008 of "AUTOVair" (or "PREVair Auto"), a new product intended for retail banking customers, providing financing under favorable terms for vehicles with low carbon dioxide emissions.

The ecological financing range has been reinforced at the Banque Populaire banks with the "PROVair" loan for business customers, small businesses and local authorities to encourage ecological investment. This loan is based on the "PREVair Entreprise" loan launched by Banque Populaire d'Alsace en 1989. Taking their inspiration from how "PREVair" loans are organized, the Banque Populaire banks are turning to impartial partners to analyze the technical component of financing. Crédit Coopératif has formed a partnership with ACFCI(14) and ADEME in the "1,2,3 environnement !"(15) and "Envol"(16) programs. A similar partnership has been formed with Qualité France Association relating to the "LUCIE" program for facilitating environmental management at SMEs.

In major regional green investment projects, the efforts of the Banque Populaire banks are supported by financial solutions from Natixis, the Group's listed entity. The Banque Populaire banks therefore benefit from the expertise of a leading bank in financing renewable energy products, carbon financing and SRI and solidarity management.

A number of initiatives have been taken by the Banque Populaire banks to promote financing of ecological projects. A training program has been introduced to help customer advisors to offer financing solutions suited to the environmentally-friendly projects of our customers and stakeholders. The e-learning tool raises customer advisors' awareness of the important role played by banks in promoting sustainable development, as well as their understanding of the technical aspects

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(12) ADEME: French environment and energy conservation agency.

(13) Source: www.testepourvous.com in the homebuilding section, November 2008. "Testé pour vous" analyzes banking, loan, insurance and investment products.

(14) ACFCI: Assembly of French chambers of commerce and industry.

(15) "1,2,3 Environnement !" is a campaign to facilitate the implementation of environmental management in accordance with ISO 14001 and/or EMAS standards within companies, in particular SMEs.

(16) "Envol" is an intermediary "1,2,3 Environnement !" program for very small enterprises.

of energy-efficient equipment in the home. Lastly, it introduces a range of products and services encouraging customers to think about the environment in their personal and professional endeavors. To back up the Group's e-learning provision, employees at Banque Populaire Provençale et Corse benefit from specific training as part of a regional partnership with ADEME.

The Banque Populaire Group encourages the development new environmental markets. In May 2008, the Banque Populaire banks participated in the first "European Solar Days" organized by Enerplan, the French solar energy industry association. A total of 800 events were organized in France, attracting nearly 20,000 people. This partnership was renewed in 2009, with the hope of a further 1,500 events with the Banque Populaire network playing an even more important role.

To help support the development of the sustainable real estate market, the Banque Populaire Group was a founder member of the Effinergie association(17), advocating use of BBC labeling by professionals in the sector and individual buyers. This label will become standard in 2012 and is in addition to ecological loans.

Promoting efforts to protect the environment

The Banque Populaire banks have rolled out a variety of measures to reduce the direct impact of their activities on the environment. These measures can be assessed on the basis of the CSR(18) indicators provided in the appendices.

A major indirect initiative targeted at the general public in 2008 was the installation by Aérophile, in partnership with the Banque Populaire Group and the City of Paris, of the "Ballon Air de Paris" hot air balloon. The color of the balloon, located in Parc André-Citroën, tells Parisians the level of air quality in the city and on the outskirts.

9.1.2 Supporting solidarity

No. 1 in solidarity-based finance

In 2008, the Banque Populaire Group was ranked No. 1 in solidarity-based finance in Finansol-La Croix's sixth report, based on both the number of accredited products and inflows. This is thanks to organic growth in assets under management, particularly with the ramp-up of accredited CODEVair loans offered by the Banque Populaire banks and the efforts of Crédit Coopératif, offering a further 13 accredited products, giving a total of 25 for the Banque Populaire Group. The Banque Populaire banks, Natixis Interépargne and Crédit Coopératif combined have received inflows of nearly €715 million into solidarity-based funds out of a total of €1.7 billion for all French banks.

No. 1 micro-loan refinancer in France

The Banque Populaire Group is still the main source of financing for ADIE(19) and increased its involvement in 2008 by extending available credit facilities to €10.9 million. These facilities represented 28% of the association's activity(20) in 2008. Banque Populaire Occitane and Banque Populaire Provençale et Corse have also signed a local partnership with ADIE, aimed at jointly developing solidarity-based loans and helping jobseekers and people receiving RMI minimum income to set up, acquire or develop a company. These initiatives supplement the Group's efforts with other solidarity-based entrepreneurship organizations such as France Active, France Initiative Réseau and Réseau Entreprendre. As a result, the Banque Populaire Group is the leading partner of people setting up or acquiring businesses.

The skills sponsorship program launched in 2007 among member-stakeholders of the Banque Populaire banks, and a number of years ago among Natixis employees, continued. The lessons learned from these initiatives have been passed on to other Banque Populaire banks such as Banque Populaire du Sud-Ouest via its business foundation project.

Agencies to combat exclusion from banking services

The Banque Populaire banks are committed to implementing increasingly effective means of combating debt and exclusion from banking services.

Banque Populaire Provençale et Corse has set up an "Agence Solidarité" with the aim of providing assistance and tailored advice to member-stakeholders who are faced with difficulties, particularly loan repayment problems. Banque Populaire Atlantique, Banque Populaire Côte d'Azur and Crédit Coopératif have launched micro-loans at some of their branches to help people who are temporarily unable to access conventional banking services. In association with Banque Fédérale des Banques Populaires and ADIE, Banque Populaire Rives de Paris has launched the "Adigo" concept: a branch specializing in setting up micro-loans to launch a business.

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(17) *Effinergie is a label used to identify low energy buildings helping to achieve the target a four-fold reduction in greenhouse gas emissions by 2050.*

(18) *CSR: Corporate Social Responsibility.*

(19) *ADIE: The French association for the right to economic initiative ("Association pour le Droit à l'Initiative Économique").*

(20) *ADIE 2008 report.*

In order to gain a better understanding of the mechanisms of micro-loans and to identify ways in which they can be developed, Banque Fédérale des Banques Populaires, alongside Banque Populaire Atlantique, is involved in the work of the AUDENCIA micro-loan chair(21) in Nantes.

Another key event of 2008 was the development of the Banque Populaire Foundations, in particular those of Banque Populaire du Sud-Ouest, Banque Populaire Rives de Paris and Banque Populaire Provençale et Corse. The purpose of these foundations is to provide local support for projects with a social or environmental dimension, complementing the efforts of the "Second Chance Foundation" launched by BRED Banque Populaire and the Banque Populaire Group Foundation.

9.1.3 Supporting cooperation

Pioneering partnerships

With a strong presence in their local regions, the Banque Populaire banks have supported a number of regional councils in providing low-interest loans. Banque Populaire d'Alsace took a pioneering step by creating the first interest-free loan for the installation of solar water heating with its regional council. It was soon followed by Banque Populaire du Sud-Ouest, which made a commitment in partnership with the Aquitaine regional council to support solar energy, as well as Banque Populaire Val de France and the Centre regional council making a commitment to supporting building insulation.

The latest interest-free loan, the "*Prêt Climat Lorraine*", was launched by Banque Populaire Lorraine Champagne in September 2008 in partnership with the Lorraine regional council. This loan is intended to pay for building insulation. The Banque Populaire Group is now involved in four out of six regional interest-free loans in France and through its pioneering efforts has contributed to the French government's launch of a national interest-free loan intended to finance environmentally-friendly home renovations.

These innovative partnerships have shown that it is possible to provide low-interest loans to finance projects to help combat climate change. They foreshadow the French government's launch of "*Prêt éco-PTZ*", a national interest free loan to support environmentally-friendly projects, for which the "*PREVair 0 %*" loan was a precursor.

Lastly, 2008 saw the launch of the first sustainable development regional investment fund by Banque Populaire des Alpes. The "Alp'Invest Environnement" fund will invest €10 million a year over four years, acquiring stakes in companies involved in renewable energy-related and environmentally-friendly projects, as well as companies involved in medical and biotechnological advances during the early stages of their growth. This initiative is likely to be repeated in other regions of France.

Creation of the "cooperative dividend"

In order to make a more local commitment, the Banque Populaire Group created a new governing body in 2008, the Cooperative Committee, made up of the Chairmen and Chief Executive Officers of the Banque Populaire banks. The role of this committee is to assess the Group's positive impact on its economic, social and natural environment and to increase the benefits achieved from this. As part of this scheme, a new indicator has been introduced: the cooperative dividend. This is a qualitative and quantitative assessment of the Banque Populaire banks' corporate citizenship initiatives via their member-stakeholders, as well as how they have served the general interest and supported business start-up networks and sustainable development.

In 2008, for the 20 Banque Populaire banks questioned, the Banque Populaire Group's cooperative dividend amounted to €28.86 million for net income of €1.34 billion in 2007, representing a ratio of 2.2%.

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(21) *AUDENCIA: Business and management school founded in 1900 in Nantes.*

9.2 Human resources

9.2.1 Banque Populaire Group human resources policy

Workforce

Changes in the Group workforce in 2008

Excluding acquisitions, the Banque Populaire Group had 41,458 staff at end-2008, representing an increase of 1.5% year-on-year.

Including the Regional Bank acquisitions, the Group ended 2008 with 44,448 employees, an 8.8% increase.

The Banque Populaire banks accounted for 71% of the Group's workforce at end-2008.

THE BANQUE POPULAIRE GROUP IN 2008

Number of employees (permanent and fixed-ter contract) expressed as a full-time equivalent figure	12/31/2006	12/31/2007	12/31/2008
Banque Populaire Regional banks + CASDEN Banque Populaire + Crédit Coopératif	31,446	31,549	31,502
Regional Banks[1]	-	-	2,990
Crédit Maritime Mutuel	961	912	764
Banque Fédérale des Banques Populaires	541	538	572
i-BP (Group IT platform)[2]	914	1,013	1,073
FONCIA	-	5,723	6,510
Other units[3]	1,131	1,120	1,037
TOTAL BANQUE POPULAIRE GROUP	**34,994**	**40,855**	**44,448**

(1) Banque Chaix, Banque Dupuy de Parseval, Banque Marze, Banque Pelletier, Banque de Savoie, Crédit Commercial du Sud-Ouest and Société Marseillaise de Crédit.
(2) i-BP, Priam BP.
(3) BICEC, MA BANQUE, SBE, BCI, CAR BP, other Banque Populaire subsidiaries (staff seconded to BRED, Click & Trust, Cofilease, M+X, Ecofi, BTP Banque).

Recruitment

A third of staff leaving the Group do so through retirement. To replace these staff, support business development and maintain its skills levels, the Banque Populaire Group has an active recruitment policy.

In 2008, the Group hired nearly 2,500 new staff on permanent contracts. A total of 21% of these new employees were formerly on fixed-term contracts and work-study programs.

The move in the Group's gender balance towards women stabilized, with women making up 52% of new recruits.

Nearly 60% of the new intake were aged under 30. These new employees are helping to give the Group a more balanced age structure. Over 15% of the workforce currently aged 55 or over will retire in the next few years. The number of staff retiring increased significantly in 2008, up 12% year-on-year.

New recruits are increasingly well qualified. One-third of the new intake had a degree requiring 4-5 years of higher education.

Three-quarters of new recruits went into the branch network, mainly taking roles as branch staff and relationship managers for retail customers.

Recruitment advertising policy

Capitalizing on the Group's image as an employer while also targeting a broader base of applicants

Following on from the Group's efforts in 2007 to create an image as an employer that stands out from the rest and the launch of an unprecedented media campaign, further advertising efforts were implemented in 2008 via various media such as posters in railway stations, regional daily press, websites and specialist trade fairs.

The impact of this global advertising strategy resulted in particular in an influx of applications on the Group's job offers website. In 2008, nearly 50,000 applicants responded to the Group's job offers and a further 20,000 submitted spontaneous applications.

Relationships with higher education institutions and partnerships

In order to support our national advertising policy on a regional level, the Banque Populaire banks form partnerships with colleges and universities in their local area. These partnerships result in particular in the hiring of students on apprenticeship contracts before possibly being offered a permanent contract.

The Banque Populaire Group has an active policy of training young people. At end-2008, it had 906 staff on work-study programs, an increase of 1.6% relative to 2007. Almost 35% of staff who were on work-study programs at end-2007 were given permanent or fixed-term contracts in 2008, attesting to the Group's commitment to developing long-standing relations with its employees.

The Banque Populaire banks' involvement with higher education institutions also results in a significant number of internships being offered to students. This initial contact enables them to find out about the diversity and attractions of our business activities, whether on short-term work experience or a post-graduate placement.

Mobility

The general framework for mobility within the Group was reviewed and enhanced in 2008 in the GPEC employment and skills planning obligations agreement signed unanimously with trade union organizations on December 16, 2008. Setting out the terms and scope of transfers between different Group entities, expanding access to job offers posted on the Mobileo site, the new system is intended to facilitate the sharing of skills within the Group.

Strengthening skills and anticipating business needs

Group HR: analysis and outlook

The Group Human Resources Department works with companies to support compliance with GPEC (employment and skills planning) obligations. The uniform list of job descriptions, which has been updated and revised to reflect the changes to jobs and the organizational structure of the Group's companies, was finalized in 2008.

These communal descriptions will help to provide greater transparency in future years.

Enhancing banking expertise

The banking industry is demanding, competitive and ever-changing. As a result, the Group maintains extensive training efforts. More than 31,000 staff attended at least one training session in 2007, and 1.5 million hours of training were provided. The Group spends an amount equal to 6.9% of its payroll on advanced training each year, in response to and in anticipation of business developments.

The Group encourages its staff to undertake professional banking related education. In the 2007/08 academic year, this resulted in 113 new graduates from the ITB technical banking institute. The Group's pass rate remains outstanding at over 95%.

Furthermore, the Group continued in its banking training with a further 327 staff obtaining the BTS Banque qualification.

Enhancing staff's expertise and developing expertise in our priority target markets

In accordance with its strategic plan, the Banque Populaire Group continued to invest in training in order to offer its companies a structured and comprehensive training offering for each market:

- a training/action session for new branch managers;
- private banking, to provide the initial basis of advisors' expertise, with a course entailing over 62 days' training;
- small business relationship management with the new "Cible Agri" tax and social security optimization program and the creation of a training program on successfully managing professional and personal requirements.
- the "CIBLEntreprise INITIATION" training cycle;
- the new "territorial public sector" training cycle for institutional experts and loan advisors.

Improving knowledge about auditing and regulation

Banking legislation and regulation is constantly changing, and so the Group strengthened its training provision in this area in 2008:

- audit training;
- the creation of a dedicated training program for accountants following a recommendation from the *Commission Bancaire*;
- the second national "preventing financial crime" training program, focusing on the introduction of the third EU directive aiming to step up measures to combat fraud. Specific training in the use of research tools in detecting financial crime was followed at nearly all of the Banque Populaire banks;
- security training for staff from teams in charge of preventing economic and financial crime, as well as some security and IT systems managers.

Helping civic society

The Group intends to support the integration of disabled people. An e-learning module has therefore been devised for managers with the aim of helping them to develop the appropriate attitude and behavior for each form of disability, particularly in terms of welcoming and communicating with disabled people.

This training program forms part of the general awareness measures implemented in 2008 among HR employees and all members of staff.

Developing the Group's management expertise

Keeping an eye on the career development of employees with potential, the Group oversees the training of future managers and the development of management teams by developing training programs suited to the new challenges of the profession.

In January 2008, the Group's CPM management training centre welcomed its 18th intake, taking the total number of managers having received this training to 439. Alongside training relating to cultural approaches, participants carry out research into themes of general interest for the Group and learn about management techniques in the banking industry.

Human resources supported by extensive use of IT

As part of a general and shared drive to implement qualitative management of human resources and skills planning, the human resources IT projects carried out in 2008 reflected the Banque Populaire Group's desire to make its employees play a more active role in their career development by facilitating access to information and relations with other managers or HR departments.

As an extension of the measures implemented with the aim of overhauling the Group's administrative, training and recruitment management, the principle of opening up the human resources IT system to employees resulted in a number of complementary initiatives:

- opening up the human resources IT system via a secure "self-service" intranet site for employees, allowing them to view and update individual information and access their personal records (location, contract, remuneration and a personalized social assessment report);
- access to the "training passport", allowing employees to view details of the training they have undergone, training currently in progress or future training at any time as soon as this information is known;
- the introduction of online assessments, which – coupled with job descriptions and skills requirements – opens up a new aspect of local relations, easier interview methods or ways of expressing career development aspirations, as well as permanent access to information validated by the employee and his or her managers;
- in parallel, the enhancement of HR management tools made available to managers and HR officers attests to the Banque Populaire Group's desire to improve knowledge of its employees in order to allow for improved local HR management, which is central to our values.

Furthermore, the success of the job site opened to employees in January 2008 and the establishment of the online e-learning training system also confirm the major shift towards an increasingly collaborative approach to human resources management, facilitated by the implementation of new technologies putting the individual at the centre of human resources.

Compensation and benefits

In accordance with the Group's decisions, wage negotiations concerning general salary changes were held in 2008. Four meetings took place between February and April between Banque Fédérale des Banques Populaires and national trade union organizations. This provided the opportunity to find out more about each party's analysis of the Group's economic and social indicators, including comparisons with other banks. Discussions took account of the benchmarks available in terms of changes to the cost of living in 2008 and the challenges facing the Group in terms of human resources. The most recent proposal from the employer delegation submitted to national trade union organizations did not receive any signatures. This lack of agreement on wages is unusual for the Banque Populaire Group. Contrary to the general situation in the banking industry, it has prompted employers to assume their responsibility to ensure that employees are not penalized.

The Group's directors unanimously decided to implement measures to allow for general salary increases in 2008.

As a result, salaries paid to employees of the Banque Populaire Group covered by the collective bargaining agreement for the banking industry present on December 31, 2007 and May 1, 2008, were increased by 1.7% as of May 1, 2008 subject to:

- a minimum of €600 for employees earning €20,000 or less and €500 for those earning more;
- a maximum of €800.

The Banque Populaire Group again offered the most favorable pay rises in the French banking sector.

Nearly 2,500 of the Group's employees with a basic salary of €20,000 or less benefited from an average pay rise of 3.84%, while 7,500 employees with a salary of €20,000 to €25,000 received pay rises of at least 2.3%.

The Group's directors were committed to upholding the measures implemented for a number of years, particularly those favoring employees on lower salaries. They also endeavored to protect the Group's future in accordance with the fundamentals of the Group's employee base, by attempting to achieve the balance necessary for our long-term development.

Each Group company analyzes individual compensation packages every year, and analyzes their change with respect to shared staff/company targets.

Incentive and profit-sharing plans

Within the Group, the calculation and payment of incentive and profit-sharing bonuses are covered by agreements specific to each company.

The average bonus paid to staff in 2008 with respect to 2007 equaled around 21% of annual gross salary, i.e. €7,288 per employee.

Dialogue with employees

National level

The main focus in 2008 was on negotiating an employment and skills planning framework for the Banque Populaire Group. Technical issues were also addressed, reflected by collective bargaining agreements.

Change in the status of the Banque Populaire autonomous pension fund

In accordance with the requirements of the 2003 law, the Banque Populaire Group's autonomous pension fund ("*Caisse Autonome de Retraite*" or CAR) - like all supplementary pension schemes - had to change its status before December 31, 2008 to that of a benefit institution ("*Institution de prévoyance*") or a supplementary pension management institution ("*Institution de gestion de retraite supplémentaire*"). The latter option was selected by the Group's employee representatives on the Board of Directors and in Group negotiations. Pursuant to a collective agreement of May 15, 2008, Banque Fédérale des Banques Populaires and all of the trade union organizations therefore made the necessary changes to the regulations and by-laws of the CAR autonomous pension fund.

GPEC employment and skills planning obligations

Group discussions concerning GPEC employment and skills planning obligations initiated in late 2007 were finalized in late 2008. The regulations resulting from these negotiations set out a provisional framework for skills planning within Group companies based on shared tools, with the aim of giving both companies and employees greater visibility on the development of the Group's business lines and allowing them to anticipate and accompany this development.

As of January 2009, a uniform list of job descriptions will allow for provisional studies by the job monitoring unit, in keeping with the Group's strategy. Employee assessments, training provisions, possible career paths and the organization of transfers between Group companies will be made available to companies and employees with a view to steering the necessary or desired changes.

Two possible major changes have been identified: one relating to sensitive business lines and one relating to the pooling of resources or creation of shared sites that justify specific approaches.

Lastly, in accordance with the AFB agreement of July 9, 2008 and recent legislation concerning mature employees, the Banque Populaire Group's framework provides for a number of measures to support staff in the latter stages of their career.

The unanimous adoption of these measures reflects the quality of work and discussions between the partners involved over more than a year concerning this highly important issue.

Trade union law and federal bodies

The 2006 law concerning federal bodies states that only members of a works council may sit on intercompany works councils. This condition creates difficulties with representation for some trade union organizations as the composition of works councils is renewed. Following their repeated request, an amendment setting out the terms for replacing works council members and the possibility of making new designations was reviewed and then approved unanimously by the four signatories of the 2006 law.

The Group agreement of April 2006 concerning trade union law was subject to two changes implemented on December 16. The first, a unanimous amendment, extends the trade union representative experiment to part-time workers for 2009. The second change takes into account the acquisition of the regional banks and includes them in the framework for the Group's dialogue with employees as of 2009. This amendment, which is currently being approved, is supported by the SNB, Force Ouvrière and CFTC trade union organizations.

At industry level

As an associate member of the French Banking Association (AFB), the Banque Populaire Group took part in various bodies in 2008, including the *Commission Paritaire de la Banque* (banking equal representation commission), *Commission Paritaire Nationale de l'Emploi* (national employment equal representation commission) and discussion and technical groups.

At company level

As in prior years, 2008 was an eventful year in terms of employee relations and contractual arrangements within the Group's companies, giving a closer reflection of the actual situation and employees. A wide variety of topics were discussed, reflecting the human resources policy of each company and in keeping with their strategy, restrictions, specific characteristics and schedule.

In 2008, following on from previous years, annual mandatory negotiations constituted a key meeting between employee representatives.

9.2.2 BFBP's workforce

Headcount

In the last five years, movements in the workforce of Banque Fédérale des Banques Populaires (BFBP) and its subsidiaries have been as follows:

	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008
BFBP	489	510	541	538	572
French and foreign subsidiaries	13,895	14,529	15,461	7,583[(1)]	7,994
TOTAL	**14,384**	**15,039**	**16,002**	**8,727**	**8,566**

(1) Subsidiaries with staff: FONCIA, MA BANQUE, i-BP, BICEC (Cameroon), BCI (Congo-Brazzaville), not including Natixis.

BFBP continued to expand its workforce in 2008, recruiting 108 new staff (compared with 78 in 2007), including 31 from other Group companies. The workforce in the Development, Risk Management and Finance departments was strengthened, accounting for 45% of new staff recruited, while 28% of new recruits joined the Internal Audit department. A total of 17 employees transferred to other Group companies.

Staff incentive plans

Incentive plans

The Banque Fédérale des Banques Populaires incentive agreement reached with staff representative bodies on June 29, 2007, covers all of the Company's employees in 2007, 2008 and 2009.

The incentive agreement will enable all employees who have been with the Group for at least three months to receive a bonus, the amount of which will vary depending on the Company's annual performance (provided that BFBP's consolidated net income is at least €100 million).

This agreement reflects the need to take account of changes within Banque Fédérale des Banques Populaires and its desire to have an agreement that is consistent with its status in the Group.

Banque Fédérale des Banques Populaires has three main missions: it is the head of the network, central body and holding company.

Its objectives are:

- to support the Group's development strategy;
- to monitor the Group's profitability and risk management;
- as holding company, to exert control over its subsidiaries, in particular Natixis with Caisse Nationale des Caisses d'Epargne (CNCE).

Measurement criteria

Incentive bonuses will be calculated on the basis of four criteria:

- Criterion 1: The Banque Populaire banks' success in hitting targets stated in the Group Strategic plan, involving six indicators:
  - growth in the number of active personal customers,
  - growth in the number of active small business customers,
  - change in the proportion of active customers within the SME customer base,
  - ownership of insurance products (property/casualty or long-term care insurance),
  - net savings inflows,
  - growth in the number of wealth-management and high-net-worth customers;
- Criterion 2: Change in the Banque Populaire banks' cost/income ratio:
  - operating expenses, depreciation and amortization/net banking income;
- Criterion 3: Reduction in the Banque Populaire Group's impairment charges and other credit provisions:
  - net provisions on non-performing loans and losses/Banque Populaire Group net banking income;
- Criterion 4: Improvement in the Banque Fédérale des Banques Populaires Group's consolidated ROE:
  - ROE calculation: net income for the year/shareholders' equity at the end of the previous year.

Calculation method

4 objectives	Development	Profitability	Security	Holding company role
4 measurement criteria	Realization of the Group Strategic Plan	BP banks' cost/income ratio	BP Group's impairment charges and other credit provisions/net banking income ratio	BFBP Group's consolidated ROE
I =	I1 +	I2 +	I3 +	I4

The incentive bonus budget will therefore be the sum of four figures:

I = I1 + I2 + I3 + I4.

The extent to which each criterion is met will result in a multiplier ranging from 0-2, which will be applied to a basic amount equal to 3% of the payroll.

Breakdown between staff

Incentive bonuses will be distributed as follows:

- 20% related to the time each employee has spent at the Company during the year;
- 80% related to each employee's gross salary during the year, including performance bonuses. Bonuses and sundry benefits are excluded from this amount. The salary taken into account is capped at four times the annual social security threshold (€128,736 for 2007).

Employee profit-sharing

The special profit-sharing reserve (SPR) is calculated in accordance with the statutory formula, based on BFBP's balance sheet.

SPR = ½ (I – 5% E) × P/VA

I = net income

E = shareholders' equity

P = payroll

VA = value added

The calculation has given a result of zero since 2003.

Employee savings plan

Provisions relating to the Banque Fédérale des Banques Populaires employee savings plan are the result of a collective bargaining agreement that came into force on January 1, 2006. This agreement sets the maximum employer top-up at €1,900 per employee per year.

Stock option plans

The Banque Fédérale des Banques Populaires group grants stock options to certain of its employees. The options are over Natixis shares and are exercisable after a vesting period of four years.

Supplementary pension plan

From October 1, 2007, Banque Fédérale des Banques Populaires introduced a supplementary pension plan for the senior executives of Group companies, including those of BFBP.

This supplementary defined-benefit plan is to help compensate for the deterioration in the replacement rate (i.e. pension divided by final salary) offered by the standard pension plan for this category of staff.

The plan is also intended to improve retention of an identified set of senior executives who meet certain criteria in terms of responsibility, autonomy and remuneration level, as stated in the French Labor Code.

To benefit from the plan, senior executives must meet conditions in terms of how long they have been with the Group and on a management committee, and the target retirement age is 65.

The plan is managed by Natixis Assurances as part of a policy taken out by BFBP on behalf of Group companies.

9.3 Patronage and sponsorship

9.3.1 Patronage

As an illustration of the Banque Populaire Group's commitment to supporting those who work with enthusiasm to push forward their personal projects, the Banque Populaire Group Foundation continued in 2008 with its efforts to support young musicians and composers and young physically disabled people, and to protect France's maritime and aquatic heritage.

The Foundation has an annual budget of €1.52 million, and operates on a long-term basis, since recipients of its grants can receive support for three years (consecutive or otherwise) depending on the development of their project.

In 2008, 53 projects received grants: 12 in the field of music, 24 for disabled persons and 17 for water heritage.

The Foundation's actions in 2008

Young musicians

12 young musicians, including one composer, were selected. With the Foundation's assistance, they will be able to continue their artistic development, taking lessons and masterclasses with leading musicians. They will take part in major international competitions, and will be able to make their first recordings.

Young physically disabled people

In 2008, 24 physically handicapped people received grants for their projects. Five of these projects related to higher education and two to vocational training. Two were to buy equipment to help overcome a disability and continue a professional activity, four were for business start-ups, three related to artistic activities and eight were for disabled athletes preparing for national and international competitions. Seven of the people receiving grants participated in the Paralympic Games in Beijing and two won a gold medal.

The Foundation will enable these young disabled people to realize their plans, support their professional integration and help them to carry out an activity in an ordinary environment. The recipients selected illustrate the Banque Populaire Group's commitment to those who undertake and dedicate their enthusiasm to collective or personal projects. A number of these awards were presented by the Group's banks, which also work to support local initiatives.

In May, the Foundation created its own music festival, "Les Musicales de Bagatelle", which took place at the Parc de Bagatelle Orangerie in Paris. The first festival hosted more than 1,300 people, with four concerts featuring 14 award recipients. In the light of this success, the initiative will be repeated in 2009 with six concerts, each under a different theme.

For the first time, the Foundation also organized two concerts for children being treated at the Centre de Réadaptation Fonctionnelle de Kerpape, a rehabilitation centre close to Lorient. Six award recipients volunteered their time to perform for over a hundred children.

Water heritage

17 projects were carried out in 2008. There were three restoration projects, three renovation/improvement projects, four exhibition projects and seven projects to protect sea and freshwater heritage.

It was also decided that the water heritage jury would be replaced by a new, larger jury in 2009. This jury will be responsible for granting major national awards, mostly selected on the basis of projects put forward by the Banque Populaire banks. It will award exemplary entrepreneurial initiatives in the fields of the environment and sustainable development, social innovation, solidarity-based projects and social integration. The Foundation's Board of Directors will also be able to grant a special award and a special "Young Person's" award.

9.3.2 Sponsorship

The Banque Populaire Group has continued to develop its sponsorship policy over the last 20 years. Its commitment to the world of sailing - a sport that reflects its values of performance and daring - had two highlights in 2008: the Olympic Games in Beijing and the baptism of its new boat, the *Maxi Banque Populaire V*.

A major activity with extensive media coverage

Baptism of the Maxi Banque Populaire V: the result of a large-scale project

As the oldest sailing sponsor, the Banque Populaire Group this year celebrated the launch of the *Maxi Banque Populaire V*, the world's largest oceanic racing trimaran. The boat is the result of a total of 250,000 hours of work by a team of more than 170 people.

The boat – which is 40 meters long, 23 meters wide and 49 meters high – was baptized in Nantes in October, in front of a crowd of 25,000 people. The event attracted 120,000 visitors to the "*Grandeur Nature*" village, created specially to mark the occasion for a one-week period, as a demonstration of the Banque Populaire Group's commitment to sailing. Attractions at the village included the boats of the French Olympic sailing team, Pen Duick boats and a number of educational exhibits about the sea and sailing.

As of winter 2009, the *Maxi Banque Populaire V*, skippered by Pascal Bidégorry, will take on some of the world's most legendary sailing records, such as crossing the North Atlantic and the Jules Verne Trophy for the fastest non-stop circumnavigation of the world.

The Banque Populaire fleet's challenges in 2008

The other two boats in the Banque Populaire fleet participated in various races in their categories. The 60-foot *Banque Populaire IV* trimaran came second in the *Trophée SNSM* (Saint-Nazaire - Saint-Malo) race(22) and participated in the America's Cup multi-hull training races as sparring partner of Switzerland's Alinghi against the Oracle crew. Le Figaro Banque Populaire, skippered by Jeanne Grégoire, took part in the Transat Concarneau - Saint-Barth double-handed transatlantic race, as well as the La Solitaire du Figaro. Jeanne Grégoire, who came fifth in the two races, is still France's top female ocean racing navigator.

Partner of the French sailing team

The Banque Populaire Group has been the official partner of the French Sailing Federation (FFVoile) since 2000. In 2008, it supported the Federation's development and was involved in running clubs and promoting the sport all over France. It also supports the French sailing team, which took part in the Olympic Games in Beijing in August. The Group congratulated itself on French medal-winners Guillaume Florent, bronze in the Finn class event, Nicolas Charbonnier and Olivier Bausset, bronze in the 470, and Julien Bontemps, silver in the RS:X class. The partnership with the French Sailing Federation will be renewed until 2012, when the next Olympic Games is held in London.

Supporting the Eric Tabarly Association

As the official partner of the Eric Tabarly Association since 2003, the Group is involved in maintaining the legendary Pen Duick fleet. In April, the Group attended the inauguration of the Eric Tabarly Cité de la Voile in Lorient. This permanent exhibition is a centre for resources and displays relating to the sea. The Group also decided to involve the Banque Populaire Foundation, whose role is to support projects to enhance France's maritime and aquatic heritage, as sponsor of the temporary mobile exhibition on Eric Tabarly.

Competing in the Vendée Globe

The Group was involved in the Vendée Globe, a major sailing event, with subsidiary FONCIA's 60-foot monohull skippered by Michel Desjoyeaux. At the end of a thrilling race, he was first to cross the finish line for the second time. This victory was feted by the Banque Populaire Group, whose subsidiary FONCIA was rewarded for 10 years of sponsoring sailing by winning this legendary title.

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(22) *The Trophée SNSM pays homage to the people and work of the Société Nationale de Sauvetage en Mer (French lifeboat organization). The race brings together both amateur and star open-sea yachtsmen, who complete the same course from Saint-Nazaire to Saint-Malo in three days.*

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9.4 Reporting required under France's NRE act – workforce information

Indicator

The indicators stated are those defined by the February 20, 2002 decree relating to new economic regulations, known as the "NRE act". The correspondence between these indicators and GRI 3 (Global Reporting Initiative) indicators is stated in brackets.

Scope of reporting

With the exception of total Group FTE headcount, which covers France and other countries, quantitative data relates to Banque Populaire Group companies in France (Banque Populaire regional banks, CASDEN Banque Populaire, i-BP, BFBP, MA BANQUE, Priam BP, SBE).

Additional information is available in the 2008 federal workforce report.

9.4.1 Total Group workforce (GRI 3) (LA 1, LA 13) (Art. 1.1a, 1.3)

The total Group workforce was 44,448 on a FTE basis at December 31, 2008. The Banque Populaire banks' staff make up 71% of the Group's FTE workforce.

Total headcount rose by 8.8% relative to 2007 due to the acquisition of the Regional Banks, which was completed in July 2008.

At constant scope (excluding the Regional Banks), the increase was 1.5%.

FTE headcount	2007	2008	% change
Permanent	40,832	44,581	9.2%
Fixed-term	1,027	1,103	7.4%
Permanent and fixed-term FTE	40,855	44,448	8.8%

The scope analyzed below includes only the Banque Populaire regional banks, CASDEN Banque Populaire, i-BP, BFBP, MA BANQUE, Priam BP and SBE, representing 75% of the Group's workforce.

Permanent/fixed-term	2007		2008	
	Number	*%*	*Number*	*%*
Permanent (including staff on work-study programs)	31,802	97.6	31,660	97.9
Fixed-term (excluding staff on work-study programs)	777	2.4	692	2.1
TOTAL	**32,579**	**100.0**	**32,352**	**100.0**

Number of people.

Non-managerial/managerial	2007		2008	
	Number	*%*	*Number*	*%*
Non-managerial staff	22,053	69.3	21,550	68.1
Managerial staff	9,749	30.7	10,110	31.9

Permanent staff at December 31.

Women/Men	2007		2008	
	Number	*%*	*Number*	*%*
Women	17,784	55.9	17,809	56.3
Men	14,018	44.1	13,851	43.7

Permanent staff at December 31

9.4.2 Recruitment (LA 2) (Art. 1.1a)

To support its development in 2008, the Group pursued a dynamic recruitment policy. As a result, Group companies hired nearly 2,500 new staff on permanent contracts.

A quarter of these staff were previously on fixed-term contracts and work-study programs. This confirms the Group's desire to ensure long-term employment.

The Group's gender balance continued to move towards women. In 2008, a slight majority of new permanent recruits (52%) were women.

New recruits	**2007**		**2008**	
	Number	*%*	*Number*	*%*
Permanent				
Non-managerial	2,158	50.8	1,956	48.9
Managerial	544	12.8	548	13.7
Fixed-term				
Non-managerial	1,519	35.7	1,481	37.0
Managerial	29	0.7	14	0.4
TOTAL NEW RECRUITS	**4,250**		**3,999**	
MANAGERIAL PROPORTION		**13.5**		**14.1**

Three-quarters of the new intake in 2008 had at least two years of higher education.

Qualification level	**2007**	**2008**
2-3 years of higher education	47%	48%
4-5 years of higher education	30%	28%

Permanent staff only

9.4.3 Redundancies (LA 2) (Art. 1.1b)

The number of redundancies in 2008 made up less than 15% of the total number of departures from Group companies. Most redundancies were for personal reasons.

Redundancies	**2007**		**2008**	
	Number	*%*	*Number*	*%*
Redundancies	345	14.3	371	14.5
TOTAL DEPARTURES	**2,416**	**100.0**	**2,557**	**100.0**

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9.4.4 Overtime (Art. 1.2)

In 2008, 104,537 hours of overtime were worked, the equivalent of 65 staff on a FTE basis. This represents an 18% decrease on 2007.

Overtime	2007	2008
Hours	127,614	104,537
FTE staff	79.42	65.05

9.4.5 Temporary staff (Art. 1.1a)

The use of temporary staff is determined by the choices and needs of each Group companies. The Group makes relatively little use of temporary staff, who have made up less than 1% of the total workforce on a FTE basis for several years now. This shows the Group's ongoing efforts to strike the right balance between job requirements, workload and staff allocated.

9.4.6 Redundancy plan

This section is not relevant to the Banque Populaire Group within the meaning of employment law.

9.4.7 Organization, working hours and absenteeism (LA 7) (Art. 1.2)

Within the Group, working hours are covered by agreements specific to each company. On an annual basis, the average workweek may be between 35 and 39 hours, and compensation for hours worked in excess of the stated amount may be provided, particularly in the form of additional days off.

In general, staff working according to a collective timetable can work part-time.

In 2008, 10% of staff (of whom over 93% were women) opted to work part-time.

Proportion of full-time worked by part-time staff at December 31	2007		2008	
	Number	*%*	*Number*	*%*
Less than 50%	126	0.4	110	0.3
50%	478	1.5	436	1.4
50-80%	718	2.3	778	2.5
80%	1,169	3.7	1,204	3.8
More than 80%	622	2.0	646	2.0
Full-time staff	28,689	90.2	28,486	90.0
Part-time staff	3,113	9.8	3,174	10.0

Permanent staff at December 31.

Absenteeism	2007	2008
Proportion	7.0%	7.2%

9.4.8 Compensation trends (LA 13, LA 14) (Art. 1.3)

In May 2008, the directors of the Banque Populaire Group unanimously decided to implement a measure to allow for a 1.7% increase in gross annual pay.

Each Group company analyzes individual compensation packages every year, and analyzes their change with respect to shared staff/company targets.

AVERAGE BASIC SALARY OF PERMANENT STAFF PRESENT AT DECEMBER 31 (EXCLUDING CLASS Z)

	2007		2008		% change	
Compensation	W	M	W	M	W	M
A	NS	-	NS	-	NS	NS
B	20,185	19,838	20,663	20,393	2.4	2.8
C	22,338	22,162	22,870	22,705	2.4	2.5
D	24,837	24,868	25,365	25,336	2.1	1.9
E	26,962	26,975	27,428	27,529	1.7	2.1
F	28,936	29,472	29,477	29,856	1.9	1.3
G	31,652	32,316	32,236	32,903	1.8	1.8
Non-managerial	25,694	26,866	26,330	27,464	2.5	2.2
H	37,836	39,506	38,613	40,286	2.1	2.0
I	47,319	49,809	48,139	50,699	1.7	1.8
J	56,446	60,891	58,401	62,319	3.5	2.3
K	72,743	79,427	74,762	79,312	2.8	- 0.1
Managerial	41,792	47,238	42,671	47,698	2.1	1.0

9.4.9 Professional relations and collective agreements

Please refer to the "9.2 Human Resources – Dialogue with employees" sub-chapter.

Main agreements signed in 2008:

- amendments 1 and 2 to the agreement relating to trade union law of April 26, 2006;
- agreement of May 15, 2008, concerning the amendments to the regulations of the Banque Populaire Group autonomous pension fund in view of the transfer of its reserves;
- agreement of May 15, 2008, concerning amendments to the by-laws of the Banque Populaire Group autonomous pension fund in view of changes to the institution managing the Group's supplementary pensions;
- amendment of May 15, 2008 relating to federal bodies;
- agreement of December 16, 2008, relating to GPEC employment and skills planning obligations.

9.4.10 Health and safety (LA 6) (Art. 1.5)

Within the Group, policies and budgets relating to health and safety are determined by each company and by health, safety and working conditions committees set up with staff representatives.

In addition to expenditure on specific initiatives to improve health and safety conditions in employees' working environments, companies use traditional monitoring and prevention systems such as an annual flu vaccination campaign and mandatory health check-ups for each employee every two years.

HEALTH AND SAFETY

In € millions	2006	2007	2008
Health expenditure	3,317	3,274	
Safety expenditure	34,059	38,549	
Budget for improving working conditions	112,648	153,645	
TOTAL	**150,024**	**195,468**	see June 2009 workforce report

9.4.11 Training (LA 10) (Art. 1.6)

In 2007, more than 1,478,161 hours of training were provided to staff. This shows the Group's sustained commitment to staff training in a demanding and ever-changing banking industry. More than 31,000 staff out of a total workforce of 36,378 attended at least one training session.

Training initiatives via the Group's online training platform became more widespread in 2008, with 104,000 hours of online training dispensed.

As in 2007, the Banque Populaire Group's training expenditure in 2008 was more than 6% of payroll (legal minimum: 1.6%).

Training	2006	2007	2008
Number of hours	1,472,603	1,478,161	see June 2009 workforce report
Number of people trained	30,424	31,917	see June 2009 workforce report

Business-line initiatives and manager training

Please refer to the "9.2 Human resources – Strengthening skills and anticipating business needs" sub-chapter.

9.4.12 Diversity (LA 13, LA 14) (Art. 1.3)

Equal opportunities between men and women

PROPORTION OF WOMEN IN THE WORKFORCE

Women/men	2007	2008
Women	55,9%	56,3%
Men	44,1%	43,7%

Permanent staff at December 31.

At December 31, 2008, women made up 56.3% of the Banque Populaire Group's workforce in France, very close to the year-earlier figure.

PROPORTION OF NEW RECRUITS CONSISTING OF WOMEN

Female new recruits	2007	2008
Permanent (managerial and non-managerial)	55,6%	55,3%
Fixed-term (managerial and non-managerial)	70,2%	69,9%

The number of women recruited by the Group in 2008 was 1,990, equal to over 60% of the total number of permanent and fixed-term staff hired across all Group business lines.

PROPORTION OF MANAGERIAL STAFF WHO ARE WOMEN

	2007	2008
Proportion of managerial staff who are women	31,8%	33,1%

The proportion of the Banque Populaire Group's managerial staff who are women increased in 2008, reaching 33%.

PROMOTIONS

Promotions	2007	2008
Women	13,7%	12,5%
Men	10,9%	10,7%

% of staff on permanent contracts promoted/total number of staff on permanent contracts at December 31.

The proportion of women promoted was 12.5% in 2008, versus 10.7% for men. This reflects the Group's workforce structure, but also Group companies' efforts to ensure that staff can realize their professional development potential regardless of gender.

PROPORTION OF PAY RISES GOING TO WOMEN

Individual pay rises	2007	2008
Women	55,6%	57,3%
Men	44,4%	42,9%

% of staff on permanent contracts receiving pay rises/total number of staff on permanent contracts at December 31.

Out of all French staff covered by the banking industry collective agreement, 57.3% of individual pay rises went to women in 2008, marking a further increase.

PROPORTION OF STAFF TRAINED WHO ARE WOMEN

Training	2006	2007	2008
Number of staff trained	30,424	31,917	see June 2009 workforce report
Proportion of staff trained who are women	54.7%	54.7%	see June 2009 workforce report

The Group is strongly committed to equal access to training, and this is shown by the fact that 54.7% of staff who received training in 2007 were women. This figure is very close to women's representation in the overall workforce.

9.4.13 Breakdown of the workforce by age segment (LA 1, LA 13) (Art. 1.1a, 1.3)

A large proportion of the Banque Populaire Group's staff are aged under 35. These young staff are helping the Group to balance its age structure and to prepare for the gradual replacement of staff taking retirement in the next few years, given the large number of staff currently aged 55 and over.

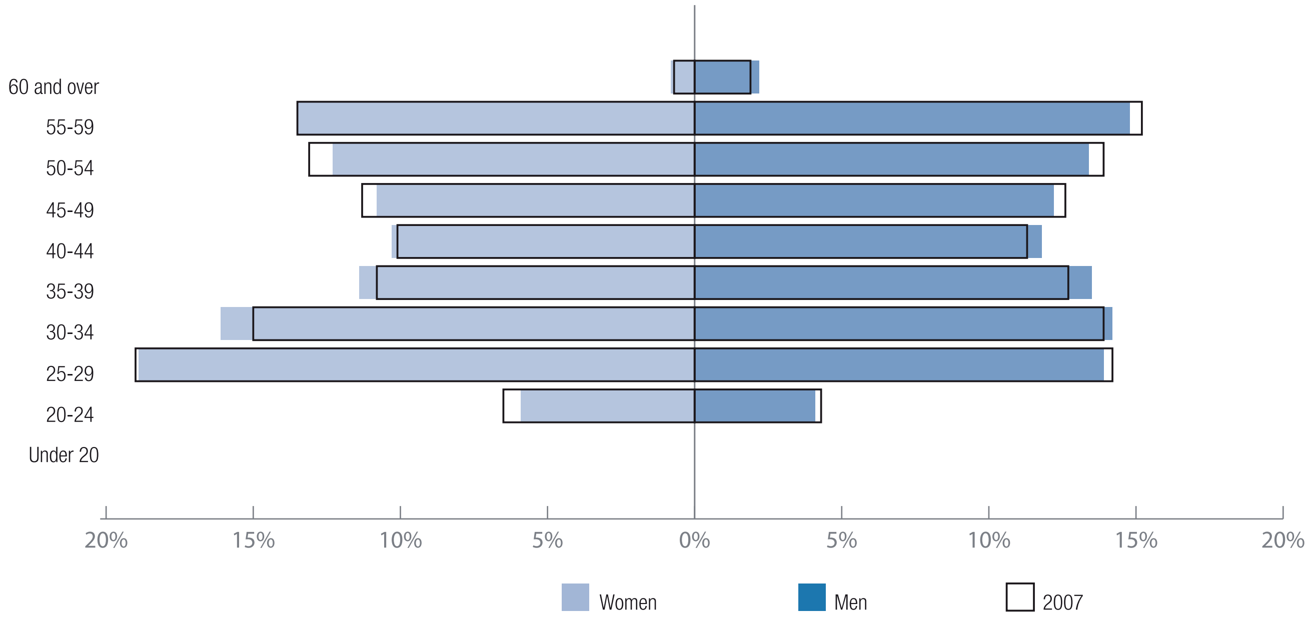
As 2008 figures show, the number of staff taking retirement has already started to increase (902 in 2008 compared with 806 in 2007).

Age segment	**2007**		**2008**	
	Women	*Men*	*Women*	*Men*
Under 20	0.0%	0.0%	0.0%	0.0%
20-24	6.5%	4.3%	5.9%	4.1%
25-29	19.0%	14.2%	18.9%	13.9%
30-34	15.0%	13.9%	16.1%	14.2%
35-39	10.8%	12.7%	11.4%	13.5%
40-44	10.1%	11.3%	10.3%	11.8%
45-49	11.3%	12.6%	10.8%	12.2%
50-54	13.1%	13.9%	12.3%	13.4%
55-59	13.5%	15.2%	13.5%	14.8%
60 and over	0.7%	1.9%	0.8%	2.2%

Permanent staff at December 31.

CHANGES IN THE AGE STRUCTURE

(% of age segments in male and female staff)



9.4.14 Employment and integration of disabled persons (LA 13) (Art. 17)

The number of disabled staff increased by 39% in 2008 to 853. This figure does not include the Group's use of "*entreprises adaptées*" (companies that employ disabled staff).

The creation of "Mission Handicap" within the Banque Populaire Group played a key role in this significant increase, which is meaningful for all employees.

EMPLOYMENT AND INTEGRATION OF DISABLED PERSONS

	2006	2007	2008
Number of disabled workers	603	613	853

9.4.15 Staff welfare (Art. 1.8)

Within the Group, staff welfare contributions are determined by agreements specific to each company. Contributions to works councils, the intercompany works council and employment benefits have been constant at over €240 million for several years.

STAFF WELFARE

in € millions	2006	2007	2008
Annual contribution to the works council's budget	17,223	18,395	
Annual contribution to the intercompany works council's budget	2,271	2,482	
Amount spent on employment benefits by the employer	210,908	210,564	
Amount spent on employment benefits by the works council	14,753	15,645	
TOTAL	**245,155**	**247,086**	See June 2009 workforce report

9.4.16 Impact of the Group's activities in terms of regional employment and development

The Banque Populaire Group's history is founded on regional development values, and it continues to support local development through its presence as an employer in the regions and by financing the activities of its customers, with whom it builds close, long-term partnerships.

In 2008, 75% of the Banque Populaire banks' staff worked outside the Paris region. Two-thirds of new staff were recruited outside of the Paris region.

9.4.17 Relations with social integration associations and educational institutions

Within the Group, relations with social integration and professional development organizations are the responsibility of each company, with the stated intention of promoting the Group's mutual and co-operative values.

9.4.18 Outsourcing and compliance with the fundamental conventions of the International Labor Organization

The Banque Populaire Group ensures that suppliers with which it signs outsourcing contracts comply with laws relating to the management of their staff.

The Purchasing department includes a clause relating to the working conditions of subcontractors in all service tenders.

9.5 Reporting required under France's NRE act – environmental information

Indicators

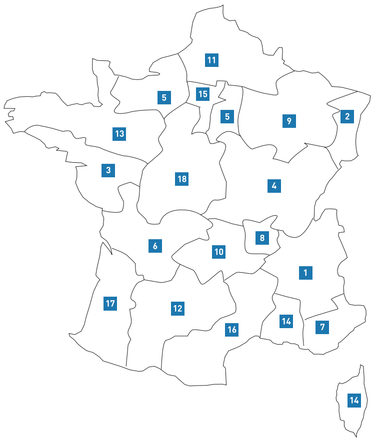
The indicators stated are those defined by the February 20, 2002 decree relating to new economic regulations, known as the "NRE act". The correspondence between these indicators and GRI 3 (Global Reporting Initiative) indicators is stated in brackets, followed by the relevant article of the NRE act. The Banque Populaire Group has chosen to base its sustainable development reporting on statutory requirements (NRE act) and on a set of voluntary international standards (GRI).

The cross-reference table for NRE – GRI indicators is available at *www.developpementdurable.banquepopulaire.fr.*

Scope of reporting

This is the second time that the Banque Populaire Group has had to produce an NRE Act appendix, and it has limited the scope of reporting to the 18 Banque Populaire banks, CASDEN Banque Populaire and Crédit Coopératif.

It was not possible to consolidate all data in each entity. Maps show whether certain banks have been temporarily excluded from the scope. The analysis was conducted in mainland France and in French overseas territories.



1	BANQUE POPULAIRE DES ALPES
2	BANQUE POPULAIRE D'ALSACE
3	BANQUE POPULAIRE ATLANTIQUE
4	BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ
5	BRED BANQUE POPULAIRE(1)
6	BANQUE POPULAIRE CENTRE ATLANTIQUE
7	BANQUE POPULAIRE CÔTE D'AZUR
8	BANQUE POPULAIRE LOIRE ET LYONNAIS
9	BANQUE POPULAIRE LORRAINE CHAMPAGNE
10	BANQUE POPULAIRE DU MASSIF CENTRAL
11	BANQUE POPULAIRE DU NORD
12	BANQUE POPULAIRE OCCITANE
13	BANQUE POPULAIRE DE L'OUEST
14	BANQUE POPULAIRE PROVENÇALE ET CORSE
15	BANQUE POPULAIRE RIVES DE PARIS
16	BANQUE POPULAIRE DU SUD
17	BANQUE POPULAIRE DU SUD-OUEST
18	BANQUE POPULAIRE VAL DE FRANCE
19	CASDEN BANQUE POPULAIRE(2)
20	CRÉDIT COOPÉRATIF(2)

(1) *BRED Banque Populaire also operates in the following countries and overseas territories: French Polynesia, New Caledonia, Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.*

(2) *Banque Populaire bank with national coverage.*

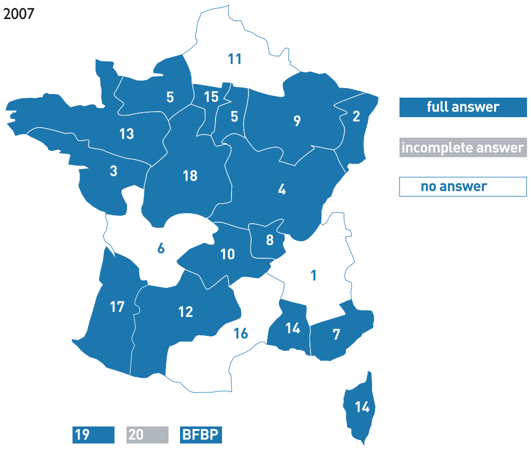
9.5.1 Consumption of materials (EN 1, EN 2) (Art. 2.1)

These figures include i-BP's consumption and desktop publishing. As of May 2009, customer communications will be printed on both sides, which will allow for an estimated saving of 20%.

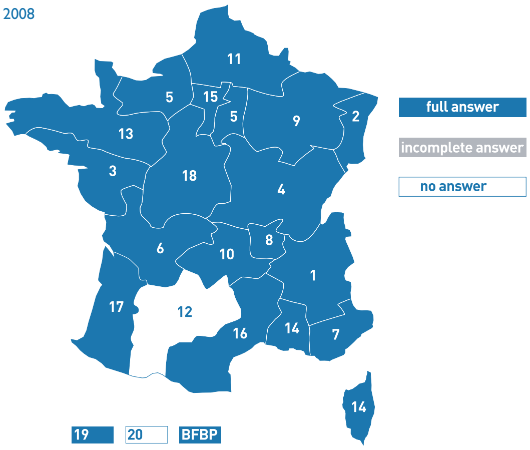
Paper	**2007**	**2008**(23)
Total paper consumption *(tonnes)*	3,108	3,721
Total paper consumption *(reams)*	1,232,131	1,469,448
Consumption per workstation *(tonnes)*	0.11	0.13
Consumption per workstation *(reams)*	43	50

Envelopes	**2007**	**2008**
Consumption of envelopes *(tonnes)*	734	715

2007



2008



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(23) *Banque Populaire data and estimated data for Group contracts.*

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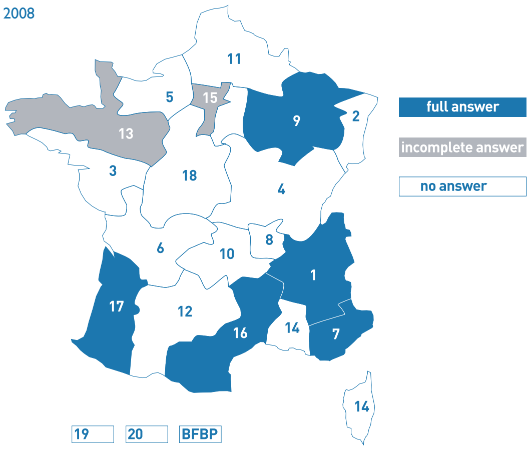
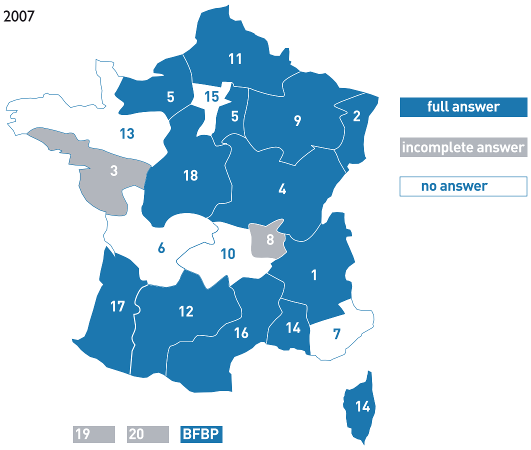
Purchasing, Suppliers	**2007**	**2008**
Percentage of purchases with eco-accreditation	-	20%
Number of suppliers with eco-accreditation	-	85
Percentage of suppliers publishing an environmental charter	-	10%

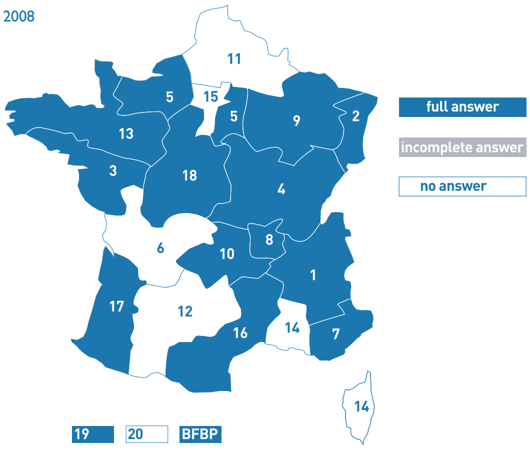


9.5.2 Energy consumption (EN 3, EN 4) (Art. 2.1)

TOTAL CONSUMPTION[24]

	2007 *(In GJ)*	**2008** *(In GJ)*
TOTAL ENERGY CONSUMPTION	**1,430,174**	**1,044,192**
Total energy consumption per workstation	60	48
Energy consumption per m^2	1.9	1.2





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(24) *Figures based on meter readings, which state final energy consumption, not consumption of the primary energy source.*

ELECTRICITY CONSUMPTION[25]

	2007 *(in kWh)*	**2007** *(in GJ)*	**2008** *(in kWh)*	**2008** *(in GJ)*
TOTAL ELECTRICITY CONSUMPTION	**118,857,958**	**427,888**	**135,156,634**	**486,563**
Electricity consumption per workstation	5,011	18	6,152	22
Electricity consumption per m^2	156	0.56	161	0.58

GAS CONSUMPTION

	2007 *(in m^3)*	**2007** *(in GJ)*	**2008** *(in m^3)*	**2008** *(in GJ)*
TOTAL GAS CONSUMPTION	**25,990,164**	**998,819**	**14,034,997**	**547,505**
Gas consumption per workstation in m^3	1,095	42	639	25
Gas consumption per m^2	34	1.3	17	0.7

FUEL OIL CONSUMPTION

	2007 *(in kWh)*	**2007** *(in GJ)*	**2008** *(in liters)*	**2008** *(in GJ)*
TOTAL FUEL OIL CONSUMPTION	**963,068**	**3,467**	**253,108**	**10,124**
Fuel oil consumption per workstation	41	0.15	12	0.5
Fuel oil consumption per m^2	1.27	0.004	0.3	0.01

9.5.3 Initiatives to improve energy efficiency, use of renewable energies (EN 6, EN 7) (Art. 2.1, 2.5)

A growing number of best practices concerning energy efficiency are being implemented within the Banque Populaire Group. The Sustainable Development intranet sites (federal and regional) and the new e-learning provision allow employees to find out about good practices to limit their impact on the environment. A number of Banque Populaire banks take account of environmental considerations in building or renovating homes. Banque Populaire d'Alsace, Banque Populaire Atlantique and Banque Populaire du Sud-Ouest have already attained HQE (environmental quality) accreditation for their head offices.

Banque Populaire des Alpes and Banque Populaire d'Alsace produce their own renewable energy. Banque Populaire du Sud and Banque Populaire Val de France have reached agreements with EDF under which part of their energy consumption will be produced using renewable energies.

Renewable energy production	12,087 kWh
Renewable energies consumption	868,000 kWh

9.5.4 Consumption of water (EN 8, EN 10) (Art. 2.1)

	2007	**2008**
TOTAL WATER CONSUMPTION *(in m^3)*	**159,338**	**190,495**
Consumption per workstation *(in m^3)*	8	13
Consumption (per m^2 of gross useable area) *(in m^3)*	0.2	0.3
Consumption of recovered water *(in m^3)*	4,000	500

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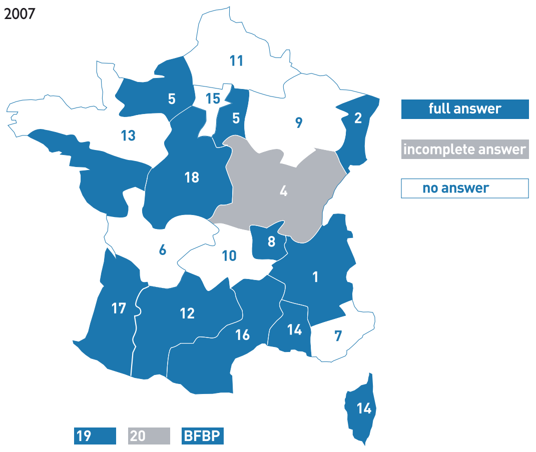
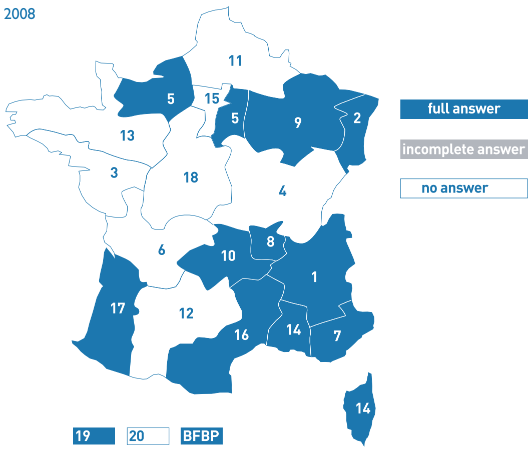
(25) *Figures based on meter readings, which state final energy consumption, not consumption of the primary energy source.*





9.5.5 Habitats protected or restored with respect to biodiversity (EN 13) (Art. 2.2)

A number of associations involved in protecting biodiversity benefit from the revenue-sharing products distributed by Crédit Coopératif: France Nature Environnement, Surfrider Foundation, Terre et Humanisme, WWF, Bioconsommacteurs and Echomer.

Crédit Coopératif has also signed partnership agreements with associations working to protect biodiversity or restore ecosystems: the Intelligence Verte association (protection of ancestral grain varieties), the Dony Institute (protection of dolphins), Inf'OGM (legal advice on GM products), Compaillons (promoting the renovation of straw houses), FNCEN (the French national federation for the conservation of natural spaces), RNF (Natural Reserves of France), the Pays de Loire LPO (the French bird protection league), the ornithological film festival and the biodiversity research foundation, of which Crédit Coopératif is a board member.

9.5.6 CO_2 emissions (EN 16, EN 17)

Banque Populaire d'Alsace was the first French bank to produce a carbon audit of its head office in 2002. Natixis carried out its own carbon audit in 2006.

9.5.7 Emissions of ozone-depleting substances and other significant air emissions (EN 19, EN 20)

The nature of the Banque Populaire Group's activities means that it does not emit any specific polluting gases other than CO_2 (see previous indicator).

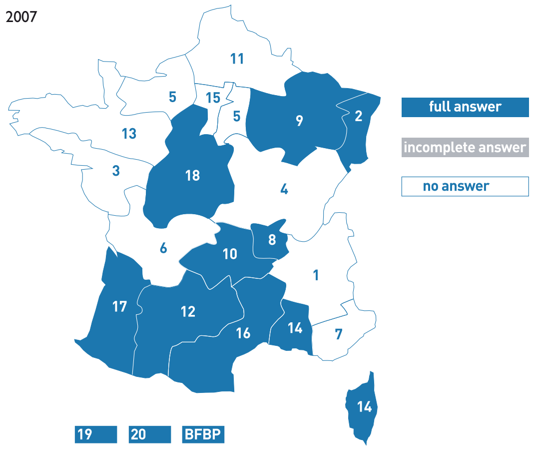
9.5.8 Water discharge (EN 21)

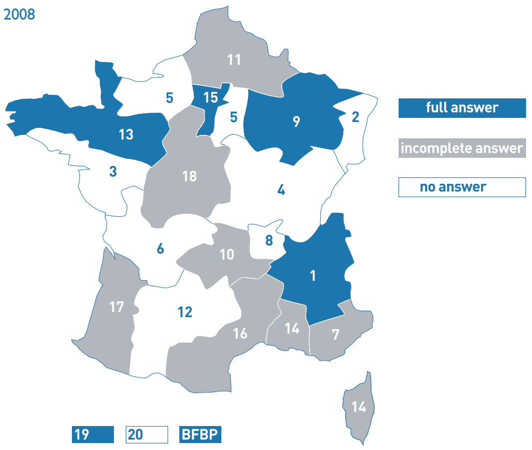
The Banque Populaire Group has not yet checked the quality of its water discharge. However, the nature of its activities limits the risk of water pollution.

9.5.9 Waste and CO_2 emissions (EN 22) (Art. 2.1)

	2007 *(tonnes per year)*	**2008** *(tonnes per year)*
Ordinary industrial waste	1,991	3,797
Special industrial waste	28.3	15.5
Recycled waste	835	1,397

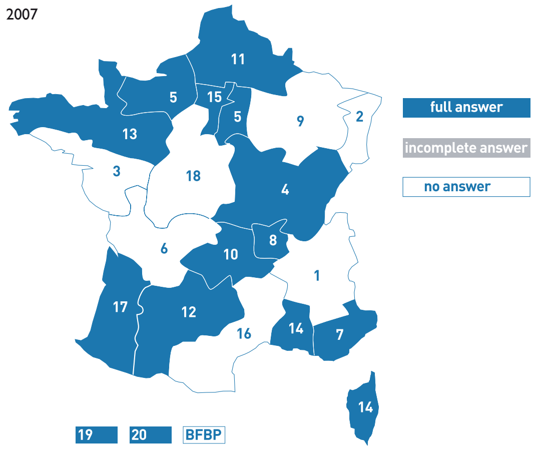
A number of initiatives have been developed within the Banque Populaire banks regional to re-use waste and also help to protect the environment. These initiatives concern primarily the collection and recycling of paper and ink cartridges. Other initiatives are being developed by the banks. For example, at CASDEN Banque Populaire, waste is collected and recycled by Emmaüs France and Les Ateliers du Bocage[26].

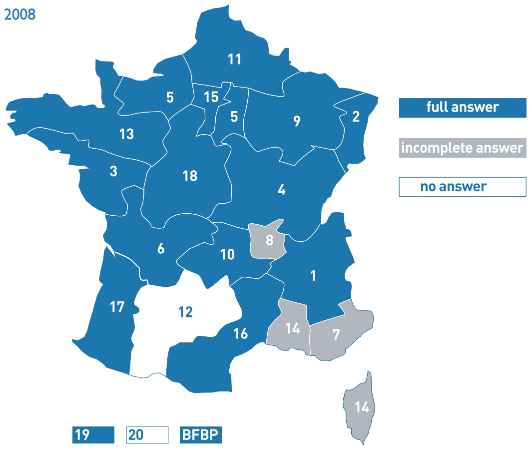




ELECTRONIC EQUIPMENT AND INK CARTRIDGES

	2007 *(number)*	2008 *(number)*
Calculators	9,936	6,748 [27]
Batteries	9,178	23,230 [28]
Ink cartridges	45,955	56,312





9.5.10 Significant spills

This section defines the total number and volume of significant accidental spills of products such as hydrocarbons, fuel and chemicals. This indicator does not apply to the Banque Populaire Group's activities.

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(26) *Emmaüs France is an association under the 1901 law that works to combat social injustices. It has developed a solidarity-based economy and integration division to which the Les Ateliers du Bocage belongs. This association collects and recycles various kinds of waste and equipment (IT equipment, office equipment etc.).*

(27) *Banque Populaire data and estimated data for Group contracts.*

(28) *Banque Populaire data and estimated data for Group contracts.*

9.5.11 Initiatives to mitigate environmental impacts of products and services (EN 26) (Art. 2.5)

The Banque Populaire Group has introduced a wide range of banking products geared towards financing environmental and solidarity-based projects. CODEVair was the first environmental savings account, and PREVair the first environmental loan in the French market.

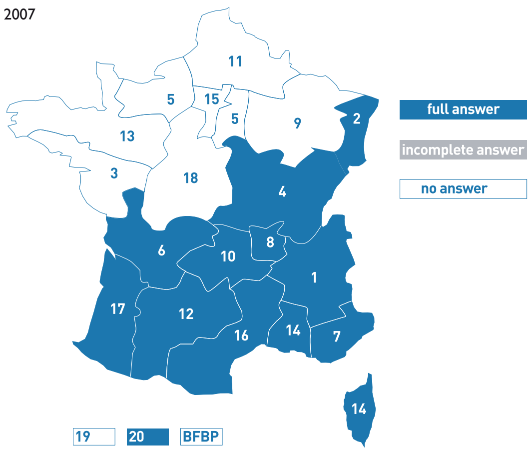
These products are intended for the financing of environmentally-friendly housing and are now distributed nationally. The range has been extended to small businesses (PROVair) and other objects (low-emission vehicles).

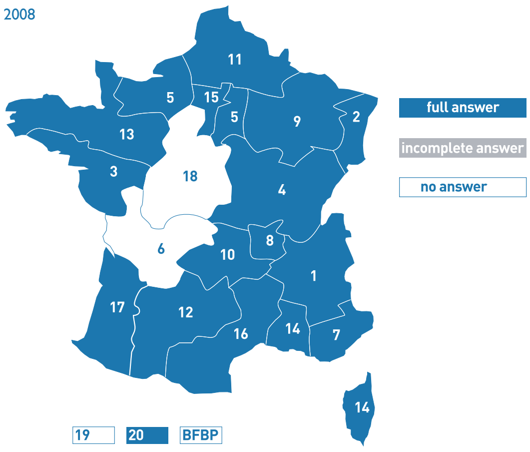
The Banque Populaire banks are also very active in providing microcredit to individuals and small businesses, working alongside ADIE[29]).

Crédit Coopératif offers a whole range of solidarity-based, ethical and revenue-sharing products, with a variety of themes. Savers can choose between several solidarity themes (health, microcredit, environment, social housing etc.). Natixis offers a range of SRI[30] products geared towards solidarity and sustainable development issues.

SOLIDARITY-BASED PRODUCTS: DEPOSITS AND LOANS OUTSTANDING (EN 26, FS7, FS8, FS14) (ART. 2.5)

Deposits and loans outstanding on specific environmental products	**2007**	**2008**
Number of PREVair loans (total)	2,451	8,425
Outstanding amount of PREVair loans (total) *(€)*	28,102,615	90,714,645
Number of PREVair loans using LDD savings accounts	-	3,580
Outstanding amount of PREVair loans using LDD savings accounts *(€)*	-	42,716,378
Number of PREVair loans using CODEVair	-	4,845
Outstanding amount of PREVair loans using CODEVair *(€)*	-	47,998,267
Number of CODEVair accounts	15,477	26,155
Amount of deposits in CODEVair accounts *(€)*	63,994,474	169,240,121
Number of PROVair loans	-	116
Outstanding amount of PROVair loans *(€)*	-	12,479,308
Number of PREVair Auto loans	-	251
Outstanding amount of PREVair Auto loans *(€)*	-	2,497,543





CRÉDIT COOPÉRATIF SOLIDARITY-BASED SAVINGS AND FINANCING PRODUCTS

(€)	**2007**	**2008**
Loans outstanding to approved solidarity-based companies via solidarity-based mutual funds	4,222,000	7,111,600
Solidarity-based savings inflows	216,000,000	262,000,000
Solidarity-based investment	119,000,000	127,000,000

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(29) *ADIE: The French association for the right to economic initiative ("Association pour le Droit à l'Initiative Économique").*

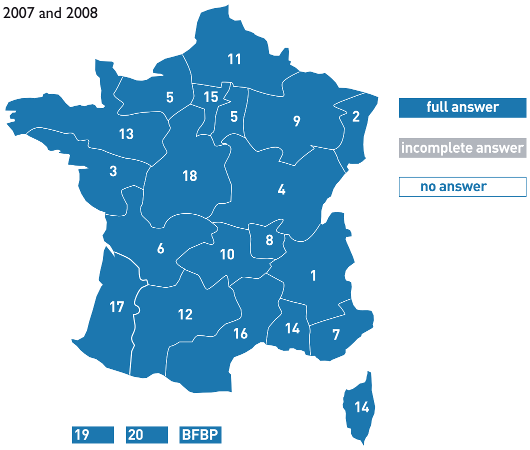
(30) *SRI: Socially Responsible Investing.*

MICROCREDIT

(€)	2007	2008
Microcredit loans to ADIE small businesses	9,700,000	10,949,700
Microcredit loans to individuals	1,799,688	3,509,890

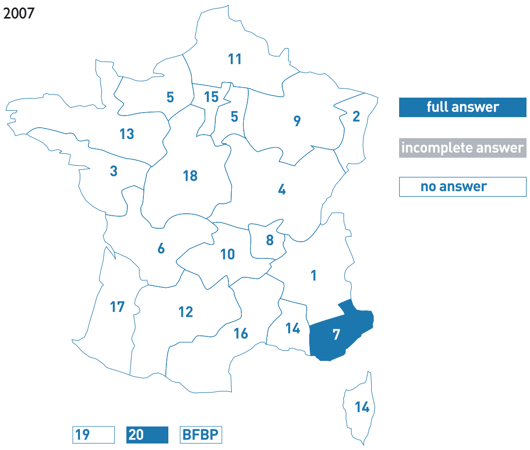
MICROCREDIT LOANS TO SMALL BUSINESSES

2007 and 2008

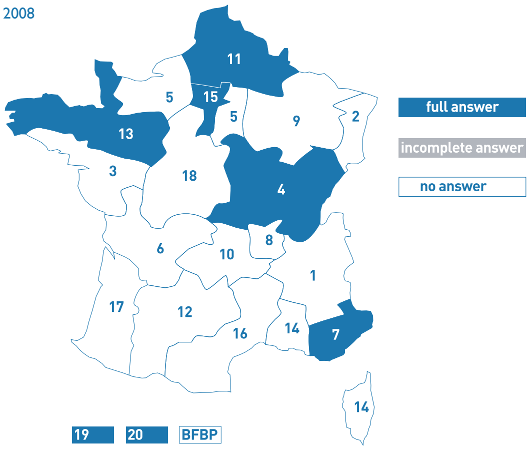


MICROCREDIT LOANS TO INDIVIDUALS

2007



2008



LOW-INTEREST ENVIRONMENTAL LOANS

The Banque Populaire banks distribute low-interest environmental loans in partnership with regional councils:

- Banque Populaire d'Alsace (Alsace regional council) ;
- Banque Populaire Lorraine Champagne (Lorraine regional council) ;
- Banque Populaire du Sud-Ouest (Aquitaine regional council) ;
- Banque Populaire Val de France (Centre regional council).

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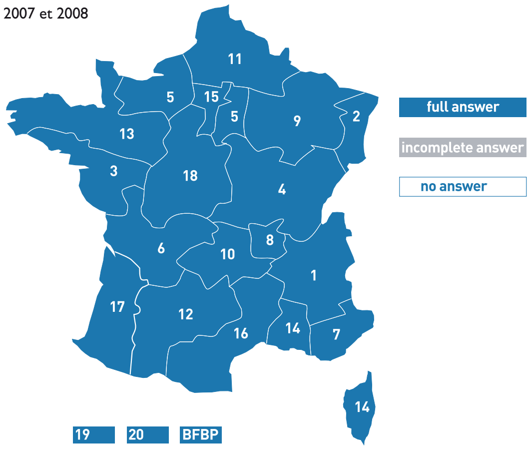
AMOUNT OF SRI FUNDS DISTRIBUTED BY THE BANQUE POPULAIRE GROUP

(€)	2007	2008
Assets under management in SRI funds	943,360,183	1,926,900,000 (31)
Assets under management in SRI and solidarity-based employee savings plans	65,502,124	78,495,732 (32)



9.5.12 Fines paid in 2008 for non-compliance with environmental laws and regulations and action taken to repair damage caused (EN 28)

The Banque Populaire Group did not face any environment-related fines or sanctions in 2008.

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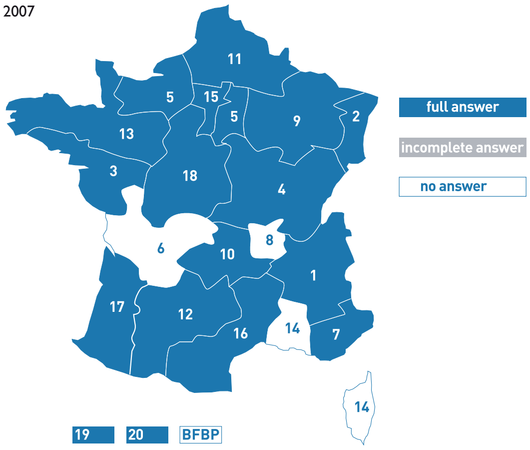
(31) *Concerns total assets under management in SRI funds distributed by the Banque Populaire network.*

(32) *Concerns total assets under management in SRI and solidarity-based employee savings plans distributed by the Banque Populaire network and includes assets managed directly by Natixis Interépargne, total assets amount to €139,171,012.*

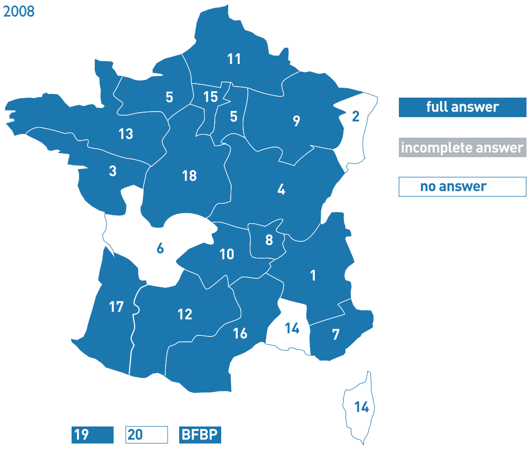
9.5.13 Environmental impacts of transporting members of the workforce (EN 29)

	2007	2008
Number of sites with a Company Travel Plan	62	62
Number of employees covered by these Company Travel Plans	1,046	1,130
TOTAL MILEAGE ALLOWANCES *(€)*	**11,115,942**	**23,845,153**

2007



2008



9.5.14 Total environmental protection expenditures and investments (EN 30)

The Banque Populaire Group has not yet recorded all of its environmental protection expenditures and investments.

10 General information

10.1 Material contracts

The Banque Populaire Group and Banque Fédérale des Banques Populaires have not entered into any material contracts resulting in a significant obligation for both entities, other than those signed relating to their ordinary business activities.

10.2 Investments

Stakes acquired in 2008:

	Banque Fédérale des Banques Populaires		Banque Populaire des Alpes		Banque Populaire du Sud-Ouest		Banque Populaire Provençale et Corse		Banque Populaire du Sud	
in € thousands	**% stake**	**Investment**	**% stake**	**Investment**	**% stake**	**Investment**	**% stake**	**Investment**	**% stake**	**Investment**
Société Marseillaise de Crédit	100%	1,118.2								
Banque de Savoie	49%	109.6	51%	113.9						
Crédit Commercial du Sud-Ouest	49%	94.9			51%	98.6				
Banque Pelletier	49%	30.1			51%	31.3				
Banque Chaix	49%	148.3					51%	154		
Banque Dupuy, de Parseval	49%	81.2							51%	84.3
Banque Marze	49%	24.3							51%	25.2

10.3 Dependency

The Banque Populaire Group and Banque Fédérale des Banques Populaires are not dependent on any patents, licenses or industrial, commercial or financial sourcing agreements.

10.4 Trends

No significant deterioration has affected the growth prospects of the Banque Populaire Group and Banque Fédérale des Banques Populaires since December 31, 2008, the date of the last verified and published financial statements.

10.5 Significant changes

No significant changes have occurred in the financial or commercial position of the Banque Populaire Group and Banque Fédérale des Banques Populaires since December 31, 2008.

10.6 Legal and arbitration proceedings

The Group is currently involved in a limited number of liability claims.

After review and based on the current status of claims pending, the Group does not believe these claims will have a material adverse impact on its results or financial position. Provisions have been booked in the 2008 financial statements for all legal and tax risks that can be reasonably estimated.

Banque Fédérale des Banques Populaires is not involved in any legal or arbitration proceedings having a material impact on its financial statements.

10.7 Persons responsible for auditing the financial statements

The persons responsible for auditing the financial statements at Banque Fédérale des Banques Populaires and the Banque Populaire Group are:

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

KPMG Audit
2, cours du triangle
92939 Paris, La Défense

PricewaterhouseCoopers Audit

The Banque Fédérale des Banques Populaires combined general meeting of May 15, 2008, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, noting the expiry of the term of office of Statutory Auditors Constantin Associés (642 010 045 RCS Paris), appointed PricewaterhouseCoopers Audit (672 006 483 RCS Nanterre) for a period of six years, i.e. until the ordinary general meeting held in 2014 to approve the financial statements for the year ending December 31, 2013. This appointment is subject to the approval of the Commission Bancaire.

PricewaterhouseCoopers Audit is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

PricewaterhouseCoopers Audit is represented by Agnès Hussherr.

Deputy Statutory Auditors: Étienne Boris at 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex, for a period of six years, i.e. until the ordinary general meeting held in 2014 to approve the financial statements for the year ending December 31, 2013.

KPMG Audit

The Banque Fédérale des Banques Populaires combined general meeting, acting in accordance with the quorum and majority requirements applicable to ordinary general meetings, noting the expiry of the term of office of Statutory Auditors Salustro Reydel (652 044 371 RCS Paris), appointed KPMG Audit (775 726 417 RCS Paris) for a period of six years, i.e. until the ordinary general meeting held in 2014 to approve the financial statements for the year ending December 31, 2013. This appointment is subject to the approval of the Commission Bancaire.

KPMG Audit is represented by Fabrice Odent.

Deputy Statutory Auditors: Malcolm McLarty, at 1, cours Valmy 92923 Paris-La-Défense Cedex, for a period of six years, i.e. until the ordinary general meeting held in 2014 to approve the financial statements for the year ending December 31, 2013.

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Fees paid to the Statutory Auditors

The following table shows fees paid in 2008 and 2007 by the Banque Populaire Group and its fully and proportionally consolidated subsidiaries to the Statutory Auditors and members of their respective groups:

	KPMG network				PricewaterhouseCoopers network[4]				Constantin network	
	amount (before tax)		*%*		*amount (before tax)*		*%*		*amount (before tax)*	*%*
in € thousands	**12/2008**	12/2007	**12/2008**	12/2007	**12/2008**	12/2007	**12/2008**	12/2007	12/2007	12/2007
AUDIT										
• **Independent audit, certification, review of parent company and consolidated financial statements**	3,440	2,755	84.9%	77.9%	2,265	2,571	73.2%	73.9%	528	97.4%
Issuer	1,114	1,159	27.5%	32.8%	677	308	21.9%	8.9%	352	65.0%
Fully consolidated subsidiaries	1,081	931	26.7%	26.3%	683	245	22.1%	7.0%	78	14.4%
Proportionally consolidated subsidiaries[1]	1,245	943	30.7%	26.7%	905	2,018	29.2%	58.0%	98	18.0%
• **Ancillary assignments and other audit assignments**	386	607	9.5%	17.2%	114	223	3.7%	6.4%	14	2.6%
Issuer	67	90	1.7%	2.5%	50	41	1.6%	1.2%	14	2.6%
Fully consolidated subsidiaries	103	3	2.5%	0.1%	35	55	1.1%	1.6%		
Proportionally consolidated subsidiaries[2]	216	514	5.3%	14.5%	29	127	0.9%	3.7%		
SUB-TOTAL	**3,826**	**3,362**	**94.5%**	**95.1%**	**2,379**	**2,794**	**76.8%**	**80.4%**	**542**	**100.0%**
OTHER SERVICES										
• Legal, fiscal, employment-related	39		1.0%		14	0	0.5%	0%		
• Information technology[3]	0	174	0.0%	4.9%		0	0.0%	0%		
• Internal audit	20		0.5%		71	0	2.7%	0%		
• Other	165		4.1%		174	0	6.6%	0%		
SUB-TOTAL	**223**	**174**	**5.5%**	**4.9%**	**259**	**0**	**9.8%**	**0%**		
TOTAL FEES	**4,050**	**3,536**	**100.0%**	**100.0%**	**2,638**	**2,794**	**100.0%**	**100.0%**	**542**	**100.0%**

(1) Following the merger in November 2006, fees relating to subsidiaries of Natixis are included in the Banque Populaire Group's income statement on a proportional basis.

(2) At December 31, 2007, this concerned primarily reviews of the accounting procedures of Natixis (€245,000) and CACEIS (€291,000).

(3) At December 31, 2007, this concerned primarily support charges for the internal rating system in relation to Banque Fédérale des Banques Populaires.

(4) Pricewaterhouse Coopers was appointed Statutory Auditors of the Banque Populaire Group replacing Constantin Associés after the combined general meeting of May 15, 2008, assuming its role as of this date.

The following table shows fees paid in 2008 and 2007 by Banque Fédérale des Banques Populaires and its fully and proportionally consolidated subsidiaries to the Statutory Auditors and members of their respective groups:

	KPMG network				**PricewaterhouseCoopers network[4]**				**Constantin network**	
	Amount (before tax)		*%*		*Amount (before tax)*		*%*		*Amount (before tax)*	*%*
in € thousands	**12/2008**	**12/2007**	**12/2008**	**12/2007**	**12/2008**	**12/2007**	**12/2008**	**12/2007**	**12/2007**	**12/2007**
AUDIT										
• **Independent audit, certification, review of parent company and consolidated financial statements**	1,684	1,261	77.3%	64.7%	1,512	2,019	65.7%	71.4%	370	100.0%
Issuer	225	278	10.3%	14.3%	222		9.6%		266	71.9%
Fully consolidated subsidiaries	214	35	9.8%	1.8%	385		16.7%		6	1.6%
Proportionally consolidated subsidiaries[1]	1,245	948	57.2%	48.6%	905	2,019	39.3%	71.4%	98	26.4%
• **Ancillary assignments and other audit assignments**	270	514	12.4%	26.4%	72	127	3.1%	4.5%		
Issuer			0.0%		43		1.9%			
Fully consolidated subsidiaries	54		2.5%							
Proportionally consolidated subsidiaries[2]	216	514	9.9%	26.4%	29	127	1.2%	4.5%		
SUB-TOTAL	**1,955**	**1,775**	**89.7%**	**91.1%**	**1,584**	**2,146**	**68.8%**	**75.9%**	**370**	**100.0%**
OTHER SERVICES										
• Legal, fiscal, employment-related	39		1.8%		14	0	0.8%	0%		
• Information technology[3]	0	174	0%	8.9%		0	0%	0%		
• Internal audit	20		0.9%		71	0	3.8%	0%		
• Other	165		7.6%		174	0	9.4%	0%		
SUB-TOTAL	**223**	**174**	**10.3%**	**8.9%**	**259**	**0**	**14%**	**0%**		
TOTAL FEES	**2,178**	**1,949**	**100.0%**	**100.0%**	**1,843**	**2,146**	**100.0%**	**100.0%**	**370**	**100.0%**

(1) Following the merger in November 2006, fees relating to subsidiaries of Natixis are included in Banque Fédérale des Banques Populaires' income statement on a proportional basis.

(2) At December 31, 2007, this concerned primarily reviews of the accounting procedures of Natixis (€245,000) and CACEIS (€291,000).

(3) At December 31, 2007, this concerned primarily support charges for the internal rating system in relation to Banque Fédérale des Banques Populaires.

(4) Pricewaterhouse Coopers was appointed Statutory Auditors of the Banque Fédérale des Banques Populaires Group replacing Constantin Associés after the combined general meeting of May 15, 2008, assuming its role as of this date.

10.8 Statutory Auditors' special report on related-party agreements

Banque Fédérale des Banques Populaires SA
« Le Ponant de Paris » 5, rue Leblanc - 75511 PARIS CEDEX 15

Year ended December 31, 2008

Dear Shareholders,

In our capacity as Statutory Auditors, we hereby present our report on related-party agreements.

Agreements approved during the year

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements that received the prior authorization of the Board of Directors.

It is not our responsibility to ascertain the existence of such agreements, nor to comment on their relevance or substance. We are simply required to report to shareholders, based on the information provided, on the basic terms and conditions of agreements that have been disclosed to us. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the shareholders' responsibility to determine whether the agreements are appropriate and should be approved.

We have taken the measures we deemed necessary in accordance with CNC professional guidelines relating to our audit. These measures consisted of verifying the consistency of the information given to us with the contents of the source documents.

Non-interest bearing current account agreement with SAS Ponant 2

The company signed a non-interest bearing current account agreement with subsidiary SAS Ponant 2, of which it is the sole partner.

This agreement received the prior authorization of the Board of Directors on March 5, 2008.

At December 31, 2008, the non-interest bearing advance amounted to €1,700,000.

Current account advance agreements with Natixis, amendment and letter of agreement concerning early repayment

The corporate officers concerned are Philippe Dupont, Stève Gentili, Yvan de la Porte du Theil, Jean Clochet and Bernard Jeannin.

Banque Fédérale des Banques Populaires (hereinafter referred to as "BFBP") undertakes, subject to the same terms and for the same amount as Caisse Nationale des Caisses d'Epargne (hereinafter referred to as "CNCE"), to grant Natixis the following in order to strengthen its prudential capital:

- an advance of €750 million paid in the second half of the year. Income recognized in 2008 in respect of this advance amounted to €34,206,321;
- an advance of €500 million paid in the third quarter. Income recognized in 2008 in respect of this advance amounted to €10,601,979.

These agreements received the prior authorization of the Board of Directors on March 28, 2008 and June 25, 2008 respectively.

On August 27, 2008, the Board of Directors authorized the letter of agreement relating to the repayment of current account advances granted to Natixis within the framework of its €3.7 billion capital increase.

Underwriting and investment agreement with Natixis and commitment to subscribe to Natixis's capital increase

The corporate officers concerned are Philippe Dupont, Stève Gentili, Yvan de la Porte du Theil, Jean Clochet and Bernard Jeannin.

On August 27, 2008, the Board of Directors authorized the following within the framework of Natixis's €3.7 billion capital increase:

- the signature of an underwriting and investment agreement with Natixis, CNCE and the banks in the investment syndicate;
- BFBP's commitment, made jointly with CNCE, to subscribe on a preferential basis to the capital increase in an amount equal to its preferential subscription rights and, on a par with CNCE, in an amount equal to the remaining amount of the issue not subscribed on a preferential or non-preferential basis by other persons in the event that the underwriting and investment agreement signed with the banks underwriting the capital increase is terminated;
- the amendment to the shareholders' agreement with CNCE.

Framework agreement governing the main principles for equity affiliates created between MA BANQUE and its partners

The director concerned is Yvan de La Porte du Theil.

On May 14, 2008, the Board of Directors authorized this agreement, the purpose of which is to divide MA BANQUE's expenses and income between the partners according to their respective activity; your Company signed the bylaws of "MA BANQUE Le Ponant", the company created between MA BANQUE and BFBP.

In 2008, the Company recognized an expense of €4,030,123 in respect of its unprofitable share in the company.

Agreement to transfer shares in Volksbank International AG ("VBI") held by BFBP to SAS SIBP

This agreement between SAS SIBP and BFBP, the parent company and Chairman of SAS SIBP, received the prior authorization of the Board of Directors on October 8, 2008.

Commutation agreement relating to CIFG with the main counterparties, including Natixis

The corporate officers concerned are Philippe Dupont, Jean Clochet, Stève Gentili, Bernard Jeannin and Yvan de La Porte du Theil.

On December 16, 2008, the Board of Directors authorized the commutation agreement under which, as shareholders of CIFG, the Banque Populaire Group and the Caisse d'Epargne Group abandon almost all of their investment in CIFG, and the main counterparties, including Natixis, waive their guarantee from the credit enhancer in exchange for the payment of a dividend and shares in CIFG's share capital.

Agreement to sell shares in CIFG Holding to a dedicated entity, Twins Participations

The provisions of the commutation agreement include the sale by BFBP and CNCE of shares in CIFG Holding to Twins Participations, a dedicated entity jointly-owned by BFBP and CNCE, at a price of €1.

This agreement received the prior authorization of the Board of Directors on December 16, 2008.

Agreements relating to termination benefits

The corporate officers concerned are Philippe Dupont, Chairman and Chief Executive Officer of BFBP, and Bruno Mettling, Deputy Chief Executive Officer of BFBP.

In the event of a forced departure (non-renewal or revocation of their term of office) not relating to the collapse of the company or action on their part, Mr Dupont and Mr Mettling shall receive compensation subject to performance criteria and capped at two years' salary (fixed and variable), provided that the Banque Populaire Group's consolidated net profit or Tier 1 ratio is 8% higher than the year preceding the termination of their term of office.

These agreements received the prior authorization of the Board of Directors on December 16, 2008.

Memorandum of understanding relating to the sale of HSBC Regional Banks to local Banque Populaire banks

The joint corporate officers concerned are Jean Clochet and Francois Moutte.

On February 29, 2008, BFBP signed an exclusivity agreement with HSBC relating to the acquisition of seven regional banks owned by HSBC France, comprising Société Marseillaise de Crédit ("SMC"), Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy, de Parseval, Banque Pelletier and Crédit Commercial du Sud-Ouest.

Within the framework of this acquisition, BFBP shall transfer each of the Regional Banks to the Banque Populaire bank in the region in which it has the greatest number of branches, with the exception of SMC.

The Board of Directors authorized the memorandum of understanding concerning the reclassification of the Regional Banks as part of the associated Banque Populaire banks on May 15, 2008.

Signature by Banque Populaire des Alpes, Banque Populaire Bourgogne Franche-Comté, BRED Banque Populaire, Banque Populaire Lorraine Champagne, Banque Populaire du Massif Central, Banque Populaire Occitane, Banque Populaire Provençale et Corse, Banque Populaire du Sud, CASDEN Banque Populaire and Crédit Coopératif as additional borrowers and underwriters of the framework credit and financial guarantee agreement related to point 3 of agreements approved in prior years and still in effect during the year:

The corporate officers concerned are: Jean Clochet (BP Alpes), Bernard Jeannin (BP Bourgogne Franche-Comté), Stève Gentili (BRED Banque Populaire), Jacques Hausler (BP Lorraine Champagne), Christian du Payrat (BP Massif Central), Michel Doligé (BP Occitane), Jean-Louis Tourret (BP Provençale et Corse), François Moutte (BP Sud), Pierre Desvergnes (CASDEN BP) and Jean-Claude Detilleux (Crédit Coopératif).

Each of these agreements received the prior authorization of the Board of Directors on March 5, 2008.

Agreements approved in prior years and still in effect during the year

Furthermore, in accordance with the French Commercial Code, we were informed that the following agreements approved in prior years were still in effect during the past year.

Non-interest bearing current account agreement with SARL Bateau Banque Populaire, of which it is the sole partner.

At December 31, 2008, the non-interest bearing advance paid to SARL Bateau Banque Populaire amounted to €10,546,144.

Tripartite billing agreement with Caisse Nationale des Caisses d'Epargne and Natixis concerning Natixis's affiliation to the central bodies.

For the 2008 financial year, under the terms of this agreement, the company received a lump sum payment of €5,650,000 from Natixis.

Agreements with Banque Populaire Covered Bonds, of which Banque Fédérale des Banques Populaires is a member of the Supervisory Board:

- a subordinated loan agreement (€25 million for 2008, followed by an additional €20 million in 2009 and €20 million in 2010)

  BFBP is party to the agreement as administrative agent and calculation agent
  - as part of the covered bonds program:
    - a €25 billion framework credit and financial guarantee agreement,
    - an agreement to pledge bank account balances and financial instruments accounts,
    - an asset monitoring and listing agent agreement,
  - within the framework of functions and services provided by Banque Fédérale des Banques Populaires to the benefit of its subsidiary:
    - an account holding and cash management agreement,
    - an administrative agent agreement,
    - a calculation agent agreement,
    - a paying agent agreement,
  - a tax consolidation agreement,
  - a hedging agreement,
  - a letter of commitment.

The total amount of loans granted to the Regional Banks in respect of this agreement came to €12,880,000,000 at December 31, 2008, with counterparty guarantees of €15,162,147,801.

Agreements without prior authorization

We also present our report on agreements subject to the provisions of Article L. 225-42 of the French Commercial Code.

In accordance with Article L. 823-12 of the French Commercial Code, we note that these agreements have not received the prior authorization of the Board of Directors.

It is our responsibility, on the basis of the information provided to us, to inform you of the key characteristics and terms of these agreements, as well as the reasons for which the authorization procedure was not followed, without having to express an opinion on their usefulness and validity. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the shareholders' responsibility to determine whether the agreements are appropriate and should be approved.

Intra-group credit and guarantee framework agreements with MA BANQUE and Natixis

These agreements allow Natixis and MA BANQUE to borrow from your company in exchange for providing collateral. This concerns mirror loans, subject to the same terms as the agreements signed by the central bodies with Société de Financement de l'Économie Française (SFEF).

The Board of Directors decided to authorize these agreements at its meeting of December 16, 2008.

Agreement with Natixis

The corporate officers concerned are Philippe Dupont, Jean Clochet, Stève Gentili, Bernard Jeannin and Yvan de La Porte du Theil.

The amounts borrowed by BFBP and lent to Natixis totaled €647,000,000 at December 31, 2008, with interest income of €1,083,146 over the year. The guarantees received from Natixis in exchange amounted to €996,861,385.

Agreement with MA BANQUE

The joint director is Yvan de La Porte du Theil.

No loans were granted to MA BANQUE at December 31, 2008.

Neuilly-sur-Seine and Paris, April 24, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit	**KPMG Audit**
Agnès Hussherr	Fabrice Odent

10.9 Financial communications

Financial calendar

February 26, 2009: publication of 2008 results

August 27, 2009: publication of first-half 2009 results

May 14, 2009: Banque Fédérale des Banques Populaires annual shareholders' meeting

Information officer

Annie de Paillette

Head of Corporate Communications

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E-mail: annie.depaillette@bfbp.banquepopulaire.fr

10.10 Documents on display

A registration document comprising the business report, consolidated and company financial statements, shareholder information, corporate governance and general information about the Banque Populaire Group was filed with the Autorité des Marchés Financiers on April 27, 2009.

This document is available in the "regulated information" section of the Banque Populaire Group's dedicated investor relations website (*www.ir.banquepopulaire.fr*) and on the AMF website (*www.amf-france.org*).

Any person wanting further information about the Banque Populaire Group may, with no commitment and free of charge, request documents:

- by post:

Banque Fédérale des Banques Populaires

Corporate Communications

Investor Relations Department

Le Ponant de Paris

5, rue Leblanc

75511 Paris Cedex 15

- by e-mail:

communicationfinanciere@bfbp.banquepopulaire.fr

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Person responsible for the shelf-registration document

11.1 Person responsible for shelf-registration document

Philippe Dupont, Chairman of the Banque Populaire Group and Chairman of the Board of Directors of Banque Fédérale des Banques Populaires.

11.2 Statement by the person responsible for the shelf-registration document

Having taken all reasonable care to ensure that such is the case, to the best of my knowledge, all of the information contained in the registration document is in accordance with the facts and contains no omission likely to affect its import.

To the best of my knowledge, I certify that the financial statements of Banque Fédérale des Banques Populaires and the Banque Populaire Group have been prepared in accordance with applicable accounting standards and give a true and fair view of their respective assets, financial position and profit or loss, as well as those of all affiliated companies, and that information relating to the management report of Banque Fédérale des Banques Populaires (p. 180-228)and the Banque Populaire Group (p. 354-419) present a true and fair picture of the development of their respective business, results and financial position and those of all affiliated companies, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained a letter from the statutory auditors PricewaterhouseCoopers Audit and KPMG Audit for Banque Fédérale des Banques Populaires and the Banque Populaire Group, certifying that they have verified the information concerning the financial position and the consolidated accounts of Banque Fédérale des Banques Populaires and the Banque Populaire Group as set out in the registration document and have read the full registration document.

Paris, April 27, 2009

Philippe Dupont
Chairman of the Banque Populaire Group
Chairman of the Board of Directors of Banque Fédérale des Banques Populaires

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In accordance with Article 28 of regulation 809-2004, the following items are included for reference:

For the Banque Populaire Group, the consolidated financial statements for the year ended December 31, 2007, and the Statutory Auditors' report on the consolidated financial statements to December 31, 2007, are presented on pages 358-486 and pages 487-488 respectively of the Registration Document N° D. 08-0288 filed with the Autorité des Marchés Financiers on April 24, 2008.

For Banque Fédérale des Banques Populaires, these items corresponding to the aforementioned period are presented on pages 203-326 and pages 327-328 respectively of the Registration Document N° D. 08-0288 filed with the Autorité des Marchés Financiers on April 24, 2008.

For the Banque Populaire Group, the consolidated financial statements for the year ended December 31, 2006, and the Statutory Auditors' report on the consolidated financial statements to December 31, 2006, are presented on pages 103-244 and pages 245-246 respectively of Registration Document N° D. 07-0383 filed with the Autorité des Marchés Financiers on April 25, 2007.

For Banque Fédérale des Banques Populaires, these items corresponding to the aforementioned period are presented on pages 114-232 and pages 233-236 respectively of the Registration Document N° D. 07-0384 filed with the Autorité des Marchés Financiers on April 25, 2007;

The chapters of Registration Documents No. D. 08-0288, D. 07-0383 of the Banque Populaire Group and D. 08-0288, D. 07-0384 of Banque Fédérale des Banques Populaires not mentioned above are either not of relevance for investors or covered in another part of the Registration Document.

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More information can be found on the websites: *www.co2solidaire.org* and *www.developpementdurable.banquepopulaire.fr*

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entrepreneurship
cooperation
humanity

performance
partnerships
winning

proximity
innovation
development

commitment
patronage
sponsorship

cooperative
federal
international

BANQUE
POPULAIRE

GROUPE BANQUE POPULAIRE

Banque et populaire à la fois.