NATIXIS

2006 REGISTRATION DOCUMENT

NATIXIS

Profile

Formed from the combination at the end of 2006 of the corporate and investment banking and services activities of the Banque Populaire Group and the Caisse d'Epargne Group, Natixis is a key player in the European banking industry. It has a diversified portfolio of activities with solid business expertise, large customer bases and a strong international presence.

Natixis was created on November 17, 2006, on the occasion of the combined general meeting that approved notably the capital increase through a capital contribution in kind to Natexis Banques Populaires of a set of assets transferred by Caisse Nationale des Caisses d'Epargne (primarily Ixis-CIB and Ixis-AM) and Banque Fédérale des Banques Populaires[1], as well as the new company name (changed from Natexis Banques Populaires to Natixis).

Natixis generated pro forma net banking income of €7.3 billion and net income (Group share) of €2.1 billion in 2006. It has approximately **23,000 employees** in around 60 countries.

Natixis' activities are organized into **five core business lines**:

- Corporate and Investment Banking
- Asset Management
- Private Equity and Private Banking
- Services
- Receivables Management

Retail banking also makes a direct contribution to Natixis' performance via the Group's 20% interest[2] in the share capital of the Banque Populaire banks and the Caisse d'Epargne banks, as well as an indirect contribution through the sale of Natixis' products and services at the two networks' branches, which together make up around 25% of the French retail banking market.

Natixis has a **strong position** in all of its core business lines. As the banking partner of nearly all of the largest companies in France, it also plays a very active role in serving financial institutions (banks, insurance companies, pension funds etc.). It has gradually built up an ever expanding international customer base.

Natixis is one of the top 15 asset management companies worldwide and is also world No. 3 in credit insurance with Coface. Its Services activities are based on powerful and flexible industrial platforms. Natixis is also No. 1 in private equity in the French SME market.

Natixis capitalizes on the robust **growth** of its various business lines and opportunities arising from the merging of entities offering a strong strategic fit in terms of both technical expertise and business assets. With its broad range of products and services - including structured finance, capital markets, derivatives, asset management and financial services - the Group is able to meet the needs of its own corporate and institutional clients as well as the personal banking , small business and SME customers of the Banque Populaire Group and the Caisse d'Epargne Group.

Thanks to its performance and solid financial structure, since its creation, Natixis has benefited from a **high rating** from the three main credit rating agencies (AA/Aa2/AA).

(1) The assets transferred are described in the offering circular or "Document E", registered with the AMF under number E. 06-162 dated October 16, 2006.

(2) Natixis holds cooperative investment certificates (CCIs) representing 20% of the share capital of each of the Banque Populaire banks and each of the Caisse d'Epargne banks (with the exception of Caisse d'Epargne et de Prévoyance de Martinique and Caisse d'Epargne et de Prévoyance de Nouvelle Calédonie), enabling it to consolidate under the equity method 20% of the net income of the Banque Populaire banks and the Caisse d'Epargne banks.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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Copies of this document and the French-language document de référence may be obtained free of charge from Natixis, Immeuble Arc-de-Seine, 30 avenue Pierre Mendès France 75013 Paris.

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Messages

CHARLES MILHAUD,

CHAIRMAN OF THE SUPERVISORY BOARD OF NATIXIS

The creation of Natixis marks a key stage in the development of the banking sector in France and Europe. This initiative is the result of a strategic vision shared by two cooperative banking groups - the Banque Populaire Group and the Caisse d'Epargne Group.

Convinced of the need, in a rapidly evolving sector, to establish a strong footing in the areas of corporate and investment banking, asset management and services, we decided to pool our operations in these fields in which size, technological and financial innovation and a global presence are fundamental.

With an original structure enabling both groups to blend the cooperative banking model harmoniously with improved access to the financial markets, Natixis intends to pursue the strategic decisions made over the last few years while also respecting each group's autonomy.

With a market capitalization of over €25 billion, Natixis is already one of the largest stocks listed in Paris. Its size enables it to participate - from its basis in France - in the consolidation currently playing out in the European banking sector.

Formed from the merging of entities already offering profitable growth, with solid expertise and leading positions in the majority of its business lines, Natixis has the potential to create value for all of its shareholders.

With Natixis - a new pan-European banking group - the Banque Populaire Group and the Caisse d'Epargne Group have confirmed their ability to anticipate major challenges and made concrete their shared aim to establish themselves as a key player in the banking sector both in France and abroad, while also protecting their own history and original values.

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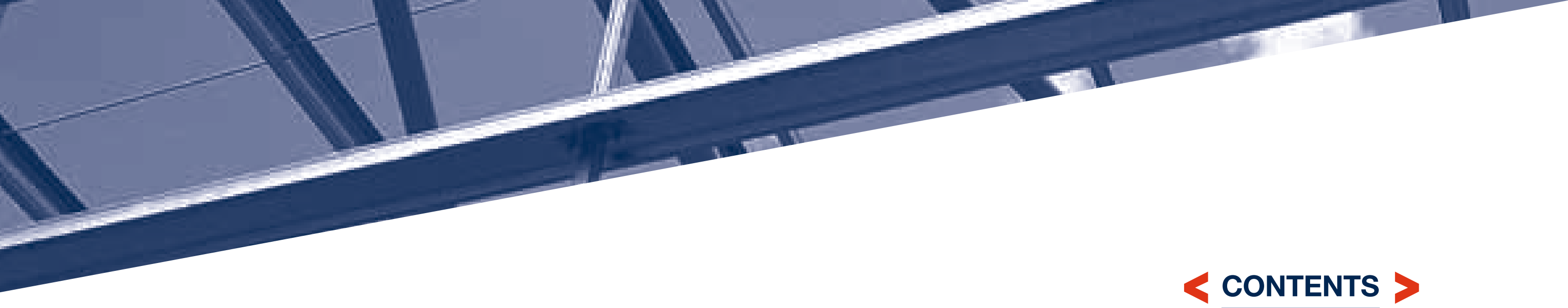

PHILIPPE DUPONT,
EXECUTIVE CHAIRMAN

“Natixis is a new name in the banking and financial world. What makes it unique?”

Natixis is a young company, as it was legally created in its current form on November 17, 2006. However, its various components have long-standing role in France’s economic fabric, giving it considerable strength and visibility from the outset.

Natixis was formed from the desires of two major banking groups - the Caisse d’Epargne Group and the Banque Populaire Group. Sharing the same strategic vision of the development of the financial sector, the two groups decided to join forces in creating a listed company, combining their corporate and investment banking, asset management and services activities, in which size and an international presence are decisive success factors.

Natixis has an extensive customer base and extremely broad range of activities, with a strong position both in France and abroad. For example, we are one of the world’s top 15 asset management companies. We are also world No. 3 in credit insurance, No. 10 in institutional custodial services and No. 10 in structured aircraft financing. We already generate a significant proportion of revenues - 47% of net banking income - outside France.

Natixis’ business model is both original and powerful, based on a strong commercial position, in-depth business expertise, a solid financial structure and a strong international presence. Thanks to our parent companies, we also have access to over 20% of the French retail banking market, which constitutes another major strategic advantage for Natixis.

It is this harmonious combination of all of these strengths that, I believe, makes our company unique.

What are the specific advantages this provides for your customers?

Natixis works with the majority of large and medium-sized businesses and a large number of institutional clients in France. All the staff of the entities we have brought together within Natixis had a strong culture of customer relations and customer satisfaction. This is what gives our business an exceptional basis.

Our new commercial organization, centered around improved coverage, has been designed to capitalize even more on this strength. In a rapidly changing world, we offer our customers the ability to understand their needs, to come up with solutions rapidly by drawing on the necessary financial and legal expertise, as well as, wherever necessary, our financial strength and international network, ensuring quality of execution at the highest standards. Our commercial success stems from this ability to reconcile financial power, flexibility and speed.

For personal banking customers of the Caisse d'Epargne Group and the Banque Populaire Group - for which Natixis provides products and services - the quality of our asset management teams and the power and investment capacity of our industrial platforms are our main strengths.

What are the company's medium-term aims?

Natixis set out quantitative targets at the time of the major market transaction carried out successfully in November and December last year. These targets are supported by an extremely detailed medium-term plan, which constitutes our "route map".

We would describe our plan as ambitious and realistic. It is primarily an expansion plan, based on Natixis' formidable potential and focusing on organic growth. However, it also takes into account the fact that conditions may not always be as favorable as in recent times.

Overall, Natixis aims to increase its net banking income by an average of 10% a year over the period from 2005-10 and to improve its return on equity by 4 percentage points.(3)

Natixis also supports the shared ambitions of its two major shareholders - the Caisse d'Epargne Group and the Banque Populaire Group - which intend to play a role, both independently and together, in the opportunities arising from the consolidation of the banking industry.

This also opens up new opportunities for Natixis' 23,000 employees, who are already involved in writing an exciting new chapter in what is now our shared history.

(3) Natixis's financial objectives for the period from 2006-2010 are based on a number of assumptions, the most important of which are described in appendix B of Document E (paragraph 5.3.2), registered with the AMF on October 16, 2006, under number E.06-162.

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2006 key figures

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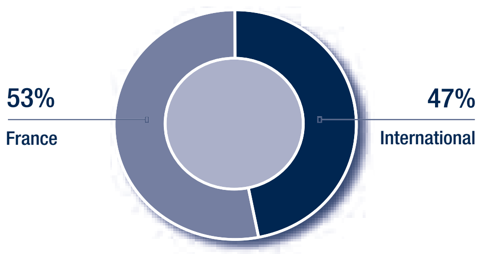
21,138 employees

(FULL-TIME EQUIVALENT AT DECEMBER 31, 2006)

Operations
in **68** countries

NET BANKING INCOME BY REGION



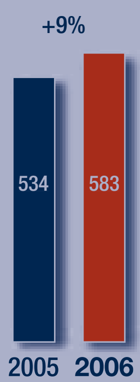
LONG-TERM RATINGS
(as of January 31, 2007)

AA (Stable)
Standard & Poor's

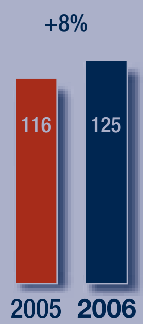
Aa2 (Stable)
Moody's

AA (Stable)
Fitch Ratings

ASSETS UNDER MANAGEMENT AT DECEMBER 31
in € billions



RISK-WEIGHTED ASSETS AT DECEMBER 31*
in € billions



** With affiliation of Ixis CIB and without affiliation of Natixis.*

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RESULTS

	2006	2005	% change
Net banking income	€7,322m	€6,006m	+22%
Gross operating income*	€2,354m	€1,921m	+23%
Net income (Group share)*	€2,158m	€1,727m	+25%
ROE	13.9%	12.0%	+1.9 point

** Excluding restructuring costs and costs relating to the creation of Natixis.*

BALANCE SHEET

	12/31/2006	12/31/2005
Tier 1 capital*	€11.2bn	€9.9bn
Capital adequacy ratio (CAD)	10.6%	11.5%
Tier 1 ratio*	8.9%	8.5%
Total assets	€458.6bn	€437.8bn

** After deductions in accordance with CRD/Basel II rules.*

NET BANKING INCOME OF CORE BUSINESS LINES

(in € millions)	2006	2005	% change
Corporate and Investment Banking	3,494	2,749	+27%
Asset Management	1,497	1,222	+23%
Private Equity and Private Banking	449	276	+63%
Services	1,151	1,045	+10%
Receivables Management	840	785	+7%
CIFG (financial guarantees)	79	51	+54%

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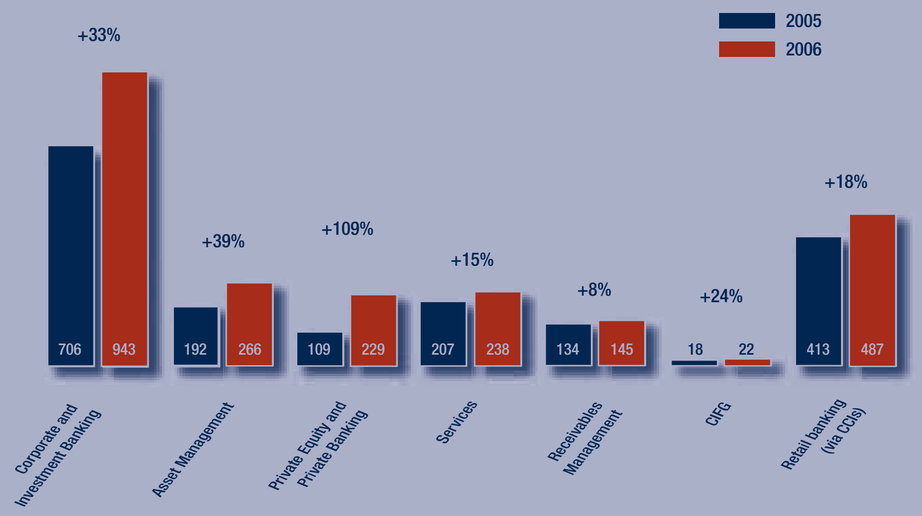
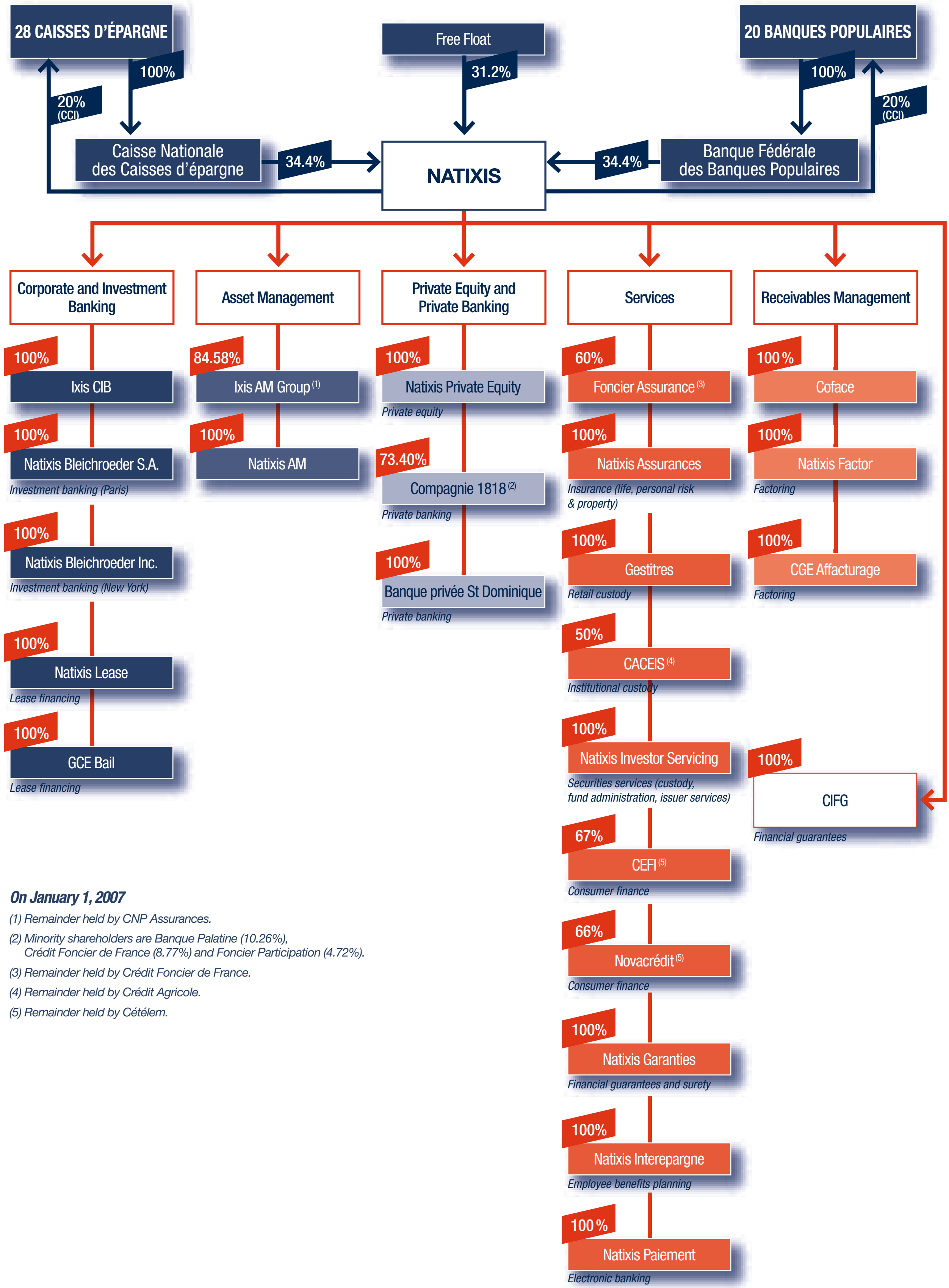
NET INCOME (GROUP SHARE) FROM CORE BUSINESS LINES
in € millions



The financial information provided for 2005 and 2006 is presented on a pro forma basis, assuming the consolidation of assets transferred by CNCE on January 1, 2005.

Simplified financial organization chart



On January 1, 2007

(1) Remainder held by CNP Assurances.

(2) Minority shareholders are Banque Palatine (10.26%), Crédit Foncier de France (8.77%) and Foncier Participation (4.72%).

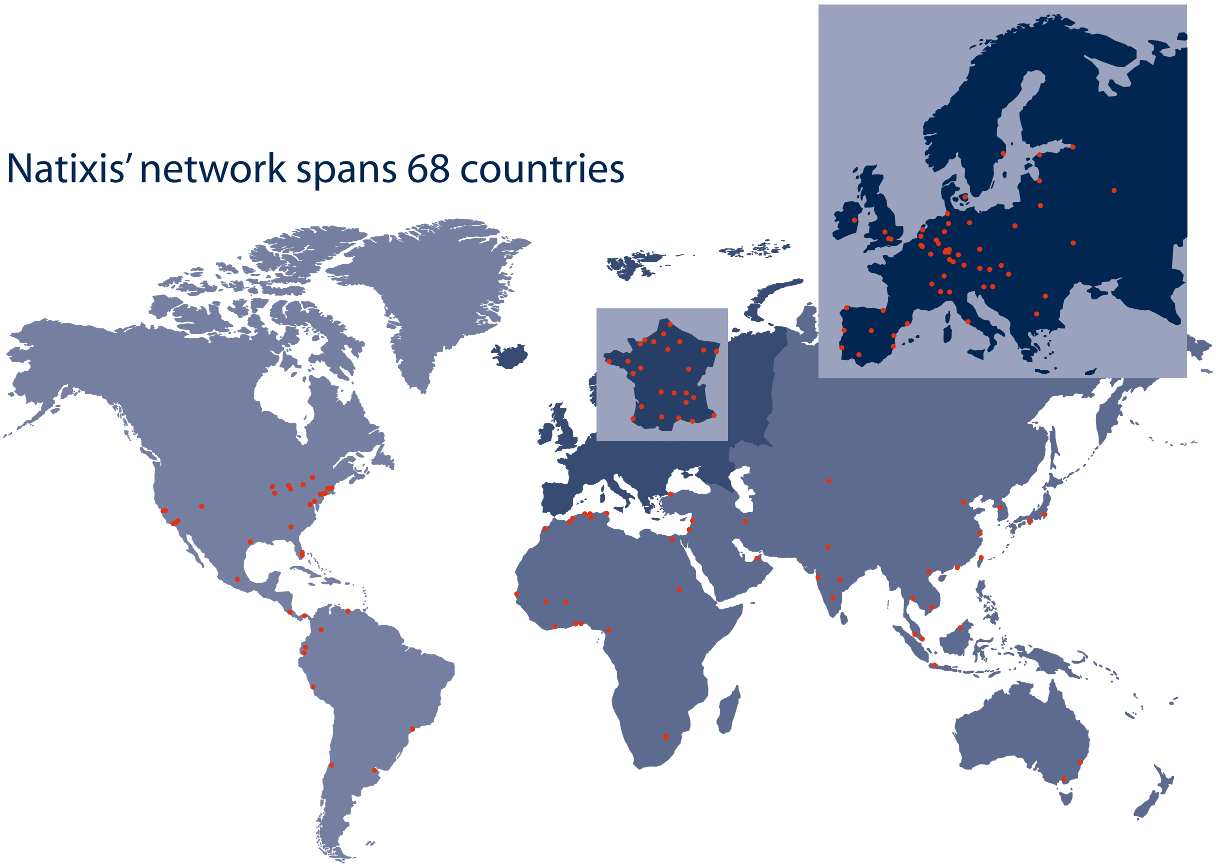
(3) Remainder held by Crédit Foncier de France.

(4) Remainder held by Crédit Agricole.

(5) Remainder held by Cételem.

International network

Natixis' network spans 68 countries



Europe – Alicante – Barcelona – Berlin – Bielefeld – Biella – Birmingham – Bratislava – Breda – Brussels – Bucharest – Budapest – Bologne – Dublin – Düsseldorf – Eschborn – Frankfurt – Frederiksberg – Hamburg – Hanover – Istanbul – Karlsruhe – Kiev – La Coruna – Lausanne – Linz – Lisbon – Ljubljana – London – Louvain-La-Neuve – Luxembourg – Madrid – Mainz – Milan – Moscow – Munich – Nuremberg – Oslo - Paris – Porto – Prague – Riga – Rome – Saint-Sébastien – St Petersburg – Seville – Sofia – Stockholm – Stuttgart – Tallinn – Valencia – Vienna – Vilnius – Warsaw – Watford – Zagreb – Zurich – Asia – Africa – Asia-Pacific – Abidjan – Algiers – Almaty – Bamako – Bangalore – Bangkok – Bejaia – Beijing – Beirut – Bnei-Brak – Cairo – Casablanca – Cotonou – Dakar – Douala – Dubai – Hanoi – Ho Chi Minh City – Hong Kong – Jakarta – Johannesburg – Kuala Lumpur – Labuan – Lomé – Melbourne – Mumbai – New Delhi – Oran – Osaka – Ouagadougou – Rouiba – Sandton – Secunderabad – Seoul – Setif – Shanghai – Singapore – Sydney – Taipei – Teheran – Tlemcen – Tokyo – Tunis – Americas – Atlanta – Baltimore – Bloomfield Hills – Bogotá – Boston – Boulder – Buenos Aires – Burlington – Caracas – Chicago – Detroit – East Windsor – Fairfield – Fort Lauderdale – Glendale – Greenwich – Guayaquil – Houston – Jersey City – Lima – Los Angeles – Mexico – Miami – Milwaukee – Montreal – New Haven – New York – Oakland – Panama – Pasadena – Pierrefonds – Quito – San Francisco – San Jose – Santiago – Sao Paolo – Toronto – Washington DC

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The creation of Natixis

H1 2006: Exclusive negotiations between the Banque Populaire Group and the Caisse d'Epargne Group

March 12, 2006: The Banque Populaire Group and the Caisse d'Epargne Group enter into exclusive negotiations concerning the creation of Natixis.

June 6, 2006: Following the exclusivity period announced on March 12, 2006, Philippe Dupont, Chairman of the Banque Populaire Group, and Charles Milhaud, Chairman of the Executive Board of Caisse Nationale des Caisses d'Epargne, signed the agreement that sets out the terms and conditions of the creation of their new joint subsidiary, Natixis.

The boards of directors of Banque Fédérale des Banques Populaires and Natexis Banques Populaires and the supervisory board of Caisse Nationale des Caisses d'Epargne approved the agreement at their meetings held on June 2 and 6 respectively.

H2 2006: Creation of Natixis and market transaction

November 17, 2006: Combined general meeting of Natexis Banques Populaires shareholders approving the contributions giving rise to the creation of Natixis.

The combination transactions include:

- the contribution by Caisse Nationale des Caisses d'Epargne (hereinafter referred to as "**CNCE**") to Natexis Banques Populaires of interests in certain subsidiaries and affiliates with activities in corporate and investment banking and financial services, as well as cooperative certificates of investment ("CCIs"), issued since 2004 by each of Caisse d'Epargne et de Prévoyance banks[4] (hereinafter referred to as "**Caisses d'Epargne**") and representing 20% of their share capital (the "**Caisses d'Epargne CCIs**"), currently wholly owned by CNCE;
- the contribution by SNC Champion (a special-purpose company formed by the Banque Fédérale des Banques Populaires (hereinafter referred to as "**BFBP**") and the Banque Populaire banks to Natexis Banques Populaires of the remaining Caisses d'Epargne CCIs not transferred by CNCE and purchased previously by SNC Champion from CNCE. In addition, CNCE and SNC Champion transferred their interests in Ixis Corporate & Investment Bank (hereinafter referred to as "**Ixis CIB**") and Ixis Asset Management Group (hereinafter referred to as "**Ixis AMG**") purchased from SanPaolo IMI (hereinafter referred to as "**SPIMI**").

As a result, CNCE and BFBP (directly and through SNC Champion) each held an equal stake of 45.52% (44.86% on a fully diluted basis) in Natexis Banques Populaires, now Natixis.

Concomitantly with these contributions, each of the Banque Populaire banks issued CCIs for Natexis Banques Populaires representing 20% of its share capital (together referred to as the "**Banque Populaire CCIs**").

November 18, 2006 - December 5, 2006: Placement of Natixis shares in the form of an open price offer ("Offre à Prix Ouvert") in France for private investors and a global placement ("Placement Global") for institutional investors in France and abroad, with:

- on December 6: Definitive price of the open price offer and global placement is set;
- on December 7: Listing of the shares under the name Natixis;
- and on December 11: Settlement/delivery of the shares.

At the end of this market transaction, CNCE and BFBP each owned 34.44% of Natixis.

Also refer to the section entitled "Historical information concerning Natixis" in the chapter entitled "Additional information" on page 400.

(4) Except for Caisse d'Epargne et de Prévoyance de Martinique and Caisse d'Epargne et de Prévoyance de Nouvelle Calédonie.

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1 NATIXIS AND ITS SHAREHOLDERS

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The Natixis shares

INTRODUCTION

2006 was divided into two periods for the Natixis shares: until November 17, 2006, the shares were listed under the name "Natexis Banques Populaires" with a par value of €16; since November 20, 2006, the shares have been listed under the name "Natixis" with a par value of €1.6 (after the 10-for-one stock split).

On November 17, 2006, the general meeting of shareholders of Natexis Banques Populaires approved the transfer of assets from Caisse Nationale des Caisses d'Epargne et de Prévoyance (CNCE) and SNC Champion - a wholly-owned subsidiary of Banque Fédérale des Banques Populaires - as well as a capital increase to pay for these assets. Shareholders also approved the 10-for-one stock split.

After the meeting, the Group's share capital stood at €1,973,176,336, divided into 1,233,235,210 shares with a par value of €1.60 per share.

On November 28, 2006, the CECEI (Comité des Etablissements de Crédit et des Entreprises d'Investissement) authorized the cancellation of 15,552,460 treasury shares, bringing the number of Natixis shares to 1,217,682,750.

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STOCK MARKET PROFILE AS OF DECEMBER 31, 2006

Capital stock	€1,951,782,928
Number of shares	1,219,864,330
Market capitalization	€26 billion
Number of individual shareholders	1.8 million (end-January 2007)
Market	Euronext Paris (compartment A), eligible for deferred settlement service
ISIN code	FR0000120685
Reuters code	CNAT.PA
Bloomberg France code	KN
Stock market indices	SBF 120 and SBF 250
	Included in the CAC Next20 index on March 19, 2007

OWNERSHIP STRUCTURE AS OF DECEMBER 31, 2006

	% capital	% voting rights
Banque Fédérale des Banques Populaires and subsidiaries (including SNC Champion, dissolved on January 19, 2007)	34.44%	34.44%
Caisse Nationale des Caisses d'Epargne et de Prévoyance	34.44%	34.44%
DZ BANK AG*	1.87%	1.87%
SAN PAOLO IMI*	1.68%	1.68%
Other (free float)	27.57%	27.57%

** Bearer shares.*

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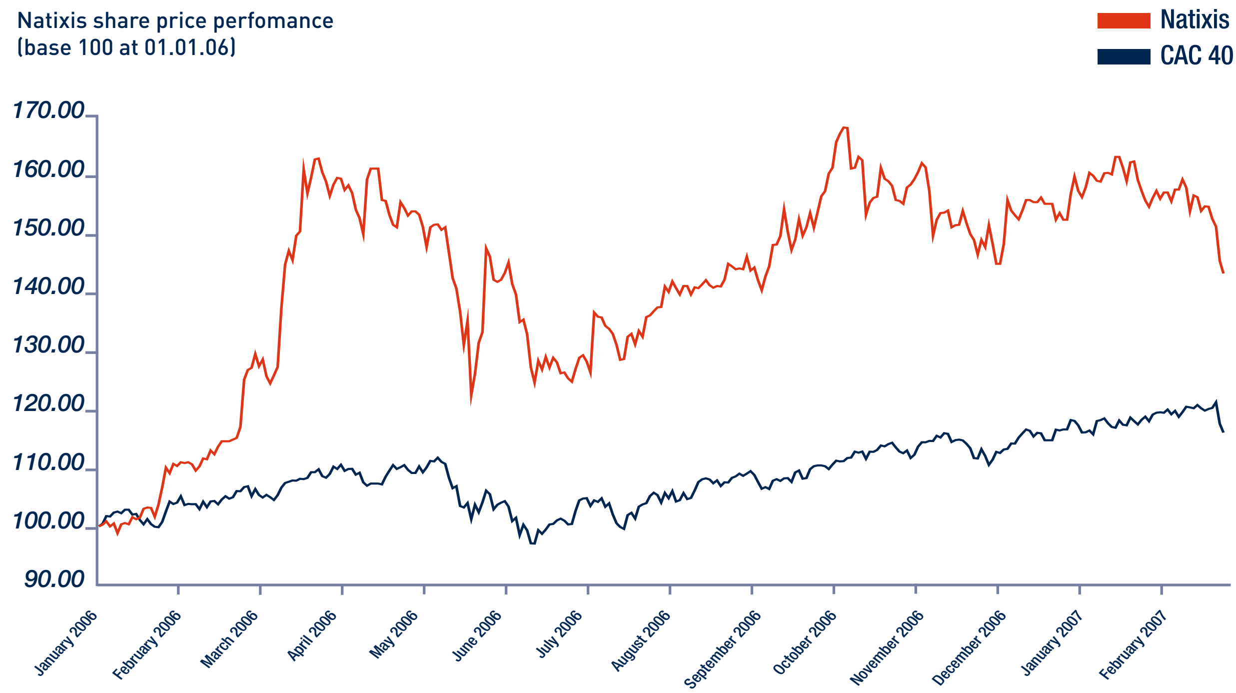
SHARE PRICE PERFORMANCE

NATIXIS SHARES CLOSED ON FEBRUARY 28, 2007 AT €20, UP 42% FROM END-2005.

Natixis share price perfomance
(base 100 at 01.01.06)

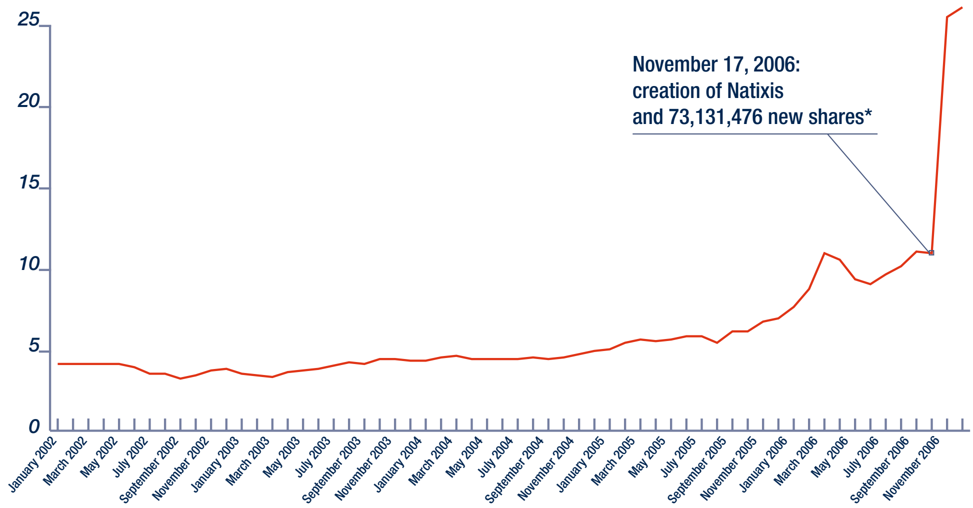


2006 TRADING VOLUME

1st quarter	2,234,399
2nd quarter	2,943,194
3nd quarter	1,994,506
4th quarter	
October	1,120,629
November	5,987,035*
December	189,516,752*

** After 10-for-1 stock split on November 17, 2006.*

MARKET CAPITALIZATION
in billions of euros



** after 10-for-1 stock split on November 17, 2006*

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Key share data

(in € millions)	Natexis Banques Populaires 2002	2003	2004	2005	Natixis 2006
Earnings per share(1)	2.40	5.60	8.50	14.9	1.73
Book value per share(2)	84.5	86.5	91.1	113.2	14.3
Net dividend per share	1.5	2.5	3.3	5.0	0.86(3)
Number of shares	47,442,837	48,045,139	48,255,962	48,995,480	1,219,864,330
Pay-out ratio	62.5%	45.5%	38.8%	40.0%	50%(4)
12-mo. high	97.50	92.05	109.60	140.80	23.77(5)
12-mo. low	70.00	69.10	85.20	100.00	13.81(5)

(1) Based on average number of shares outstanding during the year.
(2) Based on number of shares outstanding at end of year.
(3) Proposal to be submitted to shareholders at the May 24, 2007 Annual General Meeting.
(4) Calculated on the basis of pro forma net income.
(5) After 10-for-1 stock split.

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Value created for shareholders

Natixis measures shareholder value created for an individual shareholder over a seven-year period, corresponding to a medium-to-long-term investment period.

CALCULATION ASSUMPTIONS

The following calculations are based on a gross dividend, adjusted for the 10-for-one stock split, including the avoir fiscal tax credit at the 50% rate (except for 2004 and 2005) and reinvested in Natixis shares. Returns were calculated as of December 31, 2006, and are shown before tax and brokerage costs.

INVESTMENT RETURNS

The table below shows the growth in value of an investment in one Natixis share (Natexis Banques Populaires prior to November 17, 2006) acquired at the December 31, 1999, closing price of €7.27 (adjusted for the 10-for-1 stock split).

The dividend is assumed to be reinvested at the opening share price on the first trading day following payment.

Fiscal year	Gross dividend per share* *(in euros)*	Payment date	Dividend reinvestment share price* *(in euros)*	Fractional share acquired through reinvestment of gross dividend	Total shares after reinvestment of gross dividend
1999	0.33	07/03/00	7.32	0.0451	1.045
2000	0.38	06/05/01	9.65	0.0389	1.084
2001	0.38	05/28/02	9.05	0.0414	1.125
2002	0.23	05/26/03	7.51	0.0300	1.155
2003	0.38	06/03/04	8.82	0.0425	1.198
2004	0.33	05/25/05	11.70	0.0282	1.226
2005	0.50	05/22/06	17.00	0.0294	1.255

** Adjusted for the 10-for-1 stock split*

Based on a share price of €21.28 on December 31, 2006, the initial investment had appreciated to €21.28 x 1.26 = €26.81 at that date, representing **average annual growth of 19.5%.** The initial 1999 investment increased 3.5 times.

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Shareholder relations

ACTIONS IN 2006

In 2006, the Investor Relations department handled all relations **with private and institutional investors, financial analysts and ratings agencies.**

Firstly, it was responsible for **preparing Natexis Banques Populaires' 2005 annual report** and its updates, as well as ensuring that they were filed with the AMF (Autorité des Marchés Financiers). Owing to the quality of the 2005 annual report, it was again one of the eight SBF 120 companies nominated for the annual report "Grand prix" awarded each year by the French financial publication *La Vie Financière*, in partnership with *Les Echos*.

The Group's results to December 31, 2005, and June 30, 2006, were announced in **press releases and at meetings** with the financial press and financial analysts. Earnings announcements were also published in the financial press.
Due to the Group's unusual news flow in 2006, the Investor Relations department has published a number of specific press releases from the signing of the protocol agreement concerning the creation of Natixis between the Caisse d'Epargne Group and the Banque Populaire Group in March to the commencement of trading of the shares in December. Several presentations about the new Group were also produced.

The Investor Relations department also contributed to the production of several **legal documents**, in particular those issued in the context of the creation of Natixis ("Document E" filed with the AMF on October 16, 2006) and the placement of the shares on the market (offering circular approved by the AMF on November 17, 2006).

All of these documents have been made available online on the company's website in French and/or English.

In addition to **regular individual meetings** with institutional investors in France and abroad organized in the first half of 2006, a special meeting with sell-side analysts was held in Paris on October 17, 2006, to present Natixis.
A number of road shows were organized to accompany the placement of the Natixis shares (open price offer for private investors in France and global placement for institutional investors in France and abroad) between November 18 and December 5, 2006. In France, road shows were held in Paris and five major cities (Lille, Nantes, Nice, Marseille and Lyon) to present Natixis and the characteristics of the open price offer to the personal customers of the major banking networks, in particular those of the Caisse d'Epargne and the Banque Populaire banks. A number of meetings also took place with institutional investors in Europe and the United States.

For **individual investors**, the primary means of communication in 2006 was again the **'Shareholders' Newsletter'**. Two newsletters, including a special edition dedicated to the general shareholders' meeting in May 2006, were sent out to all identified shareholders and put online on the Group's website. The **'Banque Populaire Group employee-shareholders' newsletter'** was sent to all employees who had subscribed to the employee stock ownership plan launched in June 2001.

Individual shareholders in France were also able to obtain information throughout the year by dialing a **toll-free number** or by sending an e-mail to relinvest@natixis.fr. A particularly high number of calls were handled in the fourth quarter of 2006. The main questions from existing Natexis Banques Populaire shareholders concerned what would happen to their shares and the company's new scope of consolidation. Many of these shareholders expressed their eagerness to buy new shares. "Potential" shareholders asked a variety of questions about Natixis' business activities and the terms of the open price offer.
In an effort to personalize shareholder relations and ensure that the information provided is of a consistently high quality, all calls and e-mails were handled directly by members of the Investor Relations team.

Two general meetings were held in 2006. On May 18, 2006, several hundred shareholders attended the **Annual General Meeting** of Natexis Banques Populaires held in the main auditorium of the Paris Bourse. As in prior years, the meeting was preceded by a broad-based consultation process to identify the topics of particular interest to shareholders, and the rate of response has increased every year. The 2006 themes included the company's financial performance, its business lines - with a presentation focusing on the Services division - as well as share price performance, dividend policy and an update of the strategy for 2006 with the creation of Natixis.
On November 17, 2006, the Natexis Banques Populaires general meeting was held at the Palais des Congrès conference center in Paris. This meeting was of particular importance and highly legal in nature, as shareholders had to vote on 51 resolutions including approval of the transfer of assets, the change of company name and the 10-for-one stock split. After the meeting, Natexis Banques Populaires became Natixis.

Each of these meetings was shown the next day on the website, accompanied by the results of the votes on resolutions.

Meetings with individual shareholders at the **Actionaria** individual investors' trade fair at the Palais des Congrès on November 17 and 18, 2006, were subject to particular circumstances, as the general meeting resulting in the creation of Natixis was held on the first day of the trade show and trading of the Natixis shares began on the second day. Record attendance was reported at the stand. The qualitative survey of visitors to large cap stands conducted by TLB was extremely positive for Natixis, which achieved a score well above average.

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A large amount of information was added to the '**Shareholders and Investors' section** of the www.natixis.com website, available in both French and English. In addition to being able to watch general meetings for several weeks after they are held and view the share price in real time, visitors to this section can download all documents published in 2006. Finally, for several weeks, the Investor Relations department contributed content to a specific website presenting Natixis, including all documents relating to the creation of the new entity - from legal aspects to advertising campaigns - as well as the listing of the shares in December.

CURRENT AND FORTHCOMING ACTIONS IN 2007

The usual methods of communicating with individual shareholders will be maintained in 2007, comprising primarily the shareholders' newsletter.

The first newsletter for Natixis shareholders was sent to all individual shareholders - both bearer and registered shareholders - at the end of March 2007. It covered all of the key events for the company in 2007, in particular the creation of a shareholders' club.

The new toll-free number (08 00 41 41 41) is now available to all of Natixis' individual shareholders. The number became operational on October 17, 2006 - in connection with preparations of the placement of the shares with the public - and receives around 70 calls a day. Outside operating hours (9.00am to 6.00pm Monday-Friday), a message is played giving the closing share price.

The general shareholders' meeting will be held on May 24, 2007, at the Carrousel du Louvre in Paris.

Finally, the Actionaria trade show, to be held on November 16 and 17, 2007, at the Palais des Congrès in Paris, will provide the opportunity to enhance Natixis' visibility. Several targeted communications efforts will be implemented in connection with the trade show.

The first Natixis shareholders' club will be set up in 2007.

The club will be open to registered shareholders, as well as all bearer shareholders with at least 50 shares, in order to create more personalized dialogue with them. Membership of the club will be free and offer certain benefits, such as the regular shareholders' newsletter, institutional documentation on request and the possibility of being invited to regional shareholders' meetings. In the longer term, members of the shareholders' club will be invited to events relating to the company's patronage policy.

Shareholder relations

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Fax: +33(0)1.58.32.15.70

Website: www.natixis.com

e-mail: relinvest@natixis.fr

Individual shareholders

Toll-free number (in France): +33 (0)800.41.41.41

Website: www.natixis.com

e-mail: relinvest@natixis.fr

Securities department

Tel.: +33 (0)1.58.32.31.86 Fax: +33 (0)1.58.32.29.30

e-mail: emetteurs.charenton@natixis.fr

Registered shareholders

Website: www.emetline.com

e-mail: emetline@natixis.fr

2007 Financial Calendar

March 15, 2007

2006 earnings

May 24, 2007

Annual General Meeting

May 30, 2007

Dividend payment date

August 30, 2007

H1 2007 earnings release

Mid-November 2007*

Information about Q3 2007

* *Date to be confirmed.*

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Participating in the Annual General Meeting

The Notice of Meeting

The Notice of Meeting presents the agenda of the Meeting and the resolutions that will be put to vote. It is sent directly to holders of registered shares who purchased their shares at least one month before the Meeting date. Included with the Notice is a form to apply for an admittance card, for shareholders planning to attend the meeting in person, and a form of proxy and a postal voting form for shareholders who are unable to attend.

Holders of bearer shares are notified of the Meeting through notices published in the Bulletin des Annonces Légales Obligatoires (BALO – http://balo.journal-officiel.gouv.fr) and the financial press at least 35 days prior to the Meeting date, by calling the toll-free number reserved for shareholders (calls originating in France only) or by visiting the bank's web site. Copies of the Notice of Meeting and the voting forms can be obtained from the bank or broker that manages their share account.

Legal formalities to be carried out before the Meeting

Registered shares must be recorded in the holder's registered share account or administered registered share account at least three days prior to the Meeting date.

Holders of bearer shares must ask the bank or broker that manages their share account to send a certificate of attendance ("attestation de participation") to Natixis, which must be received at least three days prior to the Meeting date, in order to allow time for an admittance card to be sent to the shareholder.

Attending the Meeting in person

Shareholders will be required to present their admittance card at the door. If they do not receive this card in time, they can still take part in the vote by presenting an official identity document (together with the certificate of attendance provided by the bank or broker that manages their share account).

Postal and proxy voting

Shareholders who do not attend the Meeting in person can take part in the vote by:

- giving proxy to the Chairman of the Meeting, by returning the signed form of proxy. The Chairman then casts a "Yes" vote on all resolutions presented or approved by the Board of Directors and a "No" vote on all other resolutions;
- voting by post, by returning the signed postal voting form after checking the appropriate boxes so as to vote "Yes", "No" or "Abstain" on each resolution presented to shareholders;
- giving proxy to their spouse or another Natixis shareholder to vote on their behalf.

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2 CORPORATE GOVERNANCE

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Introduction

The corporate governance of Natixis, in its current form, is based on the decisions adopted by Natexis Banques Populaires' Annual General Meeting of November 17, 2006.

The resolutions approved by the Annual General Meeting are reflected by the adoption of new bylaws, the new company name and changes in the company's administration and management. The company has a management board and a supervisory board in the place of a board of directors. This change is in accordance with the agreements reached between Natixis' two shareholders, as set out in the shareholders' pact of November 17, 2006.

For this reason, any information about corporate governance as exercised during the 2006 financial year shall take into account and describe the characteristics and functioning of the two executive bodies that succeeded each other in 2006, one for the first ten and a half months of the year and the other as of November 17.

MANAGEMENT BOARD at 1 January 2007

DUPONT Philippe	Executive Chairman	LADAM François	Board Member
FERRERO Dominique	Chief Executive Officer	ORSATELLI Anthony	Board Member

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SUPERVISORY BOARD at 1 January 2007

MEMBERS

MILHAUD Charles	Chairman of the Supervisory Board of Natixis, Chaiman of the Management Board of Caisse Nationale des Caisses d'Epargne et de Prévoyance
TOURRET Jean-Louis	Vice-Chairman of the Supervisory Board of Natixis, Chaiman of Banque Populaire Provencale & Corse
COMOLET Bernard	Vice-Chairman of the Supervisory Board of Natixis, Chairman of the Management Board of Caisse d'Epargne Ile-de-France Paris
Banque Fédérale des Banques Populaires	Represented by: GOUDARD Michel, Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires
Caisse Nationale des Caisses D'Epargne	Represented by: MERINDOL Nicolas, Chief Executive Officer of Caisse Nationale des Caisses d'Epargne
BOLLORÉ Vincent	Chairman and Chief Executive Officer of Groupe Bolloré
COMAS Jean-François	Chief Executive Officer of Banque Populaire Côte d'Azur
CORDEL Claude	Chairman of Banque Populaire du Sud
CREQUIT Jean-Claude	Chairman of the Management Board of Caisse d'Epargne Côte d'Azur
GENTILI Stève	Chairman of Bred Banque Populaire
HENRY Francis	Chairman of the Orientation and Supervisory Board of Caisse d'Epargne de Champagne Ardenne
De LA PORTE du THEIL Yvan	Chief Executive Officer of Banque Populaire Val-de-France
METTLING Bruno	Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires
NAOURI Jean-Charles	Chairman of Euris
PATAULT Didier	Chairman of the Management Board of Caisse d'Epargne des Pays de la Loire
PROGLIO Henri	Chairman and Chief Executive Officer of Veolia Environnement
SUEUR Philippe	Chairman of the Orientation and Supervisory Board of Caisse d'Epargne Île-de-France Nord
ZOLADE Robert	Chairman of Elior

NON-VOTING DIRECTORS

BRIXNER Ulrich	Chairman of the Consultative Committee of DZ BANK AG
IOZZO Alfonso	Chairman of Cassa Depositi e Prestiti Spa

BOARD SECRETARY

BUREL Jean-René

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Structure of executive bodies

NATEXIS BANQUES POPULAIRES

On January 16, 2002, Natexis Banques Populaires, a French corporation ("société anonyme") with a Board of Directors, opted to separate the functions of Chairman and Chief Executive Officer. François Ladam, who was not a member of the Board of Directors, was made Chief Executive Officer. This situation remained unchanged until November 17, 2006.

Board of Directors and its members

Composition

There were 15 members of the Board of Directors in 2006, as in prior years.

Three of these members (Daniel Duquesne, Richard Nalpas and Francis Thibaud) left the Board of Directors in May 2006.

They were replaced by three new members: Jean Clochet, Yves Gevin and Bernard Jeannin (each Chairman or Chief Executive Officer of a Banque Populaire regional bank), appointed by the Annual General Meeting of May 18, 2006.

Board members can be divided into three groups:

- Banque Populaire Group;
- Independent directors;
- Employee shareholders.

The Banque Populaire Group, which was majority shareholder and by far the largest with 76% of shares, held 11 seats or 73% of the 15 seats on the Board. Aside from the Chairman, directors from the Banque Populaire Group were equally divided between chairmen of Banque Populaire regional banks and Chief Executive Officers of Banque Populaire regional banks.

The three independent directors were:

- Jean de La Chauvinière, a retired banker and stockbroker and therefore completely independent of any financial institution;
- Vincent Bolloré, Chairman and Chief Executive Officer of the eponymous group;
- Robert Zolade, Chief Executive of Elior, a leading services provider and one of France's top two food services groups, a sector in which it is one of the founders.

The three independent directors satisfied the criteria endorsed by the AFEP-MEDEF report on corporate governance. They had no ties with any of the bank's direct or indirect shareholders, were not members of the bank's management and had not sat on the Board for more than 12 years. Furthermore, the financial relationships of the groups managed by two of these directors did not affect their independent judgment.

Owing to their long-standing experience, these three directors provided the Board of Directors of Natexis Banques Populaires with valuable insight and a different point of view, complementing that of the bankers who represent the majority of Board members. Finally, no member of the Board of Directors of Natexis Banques Populaires sat on the Board of Directors of one of the groups managed by these three individuals.

Employee shareholders, who held around 1.6% of the bank's share capital mid-year (after maturity of the Alizé shareholding plan), were represented on the Board by a director appointed by the Annual General Meeting in accordance with French law. This representative was a manager from the capital markets division.

All Board members, with the exception of Banque Fédérale des Banques Populaires, the principal shareholder, were individuals.

NATIXIS

Since November 17, 2006, the bank has had a Management Board and Supervisory Board, as set out in Articles L. 225-57 *et seq.* of the French Commercial Code.

A number of corporate governance rules relating to the composition and powers of the Supervisory Board and the Management Board are determined by the provisions of the pact[5] signed on November 17, 2006, which aims to guarantee equal representation of the two shareholders on the Supervisory Board.

(5) *See on page 393 for a description of the main provisions of the agreement.*

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Composition of the Supervisory Board

Name of person or company	First elected/ appointed	Term expires (AGM called to approve fin. stmts. for the year indicated)	Main position within the company	Main position outside the company
MILHAUD Charles	Board meeting of November 17, 2006	2011	Chairman of the Supervisory Board	Chairman of the Management Board of CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PREVOYANCE 50 avenue Pierre Mendès France 75201 PARIS Cedex 13
TOURRET Jean-Louis	AGM of November 17, 2006	2011	Vice-Chairman of the Supervisory Board	Chairman of BANQUE POPULAIRE PROVENCALE & CORSE 245 boulevard Michelet BP 25 13274 MARSEILLE CEDEX 09
COMOLET Bernard	AGM of November 17, 2006	2011	Vice-Chairman of the Supervisory Board	Chairman of the Management Board of CAISSE D'EPARGNE ILE-DE-FRANCE Paris 19, rue du Louvre B.P. 94 75021 PARIS CEDEX 01
BANQUE FEDERALE DES BANQUES POPULAIRES - represented by Michel GOUDARD	AGM of November 17, 2006	2011	Member of the Supervisory Board	Deputy Chief Executive Officer of BANQUE FEDERALE DES BANQUES POPULAIRES Le Ponant de Paris 5 rue Leblanc 75511 PARIS CEDEX 15
CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PREVOYANCE - represented by Nicolas MERINDOL	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chief Executive Officer of CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PREVOYANCE 50 avenue Pierre Mendès France 75201 PARIS Cedex 13
BOLLORÉ Vincent	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman and Chief Executive Officer of Groupe BOLLORÉ Tour Bolloré 31-32 quai de Dion Bouton 92800 PUTEAUX
COMAS Jean-François	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chief Executive Officer of BANQUE POPULAIRE COTE D'AZUR 457 promenade des Anglais 06292 NICE CEDEX 3
CORDEL Claude	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of BANQUE POPULAIRE DU SUD 10 place de la Salamandre CS 98-001 30969 NIMES CEDEX 9

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Name of person or company	First elected/ appointed	Term expires (AGM called to approve fin. stmts. for the year indicated)	Main position within the company	Main position outside the company
CREQUIT Jean-Claude	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of the Management Board of CAISSE D'EPARGNE COTE D'AZUR 455, promenade des Anglais B.P. 297 06205 NICE CEDEX 3
GENTILI Stève	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of BRED BANQUE POPULAIRE 18 quai de la Rapée 75012 PARIS
HENRY Francis	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of the Orientation and Supervisory Board of CAISSE D'EPARGNE CHAMPAGNE-ARDENNE 6, rue de la Grosse Ecritoire B.P 2747 57062 REIMS
de La PORTE du THEIL Yvan	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chief Executive Officer of BANQUE POPULAIRE VAL-DE-FRANCE 9 avenue Newton 78183 SAINT-QUENTIN-EN-YVELINES CEDEX
METTLING Bruno	AGM of November 17, 2006	2011	Member of the Supervisory Board	Deputy Chief Executive Officer of BANQUE FEDERALE DES BANQUES POPULAIRES Le Ponant de Paris 5, rue Leblanc 5511 PARIS CEDEX 15
NAOURI Jean-Charles	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of EURIS 83 rue du Faubourg Saint-Honoré 75008 PARIS
PATAULT Didier	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of the Management Board of CAISSE D'EPARGNE DES PAYS DE LA LOIRE 8, Rue de Bréa B.P 835 44000 NANTES

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Name of person or company	First elected/ appointed	Term expires (AGM called to approve fin. stmts. for the year indicated)	Main position within the company	Main position outside the company
PROGLIO Henri	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman and Chief Executive Officer of VEOLIA ENVIRONNEMENT 38 avenue Kléber 75016 PARIS
SUEUR Philippe	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of the Orientation and Supervisory Board of CAISSE D'EPARGNE D'ILE DE FRANCE NORD 57, rue du Général de Gaulle 95880 ENGHEIN LES BAINS
ZOLADE Robert	AGM of November 17, 2006	2011	Member of the Supervisory Board	Chairman of ELIOR Groupe ELIOR 65 rue de Bercy 75589 PARIS CEDEX 12
BRIXNER Ulrich	AGM of November 17, 2006	2011	Non-voting director	Chairman of the Consultative Committee of DZ BANK AG Am Platz der Republik D-60265 FRANKFURT AM MAIN
IOZZO Alfonso	AGM of November 17, 2006	2011	Non-voting director	Chairman of CASSA DEPOSITI e PRESTITI Spa Piazza San Carlo 156 10121 TURIN Italy

Natixis' Supervisory Board was appointed for a period of six years by the Annual General Meeting of November 17, 2006, in addition to two non-voting directors.

Members of the Supervisory Board (excluding non-voting directors) can be divided into three groups:

- 7 members from the Banque Populaire Group;
- 7 members from the Caisse d'Epargne Group.

  The Banque Populaire Group and the Caisse d'Epargne Group, each of which hold 34% of Natixis shares, have an equal number of seats on the Supervisory Board. This equal representation is in accordance with the agreement signed between Natixis' two shareholders.

  Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne are each members of the Board as majority shareholders and legal persons. The other 12 members from the two groups are all individuals and directors of the Banque Populaire Group and the Caisse d'Epargne Group.

- 4 independent members.

  Two independent Board members who previously sat on the Board of Directors of Natexis Banques Populaires, Vincent Bolloré and Robert Zolade, are members of Natixis' Supervisory Board. The characteristics that qualify these two directors as independent members of the Board of Directors of Natexis Banques Populaires can be transposed within the framework of their duties as members of Natixis' Supervisory Board.

  Jean-Charles Naouri and Henri Proglio have also been appointed as independent members.

  Mr Naouri is Chairman of Euris, the holding company of one of France's largest retail groups, Mr Proglio is Chairman and Chief Executive Officer of Véolia Environnement.

  These two members also satisfy the criteria for independent members as set out in the AFEP/MEDEF reports. They are not members of the bank's management. Banking relationships between Natixis and the groups headed by these two individuals do not affect the impartiality of their judgment. However, it should be noted that Mr Naouri and Mr Proglio each serve as non-voting director on the Supervisory Board of Caisse Nationale des Caisses d'Epargne, one of Natixis' two shareholders.

The two non-voting directors, Ulrich Brixner and Alfonso Iozzo, of German and Italian nationality respectively, are both directors or former directors of major banking groups and provide the Board with the insight of European partners.

Under the terms of the pact between the two core shareholders, Chairmanship of the Supervisory Board shall be held alternately

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by a representative of one of the two shareholders for a period of six years. The first Vice-Chairman of the Supervisory Board shall be a representative of the shareholder not represented by the Chairman of the Supervisory Board, and the second Vice-Chairman shall be a representative of the other shareholder.

Within this context, since November 17, 2006, Chairmanship of the Supervisory Board has been held by Charles Milhaud, Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne. The two Vice-Chairmen are Jean-Louis Tourret (first Vice-Chairman) and Bernard Comolet (second Vice-Chairman) respectively.

Management Board

Name of person or company	First elected/ appointed	Term expires	Main position within the company	Main position outside the company
DUPONT Philippe	Supervisory Board meeting of November 17, 2006	November 17, 2012	Executive Chairman	Chairman and Chief Executive Officer of BFBP
FERRERO Dominique	Supervisory Board meeting of November 17, 2006	November 17, 2012	Chief Executive Officer	
LADAM François	Supervisory Board meeting of November 17, 2006	November 17, 2012	Member of the Management Board	
ORSATELLI Anthony	Supervisory Board meeting of November 17, 2006	November 17, 2012	Member of the Management Board	

The Management Board may be made up of two to seven members appointed for a period of six years by the Supervisory Board, in accordance with French law, article 9 of the bylaws and the shareholders' pact, which states that members are chosen on the basis of their competence, irrespective of from which of the two groups they come.

Under the terms of the shareholders' pact, the appointment or dismissal of any Board member requires the agreement of the two core shareholders and a double majority vote by members of the Supervisory Board present and represented and members representing each of the two shareholders.

The Supervisory Board meeting of November 17, 2006, appointed four Board members: Philippe Dupont, Dominique Ferrero, François Ladam and Anthony Orsatelli. Mr Dupont (also Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires) was appointed Executive Chairman and Mr Ferrero was appointed Chief Executive Officer.

A brief curriculum vitae of each of these individuals, as well as their list of executive positions and directorships in 2006 and the five preceding years, are provided in the appendices.

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Summary of positions and directorships at December 31, 2006

Vincent BOLLORÉ

Current positions and directorships	In the last five years
FRENCH COMPANIES	**FRENCH COMPANIES**
Member of the Supervisory Board of Natixis	**Director of Natexis Banques Populaires**
Chairman and Chief Executive Officer of Bolloré Participations	Chairman and Chief Executive Officer of Bolloré Média
Chairman and Chief Executive Officer of Bolloré	Chairman of the Board of Directors of Bolloré Investissement
Chairman of the Board of Directors of Havas	Chief Executive Officer of BB Investissement
Chairman of the Board of Directors of Financière de l'Odet	Director of Bolloré Investissement
Chairman of the Board of Directors of Bolloré Média	Director of SEITA
Chairman of the Board of Directors of Direct Soir	Director of TOBACCOR
Chairman of the Board of Directors of Compagnie de Bangor	Permanent representative of Compagnie du Cambodge, Member of the Supervisory Board of Société Financière HR
Chairman of SAS Bolloré Production	Permanent representative of Bolloré, Director of Afrique Initiatives
Chief Executive Officer of Sofibol	Director of Generali France
Chief Executive Officer of Omnium Bolloré	
Chief Executive Officer of Financière V	
Director of Batscap	
Director of Bolloré	
Director of Bolloré Participations	
Director of Compagnie des Glénans	
Director of Financière Moncey	
Director of Omnium Bolloré	
Director of Sofibol	
Director of Financière V	
Member of the Supervisory Board of Vallourec	
Permanent representative of Bolloré Participations, Director of Cie des Tramways de Rouen	
Permanent representative of Bolloré Participations, Director of SAFA	
Permanent representative of Bolloré Participations, Director of Sté des Chemins de Fer et Tramways du Var et du Gard	
Permanent representative of Bolloré Participations, Director of la Sté Industrielle et Financière de l'Artois	
Permament representative of Bolloré Participations, Director of Société Bordelaise Africaine	
Permanent representative of Bolloré Participations, Director of IER	
Permanent representative of Bolloré Participations, Member of the Supervisory Board of Compagnie du Cambodge	

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Current positions and directorships	In the last five years

FOREIGN COMPANIES

Chairman of Plantations des Terres Rouges (Luxembourg)

Vice-Chairman of Société des Caoutchoucs de Grand Bereby – SOGB (Abidjan)

Vice-Chairman of Bereby Finances (Abidjan)

Deputy Chairman and Deputy Director of Nord Sumatra Investissements (Brussels)

Director of BB Groupe SA (Luxembourg)

Director of Centrages

Director of CIE Internationale de Cultures (Luxembourg)

Director of Financière Privée (Brussels)

Director of Liberian Agricultural Company Lac

Director of Mediobanca

Director of Plantations Nord Sumatra Limited

Director of Plantations des Terres Rouges

Director of Red Land Roses (Kenya)

Director of SDV Gabon

Director of SDV Sénégal

Director of Société Financière des Caoutchoucs Socfin (Brussels)

Director of SOCFINAF CY LTD (Kenya)

Director of Société Financière Luxembourgeoise – SOCFINAL (Luxembourg)

Director of SOCFINASIA (Luxembourg)

Director of SOCFIN Consultant Services – SOCFINCO (Brussels)

Director of PT SOCFIN Indonesia ORD. – SOCFINDO (Indonesia)

Director of SOCFIN International – SOCFININTER (Brussels)

Director of Société de Gestion pour le Caoutchouc et les Oléagineux – SOGESCOL (Brussels)

Permanent representative of Bolloré Participations, Director of SDV Cameroun

Permanent representative of Bolloré Participations, Director of SDV Congo

FOREIGN COMPANIES

Chairman of Selective East Asiatic

Director of SOCFIN Plantations Senndirian Berhad (Malaysia)

Permanent representative of Bolloré Participations, Director of SDV Côte d’Ivoire

Permanent representative of Bolloré Participations, Director of Immobilière de la Pépinière

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Christian BREVARD

Current positions and directorships	In the last five years
Deputy Vice-Chairman of Banque Populaire d'Alsace	**Director of Natexis Banques Populaires (until November 17, 2006)**
Chairman of the Board of Directors of Natexis Bleichroeder S.A.	Manager of Bruker Optique
Director of Natexis Bleichroeder Inc., New York	Director of Planinter
Director of Banque Fédérale des Banques Populaires	
Permanent representative of Banque Populaire d'Alsace, Director of Natexis Pramex International	
Chairman of the Management Board of Bruker Biospin S.A.	
Manager of Bruker Daltonique (eurl)	
Member of the Académie des Technologies	

Ulrich BRIXNER

Current positions and directorships	In the last five years
Non-voting director on the Supervisory Board of Natixis	Chairman of the Board of DZ BANK AG
Chairman of the Foundation of DZ BANK AG	Vice-Chairman of the Supervisory Board of Bausparkasse Schwäbisch Hall AG
Chairman of the Orientation Board of DZ BANK AG	Chairman of the Board of Directors of DZ BANK Ireland plc
Member of the Board of Directors of Landwirtschaftlichen Rentenbank	Vice-Chairman of the Supervisory Board of R+V Versicherung AG
Vice-Chairman of the Board of Directors of Banco Cooperativo Espanol S.A.	Chairman of the Supervisory Board of VR-Immobilien AG
Member of the Supervisory Board of Südzucker AG	Member of the Board of Directors of KfW Kreditanstalt für Wiederaufbau
Member of the Supervisory Board of EQUENS N.V. – Payment Services for Europe	Chairman of CIBP

Jean-Pierre CHAVAILLARD

Current positions and directorships	In the last five years
	Director representing employee shareholders at Natexis Banques Populaires (until November 17, 2006)

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Jean CLOCHET

Current positions and directorships	In the last five years
Chairman of the Board of Directors of Banque Populaire des Alpes	**Director of Natexis Banques Populaires (until November 17, 2006)**
Chairman of the Board of Directors of Routin America Inc.	Chairman of the Board of Directors of AAA-Actions-Agro-Alimentaire
Director and Chairman and Chief Executive Officer of Brasserie des Cimes	Chairman of Pays de Savoie Entreprendre
Director and Chairman and Chief Executive Officer of Routin S.A.	Deputy Vice-Chairman of the Board of Directors of Banque Populaire des Alpes
Director and Chief Executive Officer of Routin Nord Europe	
Director of Banque Fédérale des Banques Populaires	
Director of Banque Privée Saint Dominique	
Director of Natixis Private Banking	
Director of Savoie Entreprendre	
Director of Syndicat national des Sirops	
Manager of Montania	
Joint manager of SCI C3 et Houille Blanche	
Treasurer of Syndicat Rhône Alpes des Sirops et Liqueurs	

Jean-François COMAS

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	**Director of Natexis Banques Populaires**
Chief Executive Officer of Banque Populaire Côte d'Azur	Director of Fructilux
Director of Banque Fédérale des Banques Populaires	Permanent representative of Banque Populaire du Luxembourg, Director of Fructilux
Director of Natixis Assurances	Permanent representative of Natexis Private Banking Luxembourg, Director of Fructilux
Director of Natixis Coficiné	
Permanent representative of Banque Populaire Côte d'Azur, Chairman of Foncière Victor Hugo	
Permanent representative of Banque Populaire Côte d'Azur, Chairman of Société Méditerranéenne d'Investissement	
Director of Informatique Banques Populaires	
Representative of Banque Populaire Côte d'Azur, Manager of SCI Domaine de l'Arénas	
Other positions:	
Director of Association Banque Populaire pour la Création d'Entreprise	

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Bernard COMOLET

Current positions and directorships	In the last five years
Vice-Chairman of the Supervisory Board of Natixis	Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Board of Directors of SACCEF
Chairman of the Management Board of Caisse d'Epargne Ile-de-France Paris	Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Board of Directors of Sogeccef
Vice-Chairman of the Supervisory Board of Caisse Nationale des Caisses d'Epargne	Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Board of Directors of Eulia Caution
Member of the Supervisory Board of Ixis Corporate & Investment Bank	Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Board of Directors of Socamab
Chairman of the Supervisory Board of Banque BCP SAS	Chairman and Chief Executive Officer of SICAV Ecureuil Dynamique +
Director of Banque BCP SA (Luxembourg)	Manager of SCI Ecureuil du Nord Seine et Marne
Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Supervisory Board of SA d'HLM Immobilière 3F	Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Board of Directors of Groupement d'Achat des Caisses d'Epargne Od@cia
Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Supervisory Board of Efidis	Permanent representative of Caisse d'Epargne et de Prévoyance Ile-de-France Paris on the Supervisory Board of SA d'HLM Immobilière 3F
Non-voting director on the Supervisory Board of CNP Assurances	Permanent representative of Caisse Nationale des Caisses d'Epargne on the Board of Directors of Le Livret Portefeuille

Claude CORDEL

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	**Director of Natexis Banques Populaires**
Chairman of the Board of Directors of Banque Populaire du Sud	Chairman of the Board of Directors of Banque Populaire du Midi
Chairman of the Board of Directors of Natixis Factor	Chairman of Unicem Régional (quarries and materials industry trade union)
Director of Coface	Chairman of the Supervisory Board of Factorem
Director of Natexis Pramex International	Chairman of the Board of Directors of Natexis Factorem
Chairman of Commission Financière Nationale de l'Unicem	Chairman of Cellule économique BTP du Languedoc Roussillon
Chairman of SAS CPSL	Director of Banque Fédérale des Banques Populaires
Chairman of SAS Holding Clobia	
Vice-Chairman of the Board of Directors of Banque Fédérale des Banques Populaires	
Director of SAS Dupleix	
Director of SNC Hydromons	

Jean-Claude CREQUIT

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	Chairman and Chief Executive Officer of Sodero
Member of the Supervisory Board of Caisse Nationale des Caisses d'Epargne	Chairman of the Supervisory Board of Sodero Participations
Member of the Supervisory Board of Banque Palatine	Chairman of the Supervisory Board of Batiroc Pays de la Loire
Member of the Supervisory Board of SOCFIM	Chairman of the Board of Grand Ouest Gestion
Member of the Supervisory Board of GIE Arpège	Chairman and Chief Executive Officer of Sicav Horizon
Director of Foncier Expertise	Director of Ecureuil Vie
Director of Siparex Associés	Director of Ecureuil Gestion
Chairman of Partners of SAS Alliance Entreprendre Développement	Director of SAS Alliance Entreprendre
	Director of SEM Nantes Gestion Equipements
	Director of SEMITAN
	Director of SA HLM Nantaise d'Habitation
	Member of the Supervisory Board of Pays de Loire Développement
	Partner-shareholder of SAS Alliance Entreprendre Développement

Jean DUFRESNE de la CHAUVINIÈRE

Current positions and directorships	In the last five years
Director of Natexis Asset Management	**Director of Natexis Banques Populaires (until November 17, 2006)**
Director of France Entreprises	Director of Natexis Actions Europe (Sicav)
Vice-Chairman of La Demeure Historique	Director of Sogeparc France
	Director of U.E.B. Monaco
	Director of CIC Obli Moyen Terme

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Yvan de La PORTE du THEIL

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	**Director of Natexis Banques Populaires**
Chief Executive Officer of Banque Populaire Val de France	Chairman of the Supervisory Board of SBE
Chairman of the Supervisory Board of M.A. Banque – Multi Acces Banque	Director of Natexis Assurances
Director of Banque Fédérale des Banques Populaires	Director of Natexis Immo Placement
Director of Coface	Director of Natexis Pramex North America Corp.
Permanent representative of Banque Populaire Val de France, Director of i-BP (Informatique Banques Populaires)	Permanent representative of Banque Populaire Val de France, Director of Banque Populaire Développement
Other positions:	Permanent representative of Banque Populaire Val de France, Director of BICEC (Banque Internationale du Cameroun pour l'Epargne et le Crédit)
Member of the Executive Committee of CIBP (Confédération Internationale des Banques Populaires)	Permanent representative of Banque Populaire Val de France, Vice-Chairman of i-BP (Informatique Banques Populaires)

Pierre DESVERGNES

Current positions and directorships	In the last five years
Chairman and Chief Executive Officer of Casden-Banque Populaire	**Permanent representative of Banque Fédérale des Banques Populaires, Director of Natexis Banques Populaires (until May 18, 2006)**
Chairman of the Board of Directors of Maine Gestion	Chairman of the Board of Directors of Casden-Banque Populaire
Chairman of the Board of Directors of parnasse Finance	Chairman of the Board of Directors of Fructi-Actions Rendement
Vice-Chairman of gie ccomcen	Chairman of the Board of Directors of Invest
Director of Banque Fédérale des Banques Populaires	Kappa
Director of Natexis Asset Management	Chairman of the Board of Directors of LineBourse
Director of Parnasse MAIF SA	Vice-Chairman of the Supervisory Board of LineBourse
Director of Union Mutualiste Retraite (UMR)	Permanent representative of Casden-Banque Populaire, Director of Fructidor
Permanent representative of Casden-Banque Populaire, Chairman of SAS Finance	Permanent representative of Casden-Banque Populaire, Director of Valorg
Permanent representative of Casden-Banque Populaire, Chairman of SAS Parnasse Espace 1	Permanent representative of Casden-Banque Populaire, member of the Supervisory Board of +X Altaïr
Permanent representative of Casden-Banque Populaire, Chairman of SAS Parnasse Espace 2	
Permanent representative of Casden-Banque Populaire, Director of Natexis Altaïr	
Permanent representative of Casden-Banque Populaire, Director of Parnasse Services	
Permanent representative of Parnasse Finance, Director of Parnassienne de Crédit	
Permanent representative of Casden-Banque Populaire, Member of the Supervisory Board of SCPI Parnasse Immo	
Manager of SARL Cours des Roches	
Manager of SARL Inter Promo	

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Philippe DUPONT

Current positions and directorships	In the last five years
Executive Chairman of Natixis Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires Chairman of the Supervisory Board of Ixis Corporate & Investment Bank (Ixis CIB)	**Chairman of the Board of Directors of Natexis Banques Populaires** Chairman of the Board of Directors of Natexis Assurances Chairman of the Supervisory Board of ABP – Assurances Banque Populaire

Daniel DUQUESNE

Current positions and directorships	In the last five years
Member of the Supervisory Board of Volksbank International AG - VBI Chairman of Garibaldi Capital Développement Chairman of SEPEL	**Director of Natexis Banques Populaires (until May 18, 2006)** Chief Executive Officer of Banque Populaire Loire et Lyonnais Director of Banque Fédérale des Banques Populaires (until February 28, 2006) Director of Garibaldi Participations Director of Natexis Asset Management Permanent representative of Banque Populaire Loire et Lyonnais, Director of Informatique Banques Populaires Member of the Supervisory Board of Volksbank CZ Chairman of the Board of Directors of sicav rhône +x court terme Director of FICIAD Director of Rhône Loire +X Gestion Director of SEPEL Director of INSA de Lyon

Dominique FERRERO

Current positions and directorships	In the last five years
Member of the Management Board, Chief Executive Officer of Natixis Chairman of the Board of Ixis Corporate & Investment Bank (Ixis CIB) Director of VINCI Director of AGF	Chief Executive Officer of Crédit Agricole Indosuez Chief Executive Officer and Member of the Executive Committee of Crédit Lyonnais Member of the Supervisory Board of Atos (now Atos Origin)

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Stève GENTILI

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	**Director of Natexis Banques Populaires**
Chairman of the Board of Directors of Bred Banque Populaire	Chairman of the Board of Directors of SPIG
Chairman of the Board of Directors of Bred Gestion	Chairman of the Board of Directors of Deroche SA
Chairman of the Board of Directors of Natexis Pramex International	Chairman of the Supervisory Board of bpam
Director of Banque Fédérale des Banques Populaires	Director of Bred Gestion
Vice-Chairman of the Supervisory Board of	Member of the Supervisory Board of Banque Internationale de Commerce – (BIC BRED)
Banque Internationale de Commerce – BRED	Permanent representative of BRED Gestion on the Board of Directors of LFI 2
Director of Bercy Gestion Finances +	Permanent representative of BRED Gestion on the Board of Directors of Vialink
Director of Bred Cofilease	
Director of Coface	
Director of Cofibred – Compagnie Financière de la Bred	
Director of LFI	
Director of Natexis Algérie	
Director of Pramex Italia S.R.L.	
Permanent representative of Bred Banque Populaire, Director of BICEC – Banque Internationale pour le Commerce, l'Epargne et le Crédit	

Yves GEVIN

Current positions and directorships	In the last five years
Chief Executive Officer of Banque Populaire Atlantique	**Director of Natexis Banques Populaires (until November 17, 2006)**
Vice-Chairman of the Board of Directors of Natixis Factor	Vice-Chairman of the Board of Directors of Natexis Factorem
Director of Banque Fédérale des Banques Populaires	Permanent representative of Banque Populaire Atlantique, Director of Ouest Croissance
Director of Natexis Bleichroeder Inc.	Permanent representative of Banque Populaire Anjou-Vendée, Director of Fructi-J
Director of Natexis Bleichroeder S.A.	Vice-Chairman of the Supervisory Board of Factorem
Permanent representative of Banque Populaire Atlantique, Director of Informatique Banques Populaires	
Permanent representative of Banque Populaire Atlantique, Director of Portzamparc S.A.	
Permanent representative of Banque Populaire Atlantique, Chairman of SAS Ludovic de Besse	
Manager of SCI GC2i	

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Michel GOUDARD

Current positions and directorships	In the last five years
Permanent representative of Banque Fédérale des Banques Populaires, Member of the Supervisory Board of Natixis	**Non-voting director of Natexis Banques Populaires**
Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires	Vice-Chairman of the Supervisory Board of +X Altaïr
Representative of Banque Fédérale des Banques Populaires, Chairman of sas Guidéo	Member of the Supervisory Board of Financière Natexis Banques Populaires
Representative of Banque Fédérale des Banques Populaires, Chairman of SAS BP Création	Member of the Supervisory Board of Natexis Capital
Director of Natexis Altaïr	Member of the Supervisory Board of SBE
Director of Natexis Bleichroeder Inc., New York	Representative of Banque Fédérale des Banques Populaires on the Supervisory Board of BPL – Banque pour les Paiements on line
Director of Natexis Bleichroeder S.A., Paris	Representative of Banque Fédérale des Banques Populaires on the Supervisory Board of LineBourse
Director of Natixis Private Equity	Representative of Banque Fédérale des Banques Populaires on the Supervisory Board of Novacrédit
Director of Partecis	Chairman of the Board of Directors of Informatique Banques Populaires
Member of the Supervisory Board of M.A. Banque – Multi Acces Banque	Non-voting director of ABP - Assurances Banque Populaire
Representative of Banque Fédérale des Banques Populaires on the Board of Directors of BICEC	Permanent representative of Banque Populaire Provençale et Corse, Director of Fructi-Actions Rendement
Representative of Banque Fédérale des Banques Populaires on the Board of Directors of Informatique Banques Populaires	Member of the Supervisory Board of Natexis Private Equity
Representative of Banque Fédérale des Banques Populaires on the Board of Directors of Natixis Assurances	Member of the Supervisory Board of Natexis Bleichroeder S.A.
Non-voting director of Europay France	Representative of Banque Fédérale des Banques Populaires on the Supervisory Board of ABP - Assurances Banque Populaire
Member of the Executive Committee of Confédération Internationale des Banques Populaires	Vice-Chairman of the Supervisory Board of SBE
Chairman of Association des Banques Populaires pour la Création d'Entreprise	
Member of the Supervisory Board of Fonds de Garantie des Dépôts	

Francis HENRY

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	Member of the Board of Directors of Entenial
Chairman of the Orientation and Supervisory Board of Caisse d'Epargne de Champagne-Ardenne	
Director of Fédération Nationale des Caisses d'Epargne	
Director of Crédit Foncier de France	

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Alfonso IOZZO

Current positions and directorships	In the last five years
Non-voting director on the Supervisory Board of Natixis	Deputy director of Sanpaolo Imi S.p.A.
Chairman of Cassa Depositi e Prestiti SpA (Rome)	Chairman of Sanpaolo Banco di Napoli SpA
Member of the Supervisory Board of Intesa Sanpaolo SpA (Turin)	Chairman of Banca Opi SpA
Member of the Board of Associazione Bancaria Italiana (Rome)	Member of the Board of Directors of the European Banking Federation
	Member of the Board of Directors of Assicurazioni Internazionali di Previdenza SpA
	Member of the Board of Directors of Eurizon Financial Group SpA
	Member of the Board of Directors of CDC Finance – CDC Ixis

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Bernard JEANNIN

Current positions and directorships	In the last five years
Chief Executive Officer of Banque Populaire Bourgogne Franche-Comté	**Director of Natexis Banques Populaires (until November 17, 2006)**
Director of Banque Fédérale des Banques Populaires	Director of Natexis Assurances
Director of IPMPE	Director of Natexis Lease
Director of Natixis Assurances	Director of Natexis Paiements
Director of Natixis Lease	Permanent representative of Banque Populaire du Quercy et de l'Agenais, Director of i-BP S.A.
Director of Natixis Paiements	Director of Natexis Private Equity
Permanent representative of Banque Populaire Bourgogne Franche-Comté, Director of i-BP S.A.	Chairman of the Board of Directors of Sud-Est Croissance
Member of the Board of Directors of Caisse Autonome de Retraite	Permanent representative of Banque Populaire Bourgogne Franche-Comté, Member of the Supervisory Board of Banque pour les Paiements onLine
	Permanent representative of Banque Populaire Bourgogne Franche-Comté, Non-voting director of ABP-Assurances Banque Populaire

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François LADAM

Current positions and directorships	In the last five years
Member of the Management Board of Natixis Permanent representative of Natixis, Director of Coface – Compagnie Française d'Assurance pour le Commerce Extérieur Permanent representative of Natixis, Director of Natexis Altaïr Permanent representative of Natixis, Director of Natixis Private Equity Permanent representative of Natixis Assurances, Member of the Supervisory Board of Assurances BP IARD Legal representative of Natixis, Manager of Natixis Arbitrage Director of Natixis Assurances Director of Natixis Interépargne Non-voting director of Banque Fédérale des Banques Populaires	**Chief Executive Officer of Natexis Banques Populaires** Chairman of the Supervisory Board of BPL - Banque pour les Paiements on Line Vice-Chairman of the Supervisory Board of Natexis Private Equity Permanent representative of Natexis Banques Populaires, Director of Natexis Arbitrage Permanent representative of Natexis Banques Populaires, Member of the Supervisory Board of +X Altaïr Permanent representative of Natexis Banques Populaires, Member of the Supervisory Board of ABP – Assurances Banque Populaire Permanent representative of Natexis Banques Populaires, Member of the Supervisory Board of Fructiger Permanent representative of Natexis Banques Populaires, Director of Natexis Altaïr Permanent representative of Natexis Banques Populaires, Director of Natexis Assurances Permanent representative of Natexis Banques Populaires, Director of Natexis Private Equity Legal representative of Natexis Banques Populaires, Manager of Natexis Arbitrage

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Nicolas MERINDOL

Current positions and directorships	In the last five years
Permanent representative of Caisse Nationale des Caisses d'Epargne, Member of the Supervisory Board of Natixis	Member of the Supervisory Board of GCE Immobilier
Chief Executive Officer, Member of the Management Board of Caisse Nationale des Caisses d'Epargne	Chairman of the Supervisory Board of Gestrim
Chairman of GCE Financial Services	Chairman and Chief Executive Officer of Holgest
Chairman of the Supervisory Board of Crédit Foncier de France	Director of CDC Entreprises Capital Investissement
Chairman of the Supervisory Board of Banque Palatine	Member of the Supervisory Board of Ecufoncier, Limited partner
Chairman of the Supervisory Board of Ecureuil Gestion	Permanent representative of CNCE, Director of CEFI
Chairman of the Supervisory Board of Ecureuil Gestion FCP	Director of Banque des Antilles Françaises
Chairman of the Supervisory Board of Ecureuil Vie	Director of Banque de la Réunion
Chairman of the Supervisory Board of Compagnie 1818 – Banquiers Privés	Chairman of the Board of Directors of Ingepar
Chairman of the Supervisory Board of CEMM	Member of the Supervisory Board of Efidis
Vice-Chairman of the Supervisory Board of Financière Oceor	Permanent representative of CNCE, Member of the Management Board of Alliance Entreprendre
Vice-Chairman of the Supervisory Board of Issoria	Permanent representative of SAS Ecureuil Participations, Partner of Alliance Entreprendre Développement
Vice-Chairman of the Supervisory Board of Ixis CIB	Director of Erilia
Vice-Chairman of the Supervisory Board of Ixis Asset Management	Director of Erixel
Vice-Chairman of the Supervisory Board of Ixis Asset Management Group	Vice-Chairman of the Supervisory Committee of Ixis AM Participations 1
Member of the Supervisory Board of cnp Assurances	Vice-Chairman of the Supervisory Committee of Ixis AM Participations 2
Member of the Supervisory Board of GCE Capital	Permanent representative of CNCE, Member of the Supervisory Board of GEMO-RSI
Director of Banca Carige	Permanent representative of CNCE, Member of the Supervisory Board of Girce Stratégie
Director of Ixis Asset Management US Corporation	Permanent representative of CNCE, Director of Sedi-RSI
Director of Sopassure	Chairman of the Supervisory Board of GCE Newtec
	Chairman of GCE Fidélisation

Bruno METTLING

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	Chief Executive Officer of Banque Populaire Centre Atlantique
Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires	Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires
Chairman of the Board of Directors of BCI-Banque Commerciale Internationale	Member of the Management Board of Caisse Nationale des Caisses d'Epargne
Director of Natixis Private Banking (formerly Natexis Formation)	

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Charles MILHAUD

Current positions and directorships	In the last five years
Chairman of the Supervisory Board of Natixis	Chairman of the Supervisory Board of Crédit Foncier de France
Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne	Vice-Chairman of the Supervisory Board of GCE Immobilier
Chairman of the French Banking Federation	Member of the Supervisory Board of CDC Entreprises
Chairman of the Supervisory Board of Financière Oceor	Permanent representative of Caisse Nationale des Caisses d'Epargne, Director of Banque des Iles St-Pierre et Miquelon
Chairman of the Supervisory Board of Issoria	Permanent representative of Caisse Nationale des Caisses d'Epargne, Director of Banque de Tahiti
Chairman of the Board of Directors of cned	Permanent representative of Caisse Nationale des Caisses d'Epargne – Limited partner of ECUFONCIER
Chairman of the Board of Directors of Fondation des Caisses d'Epargne	Member of the Supervisory Board of Ixis Asset Management Group
Chairman of erixel	Permanent representative of Caisse Nationale des Caisses d'Epargne - Member of the Supervisory Board of Ixis Asset Management
Chairman of GCE Maroc	Chairman of the Supervisory Board and
Permanent representative of Caisse Nationale des Caisses d'Epargne, Chairman of GCE Participations	Chairman of the Remuneration Committee of Ixis Corporate and Investment Bank
Director of Banque des Mascareignes	
Director of cih (Morocco)	
Director of Compagnie Générale des Eaux	
Director of Massira Capital Management (Morocco)	
Director of SLE Préfecture	
Director of Sodexho Alliance	
Director of Sopassure	
Permanent representative of Caisse Nationale	
des Caisses d'Epargne, Director of	
Banque de Nouvelle-Calédonie	
Permanent representative of Caisse Nationale des Caisses d'Epargne, Director of Banque de la Réunion	
Member of the Supervisory Board of CNP Assurances	
Member of the Supervisory Board of GCE Habitat	
Member of the Supervisory Board of IDF Télé	
Permanent representative of GCE Habitat, Member of the Supervisory Board of SOGIMA	
Manager of CM Investissements	

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Richard NALPAS

Current positions and directorships	In the last five years
Vice Chairman of the Board of Directors of Natexis Bleichroeder S.A.	**Director of Natexis Banques Populaires (until May 18, 2006)**
Director of Natixis Assurances	Chief Executive Officer of Banque Populaire Occitane
Director of Natexis Bleichroeder Inc.,	Chief Executive Officer of Banque Populaire Toulouse-Pyrénées
New York	Director of Banque Fédérale des Banques Populaires
Permanent representative of Banque Populaire Occitane, Director of i-BP S.A.	Vice-Chairman of the Board of Directors of Banque Fédérale des Banques Populaires
Permanent representative of Banque Populaire Occitane, Director of IRDI S.A.	Permanent representative of the Banque Populaire Group, Director of IRDI S.A.
Permanent representative of Banque Populaire Occitane, Director of Maison du Commerçant S.A.	Permanent representative of Banque Populaire Toulouse-Pyrénées, Director of Maison du Commerçant S.A.
Permanent representative of Banque Populaire Occitane, Director of Multi-Croissance S.A.S.	Permanent representative of Banque Populaire Toulouse-Pyrénées, Director of Multi-Croissance S.A.S.
Permanent representative of Banque Populaire Occitane, Director of Natexis Asset Management Immobilier	Permanent representative of Banque Populaire Toulouse-Pyrénées, Director of SOCAMA 31 – Société Coopérative de caution mutuelle à capital variable
Permanent representative of Banque Populaire Occitane, Director of SOCAMA 31 – Société Coopérative de caution mutuelle à capital variable	Permanent representative of Banque Populaire Toulouse-Pyrénées, Director of IBP S.A.
Permanent representative of Banque Populaire Occitane, Member of the Supervisory Board of Latecoere	Permanent representative of Banque Populaire Toulouse-Pyrénées, Member of the Supervisory Board of Fructiger
	Permanent representative of Banque Populaire Toulouse-Pyrénées, Member of the Supervisory Board of Assurances Banque Populaire
	Permanent representative of Banque Populaire Toulouse-Pyrénées, Director of Natexis Immo Placement
	Permanent representative of Banque Populaire Toulouse-Pyrénées, Director of IRDI S.A.
	Permanent representative of Banque Populaire Toulouse-Pyrénées, Director of Natexis Asset Management Immobilier

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Jean-Charles NAOURI

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	Chairman of the Board of Directors of Sully (now Euris Group)
Chairman and Chief Executive Officer of Casino, Guichard-Perrachon	Chairman of the Board of Directors of Rallye
Chairman and Chief Executive Officer of Rallye	Chairman of the Board of Directors of Casino, Guichard-Perrachon
Chairman of Euris Group	Chief Executive Officer of Euris
Chairman of the Board of Directors of Euris	Chief Executive Officer of Finatis
Chairman of the Board of Directors of Finatis	Vice-Chairman of the Board of Francarep (now Paris-Orléans)
Limited partner of Rothschild & Cie Banque	Member of the Supervisory Board of Casino, Guichard-Perrachon
Director of HSBC France	Director of Continuation Investments NV
Member of the Supervisory Board of Groupe Marc de Lacharrière	Director of CCF
Member of the Supervisory Board of Laurus	Partner-manager of Rothschild & Cie Banque
Member of the Supervisory Board of CBD	Representative of Euris, Chairman of Matignon Diderot
Non-voting director of Caisse Nationale des Caisses d'Epargne et de Prévoyance	Representative of Euris, Chairman of Matignon Rousseau
Non-voting director of Fimalac	Representative of Euris, Chairman of Matignon Voltaire
Manager of SCI Penthièvre Seine	Representative of Matignon Voltaire, Chairman of Matignon-Condorcet
Manager of SCI Penthièvre Neuilly	Representative of Financière N, Chairman of Artois-Loire
Member of the Consultative Committee of Banque de France	Representative of Financière N, Chairman of Artois-Provence
	Representative of Financière N, Chairman of Artois-Savoie

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Anthony ORSATELLI

Current positions and directorships	In the last five years
Member of the Management Board of Natixis	Chairman of the Board of Ixis Corporate & Investment Bank
Member of the Management Board of Ixis CIB	Member of the Board of Caisse Nationale des Caisses d'Epargne
Chairman of the Supervisory Board of CACEIS	Permanent representative of Caisse Nationale des Caisses d'Epargne, Chairman of the Supervisory Board of CIFG Holding
Chairman of the Supervisory Board of Ixis Asset Management	Director (Member of the Board of Directors) of Euroclear PCL
Chairman of the Supervisory Board of Ixis Asset Management Group	Director (Member of the Board of Directors) of Euroclear SA/NV
Chairman of the Supervisory Board of Ixis Private Capital Management	
Chairman of the Board of Directors of Ixis SP S.A.	
Chairman of the Board of Directors of CDC SP (Luxembourg)	
Chairman of Ixis Capital Markets North America	
Chairman of Ixis Commercial Paper Corp.	
Chairman of Ixis Derivatives Inc.	
Chairman of Ixis Financial Products Inc.	
Chairman of ixis Funding Corp.	
Chairman of Ixis Municipal Products Inc.	
Chairman of Ixis North America	
Chairman of Ixis Real Estate Capital Inc.	
Chairman of Nexgen Financial Holdings Limited	
Chairman of Nexgen RE Limited	
Permanent representative of CIFG Holding, Member of the Supervisory Board of CIFG Guaranty	
Permanent representative of CIFG Holding, Member of the Supervisory Board of CIFG Europe	
Director of CIFG Assurance North America Inc.	
Director of CIFG Services Inc.	
Director of Ixis Asset Management US Corporation	
Director of Ixis Asset Management US LLC	
Director of Ixis Securities North America Inc.	
Director of Lazard LTD	
Director of Sanpaolo IMI S.p.A.	
Director (Government Representative) of GIAT Industries	
Member of the Supervisory Board of Ecureuil Gestion	
Member of the Supervisory Board of Ecureuil Gestion FCP	

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Didier PATAULT

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	Chairman of the Board of Directors of Association C.O.L.E.
Chairman of the Management Board of Caisse d'Epargne et de Prévoyance des Pays de la Loire	Chairman of the Board of Directors of Association SAPAD
Chairman and Chief Executive Officer of Sodero	Chairman of the Board of Directors of Ecolocale
Chairman of the Board of Directors of La Mancelle d'Habitation	
Chairman of the Board of Directors of SAMO	
Chairman of the Board of Directors of Sodero Participations	
Chairman of the Supervisory Board of Batiroc Pays de la Loire	
Chairman of the Supervisory Board of Sodero Gestion	
Representative of Sodero Participations, Chairman of the Supervisory Board of Grand Ouest Gestion	
Director of Université Caisses d'Epargne	
Representative of CEPDL, Director of GIRCE Ingénierie	
Representative of CEPDL, Director of GIRCE Stratégie	
Representative of CEPDL, Director of Nantes Atlantique Place Financière	
Representative of CEPDL, Director of Pays de la Loire Développement	
Representative of CEPDL, Director of SEMITAN	
Member of the Supervisory Board of Ecureuil Vie	
Member of the Supervisory Board of IXIS Corporate & Investment Bank	

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Henri PROGLIO

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	Chairman of the Management Board of Vivendi Environnement
Chairman and Chief Executive Officer of Veolia Environnement	Director of EDF International
Chairman of the Board of Directors of Veolia Propreté	Director of Vinci
Chairman of the Board of Directors of Veolia Transport	Member of the Supervisory Board of CEO
Chairman of the Board of Directors of Veolia Water	Member of the Supervisory Board of CFSP
Director of EDF	Director of Comgen Australia
Director of Casino, Guichard-Perrachon	Chairman and Chief Executive Officer of Connex
Director of Dalkia International	Director of Connex Asia Holdings (Singapore)
Director of Société des Eaux de Marseille	Director of Connex Leasing (United Kingdom)
Director of Sarp Industries	Director of Connex Transport AB (Sweden)
Member of the Supervisory Board of Elior	Director of Connex Transport UK (United Kingdom)
Member of the Supervisory Board of Lagardère	Director of Coteba Management
Member of the Supervisory Board of CNP Assurances	Member of the Supervisory Board of Société des Eaux de Melun
Manager of Veolia Eau - Compagnie Générale des Eaux	Director of Esterra
Member of Supervisory Boards A and B of Dalkia (SAS)	Director of B 1998 SL and FCC (Spain)
Member and Chairman of the Supervisory Board of Dalkia France	Director of GRUCYCSA (Spain)
Non-voting director on the Supervisory Board of Caisse Nationale des Caisses d'Epargne	Director of Montenay International Corp (USA)
Director of Veolia ES Australia	Chairman and Chief Executive Officer of Onyx
Director of Veolia Transport Australia	Director of Onyx UK Holdings (United Kingdom)
Director of Veolia Environmental Services	Director of OWS (USA)
Director of Siram	Director of SAFISE
Director of Veolia Environmental Services Asia	Director of WASCO (formerly USFilter, USA)
Director of Veolia Transport Northern Europe	Director of Sarp
Director of Veolia Environmental Services North America Corp.	Director of Thales

Philippe SUEUR

Current positions and directorships	In the last five years
Member of the Supervisory Board of Natixis	
Chairman of the Orientation and Supervisory Board of Caisse d'Epargne Ile-de-France Nord	
Chairman and Chief Executive Officer of SEMAVO	
Director of SICAV Association	
Director of Ecureuil Assurances IARD	

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Francis THIBAUD

Current positions and directorships	In the last five years
Chief Executive Officer of Banque Populaire du Sud-Ouest	**Director of Natexis Banques Populaires (until May 18, 2006)**
Vice-Chairman of the Board of Directors of Natixis Paiements	Vice-Chairman of the Board of Directors of Banque Fédérale des Banques Populaires
Director of SOCAMI Bordeaux Région	Chairman of GIE Carso
Permanent representative of Banque Populaire du Sud-Ouest, Director of Informatique Banques Populaires	Director of Banque Fédérale des Banques Populaires
Permanent representative of Banque Populaire du Sud-Ouest, Director of SOCAMA Sud-Ouest	Director of SOPROLIB Sud-Ouest
Permanent representative of Banque Populaire du Sud-Ouest, Director of SOPROLIB Sud-Ouest	Director of SOCAMA Sud-Ouest
	Vice-Chairman of the Supervisory Board of
	BPL – Banque pour les Paiements on line

Jean-Louis TOURRET

Current positions and directorships	In the last five years
Vice-Chairman of the Supervisory Board of Natixis	**Director of Natexis Banques Populaires**
Chairman of the Board of Directors of Banque Populaire Populaire Provençale et Corse	Chairman of the Supervisory Board of Interépargne
Chairman of the Board of Directors of Banque Privée Saint Dominique	Director of Banque Fédérale des Banques Populaires
Chairman of the Board of Directors of Natixis Private Banking	Chairman of the Supervisory Board of Natexis Interépargne
Chairman and Chief Executive Officer of Proclair SAS	Chairman of the Supervisory Board of Natexis Epargne Entreprise
Chairmanand Chief Executive Officer of Tourret SAS	Chairman of the Supervisory Board of Natexis Epargne Entreprise
Vice-Chairman of the Board of Directors of Banque Fédérale des Banques Populaires	Chairman of the Supervisory Board of Natexis Interépargne
Director of Lafarge Ciments	Chairman of Sopres SAS
Manager of Tourret Electronique	
Manager of Tourret Entreprises	
Manager of Proclair Provence	
Manager of Proclair Rhône-Alpes	
Manager of Sopres	

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Robert ZOLADE

Current positions and directorships	In the last five years
FRANCE	**FRANCE**
Member of the Supervisory Board of Natixis	**Director of Natexis Banques Populaires**
Chairman of Bagatelle Investissement et Management-BIM (SAS)	Director of Idia participations (SA)
Legal representative of Bercy Présidence, the company that is manager-partner of Holding Bercy Investissements-H.B.I. (SCA)	Chairman of H.B.I. (SAS)
Legal representative of H.B.I., the company that is Chairman of Bercy Participations (SAS)	Chairman and Director of Holding Bercy Management (SAS)
Legal representative of Bercy Présidence, the company that is manager-partner of H.B.I., the company that is Chairman of Bercy Participations, manager and partner company of Elior (SCA)	Chairman of Servinvest 2
Chairman of Bercy Présidence (SAS)	Manager of Servinvest (SARL)
Manager of Bercy Patrimoine (SARL)	Director of Eliance Marseille Provence
Manager of M.B.O.B. (SCI)	Legal representative of Eliance, partner-manager of Eliance Orly Ouest (SNC)
Manager of L.M.D.B. (SCI)	Legal representative of Eliance, partner-manager of Eliance Aéroports (SNC)
Chairman and Director of Avenance (SAS)	Legal representative of Holding Bercy Management, Chairman of Management Restauration Collective (SAS)
Chairman and Director of Eliance (SAS)	**INTERNATIONAL**
Legal representative of Avenance SAS, the company that is Chairman of Bercy Services I (SAS)	Chairman and Director of Eliance Iberica (Spain)
Legal representative of Avenance SAS, the company that is Chairman of Bercy Services V (SAS)	Chairman and Director of Grupo Osesa (Spain)
Legal representative of Elior SCA, the company that is Chairman of Elior Gestion (SAS)	Chairman of Eurocater PLC (United Kingdom)
Member of the Supervisory Board of Pragma Capital (SA)	Member of the Supervisory Board of Elior Nederland BV (Netherlands)
INTERNATIONAL	Director of Ristochef (SPA) (Italy)
Director of Elior UK Ltd	
Vice-Chairman and Director of Areas (SA)	
Director of Areas IbericoAmericana	
Director and Chairman of Avenance UK	
Director of Serunion (SA)	

Corporate officers' curricula vitae

Supervisory Board

Charles Milhaud, age 64, has been Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne since 1999. A science graduate, he has spent his whole career with Caisse d'Epargne Group. Mr Milhaud is also Chairman of the Supervisory Board of Natixis and of Financière OCEOR, Chairman of the Caisses d'Epargne Foundation for Social Solidarity and, since September 1, 2006, Chairman of the French Banking Federation for a term of one year.

Michel Goudard, age 62, has held successive executive positions within the Banque Populaire Group and has been Deputy Chief Executive Officer of Banque Fédérale des Banques Populaires since May 2001.

Nicolas Mérindol, age 45, Chief Executive Officer of Caisse Nationale des Caisses d'Epargne, held a series of management positions with a major French carmaker before joining Caisse des Dépôts et Consignations and then the Caisse d'Epargne Group.

Vincent Bolloré, age 55, manages and controls the Bolloré Group, which has over 30,000 employees and is a market

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leader in the manufacturing, transportation and logistics sectors, as well as energy distribution and media.

Jean-François Comas, age 59, has been Chief Executive Officer of Banque Populaire Côte d'Azur since 1998, having previously held management positions at the Banque Populaire regional banks.

Bernard Comolet, age 60, is Chairman of the Management Board of Caisse d'Epargne Ile-de-France Paris and previously held various positions of responsibility within the banking sector.

Claude Cordel, age 66, Chairman of Banque Populaire du Sud, is a business manager in the building materials sector and member of several professional and employers' organizations.

Jean-Claude Crequit, age 54, is Chairman of the Management Board of Caisse d'Epargne Côte d'Azur. Having previously worked in the public sector and the banking sector, he has held executive positions within Caisses d'Epargne since 1984.

Stève Gentili, age 57, Chairman of Bred Banque Populaire since 1998, was the manager of a leading food manufacturer until 2004. He is Chairman of the Group agency for cooperation and development (ABPCD) and of Natixis Pramex International.

Francis Henry, age 61, honorary solicitor, has been Chairman of the Orientation and Supervisory Board of Caisse d'Epargne et de Prévoyance de Champagne-Ardennes since 1992.

Yvan de La Porte du Theil, age 58, Chief Executive Officer of Banque Populaire Val-de-France since 2002, has held a series of various executive positions within the Banque Populaire Group.

Bruno Mettling, age 49, 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-Charles Naouri, age 58, is Chairman and Chief Executive Officer and founder of EURIS, the holding company of one of France's leading retail groups. He began his career as an auditor with the French Treasury before becoming chief of staff at the Ministry of Social Affairs and National Solidarity in 1982 and at the Ministry of the Economy in 1984. He was also manager-partner at Rothschild & Cie Banque from 1987 to 2005.

Didier Patault, age 46, Chairman of Caisse d'Epargne des Pays de Loire, held positions of responsibility at CDC Gestion until 1992 and then at Caisse d'Epargne des Pays du Hainaut and Caisse Nationale des Caisses d'Epargne.

Henri Proglio, age 58, held a variety of executive management positions at Générale des Eaux and then Vivendi, was Chairman and Chief Executive Officer of Véolia Environnement and has been Director and Member of the Supervisory Board of several major industrial and financial groups in France.

Philippe Sueur, age 61, is Chairman of the Orientation and Supervisory Board of Caisse d'Epargne Ile-de-France Nord. A professor of law, Mr Sueur also holds a number of elective positions in the Ile-de-France region.

Jean-Louis Tourret, age 64, Chairman of Banque Populaire Provençale et Corse, is manager of a number of industrial companies in the electronic sector and services companies. He is a member of professional and employer organizations and a local elected representative in Marseilles.

Robert Zolade, age 67, is Chairman of contract catering group Elior, of which he is one of the two co-founders. He previously held various management positions within French hotel and catering companies.

Ulrich Brixner, age 66, is of German nationality and has a doctorate in management. He has held various positions of responsibility at major German banks and was Chairman of the Board of DZ BANK AG from 2000 to 2006.

Alfonso Iozzo, age 65, is Chairman of Casa Depositi e Prestiti. He has held various positions of responsibility and subsequently executive management positions within the SanPaolo Group. He has been director of various European banks.

Management Board

Philippe Dupont, age 56, has been Chairman and Chief Executive Officer of Banque Fédérale des Banques Populaires since 1999 and is Executive Chairman 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. Mr Dupont is a member of the Executive Committee of the French Banking Federation.

Dominique Ferrero, age 60, studied at the Ecole Normale Supérieure and held a variety of positions of responsibility at the Banque Française du Commerce Extérieur (French Foreign Trade Bank), of which he became Chief Executive Officer in 1994. He was Chief Executive Officer of Natexis Banques Populaires and then of Crédit Lyonnais from November 1999, then Senior Adviser at Merrill Lynch from 2004.

François Ladam, age 60, an HEC graduate, has spent his entire career with the Banque Populaire Group as Internal auditor and then Chief Executive Officer of two Banque Populaire regional banks. He was Chief Executive Officer of Natexis Banques Populaires from November 1, 2002.

Anthony Orsatelli, age 56, studied at ENA and held various positions within the French Ministry of the Economy and ministerial cabinets before joining the BNP Group in 1987 and, in 1995, the Caisse des Dépôts Group and then the Caisse d'Epargne Group. Notably, he was Chairman of the Management Board of CDC Marchés, Chief Executive Officer of CDC IXIS, Chairman of the Management Board of Ixis-CIB and a member of the Management Board of CNCE.

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Role and rules of operation of the executive bodies

NATEXIS BANQUES POPULAIRES

Role and powers of the Board of Directors

The role of the Board of Directors of Natexis Banques Populaires was to determine the company's business strategy and ensure that it was correctly implemented. It handled any issues affecting the running of the company and passed resolutions to govern any matters concerning it, subject to powers attributed by law to other executive bodies.

The Board carried out inspections and verifications it considered appropriate.

Its responsibilities also included preparing the company and consolidated financial statements and convening general shareholders' meetings.

In addition, the bylaws specified that the Board had to give an opinion on any substantial investments in the capital of other companies or the creation of new subsidiaries.

Internal rules of the Board of Directors and Director's Charter

As of 2001, the Board of Directors of Natexis Banques Populaires had a set of Internal Rules and a Directors' Charter.

The Internal Rules described matters falling within the competence of the Board, its rules of procedure, its code of ethics and its methods for resolving conflicts of interest. They also specifically provided for the Board to be assisted by three Committees. Lastly, they described the rules of conduct to be followed by each individual director.

The Internal Rules also described the method used to determine director's fees. These included a small fixed annual fee (€1,525 as of 2001) and a variable fee of €1,220 per meeting attended by the director during the year (also since 2001). In addition, members of the Committees of the Board were paid a fee of €915 per Committee meeting attended.

The Director's Charter set out the rights and obligations of Board members. It determined rules relating to the holding of shares in the company by directors and, in particular, abstention during any sensitive periods preceding reporting of the company's results.

Role and powers of Executive Management

The Chief Executive Officer had the broadest powers to act under any circumstances on behalf of the company, subject to powers attributed by law to other executive bodies.

Executive Management's powers were not restricted by the bylaws or decisions by the Chief Executive Officer concerning appointments, with the exception of the Board's authorization of substantial investments as stated above.

NATIXIS

Role and powers of the Supervisory Board

In accordance with French law and the bylaws, the Supervisory Board exercises permanent control of the management of the company by the Management Board.

At any time of the year, it carries out inspections and verifications it considers appropriate, and may receive from the Management Board any documents it deems useful in fulfilling this responsibility.

At least once a quarter and in practice at each meeting, the Board presents a report summarizing the main actions or events in the company's management, including all quantitative and qualitative information required concerning the development of the company's business activities.

At the end of each financial year, in accordance with regulatory deadlines, the Management Board presents to the Supervisory Board the annual financial statements, the consolidated financial statements and its report, for the purposes of inspection and verification. At the annual meeting, the Supervisory Board presents its observations on the Management Board's report and the annual, company and consolidated financial statements.

Under no circumstances may this result in the completion of management actions carried out directly or indirectly by the Supervisory Board or its members.

The Supervisory Board appoints and may dismiss members of the Management Board, the Executive Chairman and Chief Executive Officers in accordance with French law and Article 9 of the bylaws, as well as the conditions set out in the shareholders' pact as described in paragraph 1.2.2.

The Supervisory Board decides on the draft resolution proposing to the general shareholders' meeting the designation

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of the statutory auditors, subject to the conditions required by law.

The Supervisory Board may decide to set up committees to look at issues submitted to it for examination by the Board itself or its Chairman. It determines the composition and duties of these committees, which are under its responsibility.

In addition to the prior authorizations required by applicable legal and regulatory provisions, it should be noted in particular that Natixis' bylaws and the shareholders' pact require the prior authorization of the Supervisory Board for certain transactions:

- increases in share capital maintaining preferential subscription rights, immediate or in the future, including a premium of over €75 million, and an increase in Natixis' share capital, immediate or in the future, without preferential subscription rights;
- extension of Natixis' activities to include major business lines not exercised by Natixis;
- designation of members of the Supervisory Board and the Board of Directors, Management Board and, if applicable, Chief Executive Officers and Deputy Chief Executive Officers of the main subsidiaries;
- any acquisition of a stake in another company or increases in equity investments, other investments, divestments (or the creation of a joint venture) by Natixis or one of its subsidiaries representing more than €150 million;
- any transfers, mergers or demergers in which Natixis or one of its main subsidiaries is involved;
- approval of the company's business plan as prepared by the Management Board, comprising in particular target rates of return and the company's risk policy, as well as any material changes in the strategic plan;
- proposals to the general shareholders' meeting of any changes to the bylaws.

In order to add to statutory requirements, determine certain terms of its operation and set out the rights and duties of its members, the Supervisory Board has decided to adopt a set of Internal Rules.

As Natixis was only created during the last few weeks of 2006, the Internal Rules were not adopted until the start of 2007 and are now applicable.

These Internal Rules relate in particular to:

- **the definition of the criteria used to qualify members as 'independent':**

  An independent director is a director who has no relationship whatsoever with the company, its management or the group that may compromise it exercising free judgment or create a conflict of interest with management, the company or the group.

  Therefore, independent members of the Supervisory Board may not:

  - be an employee or corporate officer of the company or the group, an employee or director of a shareholder with control of the company alone or in concert, in accordance with Article L. 233-3 of the French Commercial Code, or a consolidated company, and has not served in such a capacity during the last five years;
  - be a corporate officer of a company in which the company directly or indirectly holds a directorship or in which an employee designated as such or a corporate officer of the company holds a directorship;
  - be a major customer, supplier, corporate banker or investment banker of the company or the group, or for whom the company accounts for a significant proportion of its business;
  - have a close family connection with a director of the company or the group, have been an auditor of the company or one of the group's companies in the last five years, have been a director of the company or one of the group's companies in the last five years, be a member of the company's supervisory board for more than 12 years, receive or have received additional material compensation from the company or the group other than directors' fees.

  Members of the Supervisory Board representing significant direct or indirect shareholders in the company may be considered independent if these shareholders do not control the company within the meaning of Article L.233-3 of the French Commercial Code. However, if a member of the Supervisory Board represents a shareholder of the company holding more than 10% of share capital or voting rights directly or indirectly, the Board, on the basis of a report from the Remuneration Committee, shall systematically verify the member's independence, taking account of the composition of the company's share capital and the existence of any potential conflicts of interest.

  Qualification as an independent member of the Supervisory Board is discussed by the Remuneration Committee, which prepares a report on the subject;

- **the Ethics and Compliance Charter for Supervisory Board members:**

  The internal rules state that each Board member shall devote due time and attention to fulfilling his or her duties and regularly attend meetings of the Board and Committee or Committees to which he or she belongs. Each Supervisory Board member shall ensure under all circumstances that he or she acts in the business interests of Natixis and endeavor to defend and promote Natixis' values.

  Members of the Supervisory Board and Committees, as well as any person attending meetings of the Board and its Committees, must abide by a general confidentiality agreement concerning matters discussed at such meetings, as well as any information that is confidential or presented as such by the Chairman or Chairman of the Management Board.

  Each Supervisory Board member must declare any trading in the company's shares, in accordance with the provisions

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of Article L.621-18-2 of the French Monetary and Financial Code. Members shall also inform the company of the number of shares held as at December 31 of each year and during any financial transactions, in order to allow for this information to be passed on by the company.

The company may also ask each Board member to provide any information concerning in particular the trading of shares in listed companies required to satisfy its reporting commitments to any authorities, notably stock market authorities, both in France and abroad.

Supervisory Board members shall not carry out any transactions involving Natixis shares during the period commencing 45 days before the publication of the company's quarterly, interim or full-year results or before a general shareholders' meeting and ending two trading days after the date of the event concerned.

Supervisory Board members shall not act against the interests of Natixis or the companies it controls, in particular in the case of a proposed transaction in which a member of the Supervisory Board or a non-voting director has a direct or indirect interest;

- **certain authorizations given by the Board to the Management Board in the context of the Internal rules:**

  In accordance with Article 113-1 of the decree of March 23, 1967, concerning commercial companies, the Supervisory Board has decided that:

  - disposals of buildings up to a value of €10 million per transaction,
  - disposals of participating interests in any form of company or grouping, up to a value of €10 million per transaction,
  - disposals of participating interests in any form of company or grouping created solely for the purpose of carrying out corporate or investment banking transactions, irrespective of the value,

  may be decided by the Management Board without prior authorization from the Supervisory Board.

  In accordance with regulations, the Management Board may decide to subdelegate the power granted to it in application of this rule;

- **evaluation of the Supervisory Board:**

  At least once a year, one item on the agenda shall concern the evaluation of the operations of the Board, which is included in the company's annual report;

- **finally, certain aspects concerning the functioning of the Board as set out in the Internal Rules:**

  In particular, the Internal Rules state that, apart from in the case of adopting decisions concerning the inspection and verification of the company and consolidated financial statements, members of the Supervisory Board participating in Board meetings via videoconferencing or any means of telecommunications transmitting at least the member's voice, the technical characteristics of which allow for continuous and simultaneous streaming of all debates, shall be deemed present for quorum purposes.

Role and powers of the Management Board

The Management Board carries out its functions under the control of the Supervisory Board.

It has the broadest powers to act under any circumstances on behalf of the company, within the limit of the corporate purpose and subject to powers expressly attributed by law and the bylaws to shareholders' meetings and the Supervisory Board.

The Management Board prepares and presents to the Supervisory Board reports, budgets and the company and consolidated financial statements, in accordance with the provisions required by law and the bylaws.

The Management Board convenes all general shareholders' meetings, sets the agenda and executes decisions.

Vis-à-vis third parties, any actions concerning the company shall be carried out by the Executive Chairman or a Chief Executive Officer.

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Specialist Committees

NATEXIS BANQUES POPULAIRES

The Board of Directors of Natexis Banques Populaires had three special committees. Their job was to assist the Board in its works and improve its functioning:

- an Audit Committee, (set up in 1996);
- a Risk Management Committee (set up in 2000);
- a Remuneration Committee (set up in 1996).

Operating rules were prepared for the Risk Management Committee and the Audit Committee.

Whenever necessary, the Committees made enquiries of the heads of the departments in a position to provide the information required. The Statutory Auditors were invited to take part in the Audit Committee's meetings. Neither the Chairman nor the Chief Executive Officer attended Committee meetings. Formal minutes were produced after each meeting and the Committee chairmen reported periodically to the Board on their activities and recommendations.

The Audit Committee

Natexis Banques Populaires' Audit Committee had four members: Pierre Desvergnes, Jean de La Chauvinière (independent director), Richard Nalpas and Francis Thibaud until May, and Jean-François Comas, Pierre Desvergnes, Jean de La Chauvinière and Yvan de La Porte du Theil thereafter. Mr Nalpas was Chairman until May 2006, followed by Mr Comas. Its overall responsibilities, pursuant to its operating rules, were to assist the Board of Directors in controlling risk at Natexis Banques Populaires, to review draft financial statements and related financial disclosures. Where necessary, the Committee obtained explanations about material items before the financial statements were presented to the Board. During its review, the Committee examined the accounting treatment of non-recurring transactions and obtained assurance concerning the appropriateness and consistent application of accounting principles and methods.

The Audit Committee met systematically before the publication of the interim and annual financial statements. In 2006, the Committee met twice, with an 87% attendance rate, to review the 2005 annual financial statements and the 2006 interim financial statements, prior to their presentation to the Board.

The Risk Management Committee

Natexis Banques Populaires' Risk Management Committee had four members: Daniel Duquesne, who was Chairman until May 2006, Jean-François Comas, Claude Cordel and Jean-Louis Tourret. From June 2, 2006, Mr Cordel and Mr Duquesne were replaced by Yves Gevin and Bernard Jeannin, with Mr Jeannin being made Chairman.

In accordance with its operating rules, the Risk Management Committee assisted the Board of Directors in managing the risks incurred by Natexis Banques Populaires. To this end, the Committee analyzed the bank's main areas of risk – other than those concerning the accuracy of the financial statements and financial disclosures – and assessed the effectiveness of the internal control systems.

The Risk Management Committee met four times in 2006, with a 94% attendance rate, and examined, in accordance with CRBF rule n° 97-02, the Chairman's report on corporate governance and internal control, as stipulated in the French Financial Security Act ("loi de sécurité financière"). It was informed of the results of internal audit assignments carried out in 2005 and the auditing schedule for 2006.

It also examined the compliance charter. It looked at the tools used to measure and monitor interest rate risk, anti-money laundering procedures, risks relating to LBO financing and commodities financing, clients in the banking and financial sectors, risk diversification and, finally, IT risks.

The Remuneration Committee

The Remuneration Committee had four members. Its Chairman was Jean de La Chauvinière (independent director) and the other members were Stève Gentili, Vincent Bolloré (independent director) and Yvan de La Porte du Theil.

The Committee met to propose to the Board of Directors criteria for the indexation of the variable portion of executive compensation.

NATIXIS

In accordance with the pact signed on November 17, 2006, the two shareholders are equally represented on the Risk Management Committee and the Remuneration Committee, each of which comprises six members, including two independent members. The Risk Management Committee is jointly chaired by the Vice-Chairman of the Supervisory Board and an independent member. By special dispensation, the first joint chairmanship of the Risk Management Committee as of November 17, 2006, shall be shared by a member put forward by Caisse Nationale d'Epargne et de Prévoyance and an independent member. The Remuneration Committee shall be chaired by an independent member.

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The Risk Management Committee

In accordance with the aforementioned provisions, the Supervisory Board meeting of November 17, 2006, appointed Nicolas Mérindol and Jean-Charles Naouri as joint Chairmen of the Risk Management Committee and Jean-Claude Créquit, Michel Goudard, Yvan de La Porte du Theil and Robert Zolade as members of the Committee.

The duties of Natixis' Risk Management Committee are as follows:

- it assists the Supervisory Board in its inspection and auditing of the financial statements and the Chairman's report on the company's business activities; within this framework, it monitors the quality of information provided to shareholders and, more generally, carries out the duties set out in CRBF rule n° 2001-01 of June 26, 2001, concerning the internal control of credit institutions and investment firms, amending CRBF rule n° 97-02 of February 21, 1997, as amended by rule n° 2004-02 of January 15, 2004;
- it examines the company and consolidated annual and interim financial statements, as well as the company's draft budgets at least one week before they are presented to the Supervisory Board, as well as company financial documents handed out on approval of the financial statements;
- it gives an opinion on the choice or renewal of the company's statutory auditors and examines the scope of their work, the results of their investigations and their recommendations, as well as any actions taken on the basis of these recommendations;
- it gives an opinion on the procedures implemented by the company to ensure compliance with regulations, as well as the monitoring and control of risks; to this effect, it receives reports from the risk committees of the company and its main subsidiaries, as well as reporting on risks, notably operational, market or counterparty risks, carried out under the diligence of the company's management board;
- it gives an opinion on the appointment and dismissal of the head of Internal Audit;
- it monitors the implementation of actions based on the conclusions of assignments by the Internal Audit department and the Banking Commission; for this purpose, it may receive reports from the Internal Audit department and the Banking Commission concerning the company and its subsidiaries;
- it looks at the company's annual internal auditing schedule, including audits at subsidiaries, which should be presented to the Committee at least one week before approval;
- it gives an opinion on the report submitted to it each year concerning business relationships between the company or one of its subsidiaries and all or some of the entities making up the Caisse d'Epargne Group or the Banque Populaire Group.

The company's Management Board provides the Risk Management Committee with any documents and information that may help it to carry out its duties, as necessary. The following list is not exhaustive:

- company and consolidated financial, accounting and regulatory documents prepared periodically by the company;
- summary reports by the company's statutory auditors;
- any audit reports concerning the company;
- accounting policies and methods applied within the company;
- internal control policies and procedures;
- projected annual, company and consolidated results to end-June, end-September and end-December;
- consolidated budgets and the financial statements of the main subsidiaries, as well as any related documents provided to the supervisory board or, if applicable, the risk management committee of the main subsidiaries.

The Risk Management Committee may submit to the Supervisory Board any proposals to carry out an audit, notably concerning the financial statements of the company and its subsidiaries.

The Risk Management Committee meets at least once a quarter.

Minutes of all Risk Management Committee meetings are produced, which are provided to members of the Risk Management Committee and other members of the company's Supervisory Board.

The Remuneration Committee

Vincent Bolloré was appointed Chairman and Bernard Comolet, Francis Henry, Bruno Mettling, Henri Proglio and Jean-Louis Tourret members of the Remuneration Committee by the Supervisory Board.

The Remuneration Committee prepares the Supervisory Board's decisions on the following subjects:

Terms of compensation

The Remuneration Committee is responsible for making proposals to the Supervisory Board concerning:

- the level and terms of compensation paid to the Chairman of the Supervisory Board, including fringe benefits, pensions and personal risk insurance;
- the level and terms of compensation paid to members of the Management Board, including fringe benefits, pensions and personal risk insurance, as well as stock options;
- rules for the allocation of directors' fees to members of the Supervisory Board and the total amount submitted to the decision of the company's general shareholders' meeting.

It examines and gives an opinion on insurance taken out by the company in relation to directors' responsibilities.

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Selection procedures

- The Remuneration Committee gives an opinion and, at the request of the Supervisory Board, makes proposals and recommendations to the Supervisory Board on the appointment of the Executive Chairman;
- it gives an opinion on the appointment of other Management Board members proposed by the Chairman, as well as the Chief Executive Officers, Deputy Chief Executive Officers and members of the Management Board or the Board of Directors of the company's main subsidiaries, in accordance with the principles set out in articles 3 and 6.1.

The company's Management Board provides the Remuneration Committee with any documents that may help it to carry out its duties and provide additional information. At the request of the Supervisory Board, the Remuneration Committee may also appoint external experts to carry out studies or analysis of compensation paid to executive directors of comparable companies in the banking sector.

The Remuneration Committee held its first meeting on November 17, 2006, to propose to the Board on December 13, 2006, the terms and methods for determining compensation paid to the Chairman of the Supervisory Board, members of the Supervisory Board and specialist committees and members of the Management Board. It also gave an opinion on the number of stock options that may be allocated to Management Board members.

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Activities of the executive bodies

NATEXIS BANQUES POPULAIRES

The Board of Directors of Natexis Banques Populaires met eight times during 2006. The attendance rate was 95% on average over the year for all members at all meetings.

Several days before each meeting, directors were given documents containing detailed, comprehensive information about each item on the agenda.

Detailed minutes were prepared after each meeting, summarizing the information presented and remarks made by Board members and setting out any decisions made.

As part of its overall responsibilities, the Board made decisions about all matters related to the bank's strategy and business orientation. It approved the financial statements of the bank and the Group and reviewed the annual budget. At each meeting, the Board received regular information about business performance and also approved financial press releases.

The internal control report, in accordance with CRBF rule n° 97-02, as well as the Chairman's report on internal control, in accordance with the Financial Security Act (loi sur la sécurité financière), were presented to and discussed by the Board.

The Board was also kept informed about progress made in Basel II procedures.

Evaluation of the Board of Directors

The work of the Board of Directors was evaluated in 2005, in accordance with corporate governance recommendations.

The evaluation was carried out in July/August 2005 via a 32-point questionnaire addressed to all Board members, including the non-voting member, but excluding the Chairman.

The survey was conducted internally, without any external consultant.

Throughout 2006, the directors endeavored to implement the comments and suggestions arising from this evaluation.

However, it was not possible to carry out a new evaluation in 2006 as the Board's debates and discussions prioritized decisions to be made concerning the creation of Natixis.

Board of Directors

The Board's major debates and discussions in 2006 inevitably concerned Natixis.

The Board was kept informed about the creation of Natixis as of March 12. It was involved in the various stages of the process and was invited to comment formally on key decisions on several occasions.

It approved the protocol agreement prior to its being signed by the various parties involved in June 2006. In September 2006, it approved the various contribution agreements forming a key part of the process, as well as protocol agreements relating to the issuance of cooperative investment certificates by the Banque Populaire regional banks and the transfer of such certificates issued by the Caisses d'Epargne.

Given Natexis Banques Populaires' shareholding structure and/or the existence of directors with directorships of both companies concerned, several of these agreements were treated as regulated agreements in accordance with Article L. 225-38 of the French Commercial Code:

- authorization to sign the protocol agreement of June 6, 2006;
- agreement to implement the general protocol agreement of June 6, 2006;
- protocol agreement relating to the issuance of cooperative investment certificates by the Banque Populaire regional banks;
- agreement concerning the disposal of Novacrédit.

Finally, the Board approved the terms of the 51 resolutions to be submitted to the general shareholders' meeting on November 17, 2006. The agenda for the meeting concerned primarily the approval of the transfer of securities from 12 Caisse Nationale des Caisses d'Epargne subsidiaries representing a total of over €9.5 billion, the transfer of cooperative investment certificates of over €4.4 billion, the decision to increase the company's share capital with a view to paying for these transfers, the adoption of new bylaws and the new company name, the ten-for-one share split, the cancellation of double voting rights, the appointment of new supervisory board members and, finally, various authorizations of a financial nature.

The adoption of these resolutions marked the end of the functions of Natexis Banques Populaires' Board of Directors on November 17, 2006.

NATIXIS

The Supervisory Board met three times in November and December 2006.

During the first meeting, held as soon as possible after the general meeting of November 17, the Board appointed the Chairman and Vice-Chairman of the Supervisory Board, members of the Management Board and the Executive Chairman. It also put together the specialist committees.

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In December, the Supervisory Board gave the various authorizations required to close the offering of Natixis shares on the market.

Also in December, the Management Board explained Natixis' business plan for the coming years and proposed link-ups of certain Natixis subsidiaries, which were approved by the Board.

Given Natexis Banques Populaires' shareholding structure and/or the existence of directors with directorships of both companies concerned, several of these agreements were treated as regulated agreements in accordance with Article L. 225-86 of the French Commercial Code:

- authorization of the global security and investment agreement between the company, Banque Fédérale des Banques Populaires, SNC Champion, Caisse Nationale des Caisses d'Epargne et de Prévoyance and the financial institutions guaranteeing the transaction;
- division of costs relating to the transaction between the company and selling shareholders;
- authorization of an agreement with Natexis Bleichroeder;
- authorization of a protocol agreement with the financial institutions guaranteeing the open price offer.

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Policies and rules for determining compensation paid to the Chairman, Chief Executive Officer and Directors

(Pursuant to article L. 225-68 of the French Commercial Code as amended by the law of December 30, 2006).

NATEXIS BANQUES POPULAIRES

Natexis Banques Populaires' Board of Directors decided that the compensation paid to the Chairman of the Board and the Chief Executive Officer would include:

- a fixed portion: €263,000 for the Chairman, and €365,000 for the Chief Executive Officer;
- and a variable portion.

The Board selected a method of determining the variable portion of compensation paid to the Chairman and the Chief Executive Officer based on certain fundamental principles:

- straightforward criteria, based on the full-year consolidated net income (after tax) of Natexis Banques Populaires, which was made public;
- effective variability of the variable portion of compensation;
- variability was triggered after a certain profit threshold: there was no variable portion if the full-year consolidated net income (after tax) of Natexis Banques Populaires was less than €250 million;
- straight-line calculation method.

This system was applied according to the same principles for the Chairman and the Chief Executive Officer, with a specific variability coefficient for each position.

The variable portion of compensation was determined as follows:

- if the full-year consolidated net income (after tax) of Natexis Banques Populaires was less than €250 million, the variable portion of compensation would be zero;
- if the full-year consolidated net income (after tax) of Natexis Banques Populaires was equal to or greater than €250 million, the variable portion of compensation would be equal to 1.5/10,000ths (one point five ten thousandths) of this net income for the Chief Executive Officer.

Fringe benefits (a company-owned apartment and a company car for the Chief Executive Officer, no benefits for the Chairman) were unchanged in relation to the previous year and valued at around €22,500.

NATIXIS

On December 13, 2006, the Supervisory Board made the following decisions concerning executive compensation:

Compensation paid to members of the Supervisory Board

Compensation paid to the Chairman of the Supervisory Board

Compensation paid to the Chairman of the Supervisory Board has been set at €285,000 a year.

There is no variable compensation, no allocation of securities to the Chairman of the Supervisory Board and no additional payment of directors' fees to any members of the Supervisory Board.

Compensation paid to members of the Supervisory Board

The total compensation budget is €500,000 for a Board comprising 18 members and two non-voting directors and two committees each of six members.

The amounts decided are in line with market rates.

- Supervisory Board members and non-voting directors:
  - fixed portion: €10,000 per year
  - variable portion: €2,000 per meeting for up to five meetings.

  Total: maximum of €20,000.
- Committee members:
  - risk Management Committee:
  - Chairman: €12,500 for each joint Chairman
  - Risk Management Committee members:
    - fixed portion: €5,000
    - variable portion: €1,000 per meeting for up to five meetings,
  - remuneration Committee:
  - Chairman: €10,000
  - Remuneration Committee members:
    - fixed portion: €3,000
    - variable portion: €1,000 per meeting for up to five meetings.

Committee chairmen do not receive a variable portion of compensation in accordance with the principle that no committee meetings shall be held in their absence.

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Compensation paid to members of the Management Board

The decisions made are based on three main principles:

- clarity, transparency and exemplarity;
- equality between Management Board members (paying particular attention to ensuring that compensation is consistent with the rest of the market);
- new individual compensation levels in line with previous levels.

Members receive both monetary compensation and compensation in the form of stock options.

Monetary compensation

Compensation paid to the Executive Chairman

The Executive Chairman's salary has been set at €350,000. In addition, the Chairman may receive a bonus representing 120% of this salary if performance targets are reached, up to a maximum of €630,000 if the company achieves 150% or more of its targets.

Compensation paid to the Chief Executive Officer

The Chief Executive Officer's salary of €600,000 a year is 80% of the market median. In addition, the Chief Executive Officer may receive a bonus representing 120% of this salary if performance targets are reached, up to a maximum of €1,080,000 if the company achieves 150% or more of its targets.

Compensation paid to other Management Board members

Anthony Orsatelli

- Salary of €450,000;
- plus a bonus of 100% of salary if performance targets are reached, up to a maximum of €675,000 if the company achieves 150% or more of its targets.

François Ladam

- Salary of €450,000;
- plus a bonus of 100% of salary if performance targets are reached, up to a maximum of €675,000 if the company achieves 150% or more of its targets.

Both Management Board members (excluding the Chairman and the Chief Executive Officer) therefore receive the same compensation.

The bonus structure for Management Board members will combine a portion relating to Natixis' performance (80%) and a portion relating to individual performance (20%). The calculation basis combines one or two quantitative criteria based on operating income, with a target (projected income) and a maximum level (higher than expected income) corresponding to the maximum bonus.

Compensation paid to Management Board members in the form of stock options

The Remuneration Committee's proposal, adopted by the Board, is based on current practices in force within the company, reassessed to take account of market developments and Natixis' share price performance.

This is reflected by the allocation of:

- 190,000 options for the Chairman and 190,000 options for the Chief Executive Officer (after the ten-for-one share split);
- 125,000 options for other Management Board members (after the ten-for-one share split).

Fringe benefits

Dominique Ferrero, Anthony Orsatelli and François Ladam each have company cars valued at €2,071, €500 (pro rata temporis) and €4,081 respectively in 2006. The company-owned apartment made available to Mr Ladam is valued at €18,381.

Philippe Dupont receives fringe benefits - primarily a company-owned apartment and a company car - valued at a total of €62,856, provided by Banque Fédérale des Banques Populaires.

Executive pension plans and severance payments

Retirement allowances

In relation to their previous duties at Natexis Banques Populaires, two members of Natixis' Management Board, Philippe Dupont and François Ladam, belonged to the complementary group retirement plan applicable to all Chief Executive Officers of the Banque Populaire Group.

A similar scheme is available to Dominique Ferrero and Anthony Orsatelli.

In this regard, the total of all pension benefits payable to executives may not exceed 60% of the income they received in their last year of service, with the income figure capped at €335,000.
For executives appointed after January 1, 2005, this maximum has been reduced to 50%.

This system was implemented before May 1, 2005, i.e. prior to the effective date of the July 26, 2005 law (No. 2005-842).

Severance payments

Should an executive be dismissed prior to the expiration of his term, except in the event of professional misconduct, the group will pay an indemnity equal to one year's compensation plus 1/12 of annual compensation for every year of service with the Natixis Group or one of the two shareholding groups and, if applicable, 1/12 of the same compensation for every year

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of services of Chief Executive Officer at the Banque Populaire Group. The amount of the indemnity is limited to a maximum of 42/12 of annual compensation.

When an executive takes retirement or early retirement, he receives a payment equal to 1/40 of annual compensation per year of service with the Natixis Group or one of the two shareholding groups, capped at 40/40 of that compensation.

Summary of compensation paid

COMPENSATION RECEIVED BY MEMBERS OF THE EXECUTIVE BODIES OF NATIXIS AND NATEXIS BANQUES POPULAIRES IN 2006

Name	Natexis Banques Populaires	Natixis	Natexis Banques Populaires Directors' fees	Natixis Directors' fees	Full-year compensation(1)	Compensation for Natixis period only(1)	Total
Board Members							
Banque Fédérale des Banques Populaires	BD	SB	11,285	16,000			27,285
BOLLORE	BD	SB	9,760	26,000			35,760
BREVARD	BD		11,285				11,285
BRIXNER		SB		14,000			14,000
Caisse Nationale des Caisses d'Epargne		SB		16,000			16,000
CHAVAILLARD	BD		11,285				11,285
CLOCHET	BD		6,405				6,405
COMAS	BD	SB	14,030	16,000			30,030
COMOLET		SB		20,000			20,000
CORDEL	BD	SB	14,945	16,000			30,945
CREQUIT		SB		21,000			21,000
de La CHAUVINIERE	BD		14,030				14,030
de La PORTE du THEIL	BD	SB	13,115	21,000			34,115
DUPONT	**Ch. BD**	**Exe. Ch.**	11,285		463,000		474,285
DUQUESNE	BD		7,015				7,015
GENTILI	BD	SB	12,200	16,000			28,200
GEVIN	BD		7,320				7,320
GOUDARD	BD	SB	11,285	5,000			16,285
HENRY		SB		20,000			20,000
IOZZO		SB		10,000			10,000
JEANNIN	BD		8,235				8,235
MERINDOL		SB		12,500			12,500
METTLING		SB		20,000			20,000
MILHAUD		**Ch. SB**		16,000			16,000
NALPAS	BD		7,320				7,320
NAOURI		SB		28,500			28,500
PATAULT		SB		16,000			16,000
PROGLIO		SB		16,000			16,000
SUEUR		SB		16,000			16,000
THIBAUD	BD		7,320				7,320
TOURRET	BD	SB	14,945	20,000			34,945
ZOLADE	BD	SB	6,405	21,000			27,405
Members of Executive Management or Management Board (excl. Executive Chairman)							
FERRERO		MB				120,047	120,047
LADAM	CEO	MB			737,462		737,462
ORSATELLI		MB				54,250	54,250

(1) Including fringe benefits.

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In his capacity as Chairman of the Board of Directors of Natexis Banques Populaires, Philippe Dupont was paid a fixed annual salary of €263,000, identical over the period from 2002 and 2005. The variable portion of his salary was €30,000 in 2002 and €75,000 for the following three years. Total compensation paid to Mr. Dupont in 2006 was €463,000 (including fringe benefits).

In his capacity as Deputy Chief Executive Officer, François Ladam was paid a fixed annual salary of €290,000 in 2002 (with no variable portion), rising to €362,000 in 2003 and 2004 and €365,000 in 2005, in respect of his duties as Chief Executive Officer. The variable portion of his salary amounted to €100,000 in 2003 to 2005 inclusive. Total compensation paid to Mr. Ladam in 2006 was €737,462 (including fringe benefits).

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COMPENSATION RECEIVED BY MEMBERS OF THE EXECUTIVE BODIES OF NATIXIS (AND NATEXIS BANQUES POPULAIRES) IN COMPANIES CONTROLLING NATIXIS OR CONTROLLED BY NATIXIS IN 2006

Name	Natexis Banques Populaires	Natixis	Directors' fees paid by BFBP	Directors' fees paid by subsidiaries of Natexis Banques Populaires	Total
Board Members					
Banque Fédérale des Banques Populaires	BD	SB		18,900	18,900
BOLLORE	BD	SB	0	0	0
BREVARD	BD		9,876	9,000	18,876
BRIXNER		SB	0	0	0
Caisse Nationale des Caisses d'Epargne		SB			0
CHAVAILLARD	BD		0	0	0
CLOCHET	BD		12,223	3,600	15,823
COMAS	BD	SB	15,273	3,600	18,873
COMOLET		SB	0	0	0
CORDEL	BD	SB	15,273	12,900	28,173
CREQUIT		SB	0	0	0
de La CHAUVINIERE	BD		0	2,700	2,700
de La PORTE du THEIL	BD	SB	15,273	8,000	23,273
DUPONT*	**Ch. BD**	**Exe Ch.**	10,699	0	10,699
DUQUESNE	BD		1,646	0	1,646
GENTILI	BD	SB	10,699	11,600	22,299
GEVIN	BD		10,578	6,300	16,878
GOUDARD	BD	SB	0	0	0
HENRY		SB	0	0	0
IOZZO		SB	0	0	0
JEANNIN	BD		11,401	7,200	18,601
MERINDOL		SB	0	0	0
METTLING		SB	0	0	0
MILHAUD		**Ch. SB**	0	0	0
NALPAS	BD		7,164	5,400	12,564
NAOURI		SB	0	0	0
PATAULT		SB	0	0	0
PROGLIO		SB	0	0	0
SUEUR		SB	0	0	0
THIBAUD	BD		7,164	1,350	8,514
TOURRET	BD	SB	15,273	9,000	24,273
ZOLADE	BD	SB	0	0	0
Members of Executive Management or Management Board (excl. Executive Chairman)					
FERRERO		MB	0	0	0
LADAM	CEO	MB	0	0	0
ORSATELLI		MB	0	0	0

** Total compensation paid to Philippe Dupont in respect of Natixis and BFBP in 2006 was €950,283.*

Name	Natexis Banques Populaires	Natixis	Directors' fees paid by CNCE	Directors' fees paid by one or more subsidiaries of CNCE transferred to Natixis	Individual compensation (employment contract or director compensation) paid by one or more subsidiaries of CNCE transferred to Natixis[(1)]	Total
Board Members						
Banque Fédérale des Banques Populaires	BD	SB				0
BOLLORE	BD	SB	0	0	0	0
BREVARD	BD		0	0	0	0
BRIXNER		SB	0	0	0	0
Caisse Nationale des Caisses d'Epargne		SB				0
CHAVAILLARD	BD		0	0	0	0
CLOCHET	BD		0	0	0	0
COMAS	BD	SB	0	0	0	0
COMOLET		SB	39,000	NA	NA	39,000
CORDEL	BD	SB	0	0	0	0
CREQUIT		SB	33,778	NA	NA	33,778
de La CHAUVINIERE	BD		0	0	0	0
de La PORTE du THEIL	BD	SB	0	0	0	0
DUPONT	**Ch. BD**	**Exe. Ch.**	**0**	**0**	**0**	**0**
DUQUESNE	BD		0	0	0	0
GENTILI	BD	SB	0	0	0	0
GEVIN	BD		0	0	0	0
GOUDARD	BD	SB	0	0	0	0
HENRY		SB	0	0	0	0
IOZZO		SB	0	0	0	0
JEANNIN	BD		0	0	0	0
MERINDOL		SB	0	87,316		87,316
METTLING		SB	0	0	0	0
MILHAUD		**Ch. SB**		62,243		62,243
NALPAS	BD		0	0	0	0
NAOURI		SB	2,222	0	0	2,222
PATAULT		SB				0
PROGLIO		SB	18,667	0	0	18,667
SUEUR		SB	0	0	0	0
THIBAUD	BD		0	0	0	0
TOURRET	BD	SB	0	0	0	0
ZOLADE	BD	SB	0	0	0	0
Members of Executive Management or Management Board (excl. Executive Chairman)						
FERRERO		MB			0	0
LADAM	CEO	MB			0	0
ORSATELLI		MB			894,740	894,740

(1) Including fringe benefits.

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Competence and integrity of members of the Board of Directors and the Supervisory Board

In accordance with regulations, a list of the functions exercised by the executive directors of Natexis Banques Populaires, then Natixis, is provided in the 2006 shelf registration document. The brief summary of their responsibilities shows that they all have recognized business expertise, in particular through their positions as executives of banks or large industrial companies or as former bank executives.

In accordance with the enforcement rules of the EU directive 2003/71 (Article 14.1, paragraph 2), the bank reports that none of these Board members or members of Executive Management has been convicted of fraud over the past five years (minimum), has been subject to bankruptcy, liquidation or receivership over the past five years (minimum), has been officially incriminated or punished by corporate or regulatory authorities, has been enjoined from acting as a director or executive of an issuer or from managing or participating in the business of an issuer over the last five years (minimum).

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Agreements between the bank and members of the Board and Executive Bodies

The bank also reports, in accordance with EU regulations, that there are no agreements between members of the Board of Directors or Executive Management and the bank that could grant advantages to them at the termination of such an agreement and that might by their nature compromise their independence or interfere with their decisions.

However, Natixis and its subsidiaries have business relationships with its two shareholders or some of their subsidiaries.

Potential conflicts of interest

Natixis' Management and Supervisory Board members include employees of the two shareholder groups (the Groupe Banque Populaire and the Groupe Caisse d'Epargne). There are extensive commercial relationships between Natixis and these two shareholder groups. Although the Group does not consider this situation to constitute a conflict of interest, it cannot be ruled out that the interests of Natixis and of these shareholding groups may diverge at some point in the future.

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Executive Committee (april 2007)

Philippe Dupont
Executive Chairman

Dominique Ferrero
Chief Executive Officer

François Ladam
Member of the Management Board

Anthony Orsatelli
Member of the Management Board

Bernard Migus and Olivier Schatz
Corporate and Investment Banking

Pierre Servant
Asset Management

Jean Duhau de Berenx
Private Equity and Private Banking

Jean-Yves Forel
Services

Jérôme Cazes
Receivables Management

André-Jean Olivier
Finance

Christian Gissler
Risks and Control

François Casassa
General Secretariat and Human Resources

Participants:

Bertrand Duval
Coverage

Pierre Jacob
Communications and IR

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Auditors

The bank's financial statements are audited by three independent accounting firms. Their terms will expire with the Annual General Meeting called to approve the 2009 financial statements.

Mazars et Guérard was appointed by the combined general of November 17, 2006, for a term of six years ending on the general meeting to approve the financial statements for 2012.

Barbier Frinault et Autres – Ernst & Young resigned on December 15, 2006.

- Deloitte & Associés, 185 avenue Charles de Gaulle - 92524 Neuilly-sur-Seine;
- Salustro Reydel, 8, member of KPMG International, 1 cours Valmy – 92923 Paris La Défense Cedex;
- Mazars et Guérard, Immeuble Exaltis – 61, rue Henri Régnault – 92075 La Défense Cedex.

In return for their services, the **Auditors** were paid the following fees:

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	Deloitte & Associés				KPMG				Mazars				Ernst&young			
	Amount excl. VAT		%		Amount excl. VAT		%		Amount excl. VAT		%		Amount excl. VAT		%	
Audit	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Audit, certification, examination of individual and consolidated financial statements B11	3,759	2,636	49%	83%	2,655	1,570	94%	93%	601	0	75%	0%	845	1,031	71%	68%
Issuer	*1,073*	*477*	*14%*	*15%*	*1,059*	*493*	*37%*	*29%*	*80*	*0*	*10%*	*0%*	*568*	*655*	*48%*	*43%*
Fully consolidated subsidiaries and branches	*2,686*	*2,159*	*35%*	*68%*	*1,596*	*1,077*	*56%*	*64%*	*521*	*0*	*65%*	*0%*	*277*	*376*	*23%*	*25%*
Other services relating directly to auditors' duties A3	3,546(1)	265	46%	8%	81	60	3%	4%	10	0	1%	0%	106	72	9%	5%
Issuer	*2,334*	*181*	*30%*	*6%*	*23*	*0*	*1%*	*0%*	*0*	*0*	*0%*	*0%*	*0*	*72*	*0%*	*5%*
Fully consolidated subsidiaries and branches	*1,212*	*84*	*16%*	*3%*	*58*	*60*	*2%*	*4%*	*10*	*0*	*1%*	*0%*	*106*	*0*	*9%*	*0%*
Sub-total	**7,305**	**2,901**	**94%**	**92%**	**2,736**	**1,630**	**97%**	**96%**	**611**	**0**	**76%**	**0%**	**951**	**1,103**	**80%**	**73%**
Other services provided by networks to fully consolidated subsidiaries																
Legal, tax, employee-related	105	209	1%	7%	69	41	2%	2%	4	0	0%	0%	76	0	6%	0%
Other	339	58	4%	2%	28	22	1%	1%	188	0	23%	0%	166	417	14%	27%
Sub-total	**444**	**267**	**6%**	**8%**	**97**	**63**	**3%**	**4%**	**192**	**0**	**24%**	**0%**	**242**	**417**	**20%**	**27%**
TOTAL	**7,749**	**3,168**	**100%**	**100%**	**2,833**	**1,693**	**100%**	**100%**	**803**	**0**	**100%**	**0%**	**1,193**	**1,520**	**100%**	**100%**

(1) Mainly auditing work carried out in relation to the creation of Natixis.

The substitute auditors are:

- Beas, 7/9 Villa Houssay - 92200 Neuilly-sur-Seine;
- François Chevreux, 40, rue Guersant - 75017 Paris;
- Patrick de Cambourg, Immeuble Exaltis – 61, rue Henri Régnault – 92075 La Défense Cedex.

3 ACTIVITIES

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Corporate and Investment Banking

VALUE-CREATING SOLUTIONS

Natixis offers its customers - companies, institutional investors and banks - a broad range of products and solutions, comprising primarily business loans, structured finance, capital market products (fixed income, credit, forex, equities, commodities, cash and derivatives), payment products, lease financing and securitization, as well as advisory and financial engineering services.

Financing and investment banking activities draw on the expertise of all of Natixis's business lines to create and implement added-value solutions. With over 120 branches worldwide, Natixis is able to serve the needs of local clients.

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Rankings

Real estate finance: No. 2 in France (source: Dealogic)

Aircraft finance: World top 10 (Airfinance Journal)

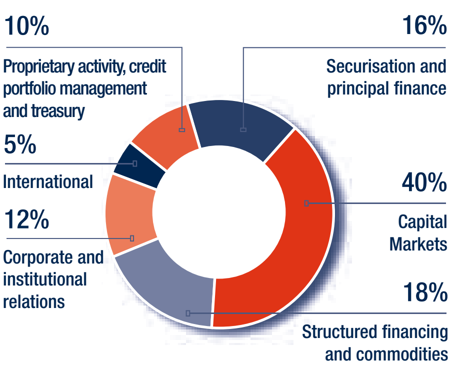
Primary bond market: No. 10 in the euro market (source: Bloomberg)

Primary corporate bond markets: No. 2 in France (source: Bondware)

Trade finance: No. 6 in Africa and the Middle East (Dealogic/ Trade Finance Magazine)

CDO issues (Collateralized Debt Obligations): No. 7 in Europe (source: Thomson Financial)

BREAKDOWN OF NET BANKING INCOME BY BUSINESS LINE



CLOSE RELATIONS WITH CUSTOMERS

The Corporate and Institutional Relations department supervises traditional financial activities, lease financing and payments processing, and facilitates the origination and prescription of all of Natixis's products and services among its customers.

As the No. 4 lender to large and medium-sized businesses in France (source: 2006 annual reports of the leading French banks, corporate and investment banking section), Natixis has close relations with nearly all companies in the CAC 40 and the SBF 120.

With priority given to local presence, the department is made up of advisory bankers - corporate clients, institutional clients and the public sector - and sector-based groups, providing renowned expertise in a number of sectors such as luxury goods, media, healthcare, food and automotive equipment. In France, the department's 16 regional divisions give it direct access to medium-sized corporate clients.

As No. 2 in real estate lease financing and No. 5 in equipment lease financing in France (source: market professionals), Natixis - with its subsidiary Natixis Lease - operates in all areas of lease financing.

It was involved in major deals with corporate clients in 2006 (Michelin, Liebher, P. Fabre, Plastic Omnium).

Through its subsidiary Energéco, Natixis Lease is a market leader in providing financing for wind farms, financing 25% of installed power in France in 2006.
Natixis Lease is continuing to expand its international presence, particularly through its operations in Spain and Italy.

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The payment flows business is subject to an increasingly competitive environment, exacerbated by the introduction of the Single Euro Payments Area (SEPA). The choice of an organizational structure intended to reinforce proximity to customers and improve the quality of the range of products and services offered has proven effective. ISO 9001 certification - initially obtained for payments processing, documentary credits and guarantees issued - was extended in 2006 to the design of cash management products and services, an innovative move in this business line. In addition, according to the TNS-Sofres 2006 Quality survey, Natixis is still market leader in the processing of banking transactions. The payment flows business has been particularly robust, with a success rate of around 60% in invitations to tender.

STRONG INTERNATIONAL PRESENCE

The International department looks after a customer base of foreign corporate and institutional clients, with direct responsibility of conventional financing and correspondent banking activities. It coordinates the international roll-out of other banking activities and is responsible for developing Global Trade Services (GTS), a specialized product line for international trade financing, in which it has won a number of mandates including Aluar (Argentina), Avea Telecom (Turkey), China Oil (China), CFE (Mexico), AN Hoa (Vietnam) and Secama III (Vietnam).

Among financial institutions, Natixis was selected as arranger, mandated lead arranger (MLA) and credit agent for a €1 billion syndicated loan facility for ICICI Bank, the highest amount ever syndicated by an Indian bank. In Turkey, it has been involved in 21 syndications for banks and leasing companies, acting as bookrunner on three occasions and MLA 15 times. It has had a good year in Russia, with eight mandates as bookrunner. In the United States, business was developed in specific transactions: collateralized credit line conduits, backup and fronting liquidity and secure finance for investment funds.

In addition to winning new customers, Natixis Pramex International - the Group's consultancy subsidiary specializing in international business development - has also improved customer loyalty and enhanced its range of services (acquisitions, setting up factories, joint ventures etc.) Operations in China, the United States, Spain and Germany have progressed particularly well. With the opening of subsidiaries in Casablanca and Bangkok and representative offices in Dubai and Beijing, the subsidiary now has 19 offices worldwide.

The corporate and investment banking division generates over half of its net banking income outside France, mainly in Europe and the United States. The main drivers for the Group's international activities are securitization, fixed income, structured finance and commodities, derivatives and equity brokerage.

Despite continuing deterioration in margins, the corporate segment has been particularly robust, chiefly in Madrid, London and New York. With its subsidiary Natixis Capital Markets, the bank has developed particularly innovative financing, investment and risk management solutions for its customer base of institutional investors, companies and high net worth individuals.

Natixis intends to continue to capitalize on its international expertise and build on its presence in Asia and the United States.

SOLID POSITION IN STRUCTURED FINANCE

Natixis is market leader in a number of areas of structured finance and is continuing to enhance its reputation as arranger:

- nearly 300 arrangement mandates in 2006, equal to more than one mandate per day;
- No. 3 MLA by value in syndicated loans in France and No. 13 in the EMEA region (*source: Dealogic Loanware*);
- No. 2 MLA by value in real estate finance in France and No. 7 in the EMEA region (*source: Dealogic Loanware*);
- No. 4 bookrunner in LBO financing by value (*source: Dealogic Loanware*);
- No. 7 MLA in the EMEA region in project finance (*source: PFI*);
- one of the top 10 aircraft finance arrangers worldwide, according to Airfinance Journal (September 2006);
- 16 Deals of the Year (Aluar, Ghana Cocobod, Rusal, Sonangol Sinopec International, Addax Petroleum, Albaco, Alro / Marco Industries, Maurel & Prom, TMK etc.) (*source: Global Trade Review, Trade Finance, Trade & Forfaiting Review*) in commodities financing.

The number of international arrangement mandates has increased significantly. Acquisition/LBO financing accounts for nearly half of net banking income generated outside France, handled by teams in London, Frankfurt, Milan, Madrid, New York and Hong Kong. The team has reasserted its position in France, acting as sole bookrunner in major transactions such as Loxam, Nutrition et Santé, Courtepaille, Onduline and Pasteur Cerba. In real estate finance, the bank won 60 arrangement or joint arrangement mandates, including a growing number of international mandates, thanks to the

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strengthening of its European teams: e.g. Deutsche Bank (France Printemps - in collaboration with acquisition/LBO finance), Alstria (German real estate company), Pirelli (for a fund invested in Italy) Gecina/Generale de Santé and Foncière des Régions/Bail Investissement. In ship finance, the bank won 17 mandates outside France, including the mandate for MLA-bookrunner for the financing of a $150 million offshore drilling platform in Indonesia chartered by Total. The bank has developed its international expertise in project finance with Reliance Petroleum in India, Casema (telecoms) in the Netherlands and La Boga (wind power) and Sanlucar Solar (solar power) in Spain.

Thanks to the combined expertise of its various business lines, the bank was selected as arranger for transactions such as China Southern, Turkish Airlines and Socatra. The financial engineering business made a significant contribution by offering innovative and structured solutions.

In a highly competitive climate, Natixis won 70 syndicated loan mandates in 2006, including 42 as bookrunner. Despite a decline in volumes, Natixis almost doubled its market share in France and continued its strategy of diversifying its activities outside France (45% of recurring business) and among SMEs (Pizza Pino, Naturex).

In the commodities segment, Natixis has developed a sophisticated range of financing solutions for oil, gas and mineral reserves, offering borrowing base facilities, financial advisory services for acquisitions in refining and oil services activities, and offtaking by subsidiary Contango Trading. Natixis has also diversified into new countries, such as Ukraine, Colombia and the Czech Republic, and established its presence in new markets such as ethanol. It has expanded its offering to include primary equity markets and commodities derivatives.

Natixis has acted as MLA, joint MLA, agent and participant in major transactions (e.g. Rosneft, Sonangol, CH4, Maurel&Prom, Addax Petroleum), strategic acquisition financing (CVRD/Inco, Petroplus/Petrotrade) and M&A finance (Rual/Rusal/Glencore). Its business with major corporate clients and traders has resulted in over 50 new business relationships.

A BROAD RANGE OF CAPITAL MARKETS PRODUCTS

Natixis has developed a broad range of fixed income products **in the leading financial markets.** Enhancing its range of structured products has resulted in strong revenue growth, mainly in fixed income but also in credit, commodities and forex activities.

Revenues have risen significantly in fixed income derivatives, particularly vanilla products - for which volumes doubled in 2006 - as well as inflation-linked products. With a strong presence in government bonds in the eurozone, Natixis has strengthened its position in France and is ranked No. 3 primary dealer ("Spécialiste en Valeurs du Trésor" or SVT) and No. 1 in the Agence France Trésor league table. The bank has enhanced its e-business offering and currently has broad coverage of fixed income derivatives and government bonds. Natixis has performed well in **the credit markets** (asset backed securities or ABS) and maintained its leading position in covered bonds, ranked No. 7 in electronic trading on MTS (Mercato dei Titoli di Stato) (*source: MTS*).

In the primary bond market, Natixis has reported an increasing number of mandates for structured transactions (EMTNs) in France and abroad, both in the corporate segment (Pernod Ricard, Veolia Environnement) and among financial institutions (La Poste, CNCE, CNP, Caixa Catalunya, Alpha Bank, Piraeus Bank), agencies (Cades, CRH) and covered bonds (CFF, Caja Madrid, BBVA). It is ranked No. 10 in the primary market for issues in euros (*source: Bloomberg*) and world No. 4 in covered bonds (source: *Thomson Financial*)

RENOWNED FOR ITS EQUITY RESEARCH

Natixis's equity brokerage activities are centered around Natexis Bleichroeder SA, IXIS Securities and IXIS Midcaps in Paris, Natexis Bleichroeder Inc and IXIS Securities NA in New York and Natexis Bleichroeder Ltd in London.

Specializing in all products on the French market, its renowned teams of senior analysts also cover European and US large caps. IXIS Securities is ranked No. 3 for equity research in France (*source: Extel Focus France 2006 equity research "grand prix"*).

Natixis has developed its partnership with DZ Bank by signing a new agreement entitling it to exclusive distribution of DZ Bank's equity research and analysis services in English-speaking countries. It has been admitted as a member of the London Stock Exchange, enabling it to trade directly in shares listed on the London Stock Exchange and the *Alternative Investment Market.*

SIGNIFICANT ORIGINATION CAPACITY IN THE PRIMARY EQUITY MARKET

In equity capital markets, Natixis offers a personalized services and high value-added products in both the primary market and derivatives.

It has a strong reputation among French companies and has been involved in major French primary equity market transactions such as the sale of Natixis shares, the Société Générale capital increase and the Aéroports de Paris IPO. It has also been involved in medium-sized transactions, which have also seen strong growth. In the United States, Natexis Bleichroeder Inc. was involved in seven transactions.

Thanks to its partnership with Lazard, Natixis has improved its origination capacity in the primary equity market. Lazard-

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Natixis achieved notable successes, in particular as lead manager and global coordinator of three high profile IPOs in 2006: ICADE, Parrot and EDF Energies Nouvelles.
With its experience in commodities financing, Natixis has specialized in covering companies in the sector, notably as joint lead manager in the Rosneft IPO, the largest ever IPO for a Russian company.

A KEY PLAYER IN EQUITY DERIVATIVES IN EUROPE

Natixis offers a broad range of arbitrage activities in equities, indices, convertible bonds, listed options and bonds. It successfully launched its basket trading business in 2006.
The bank has strengthened its position in equity derivatives thanks to its diversified business portfolio and renowned risk management expertise. Its teams have also developed options combining underlying hybrid instruments, equity portfolio trading and equity finance. The equity derivatives business has also obtained accreditation from Aivelys Asset Management, which launched its first fund at the end of the year.
With operations in Paris, New York and Tokyo, the equity finance business (securities lending/borrowing) has seen strong growth, with a sharp increase in the volume of transactions.

A PERSONALIZED SERVICE AND HIGH VALUE-ADDED PRODUCTS

In corporate finance, Natixis Corporate Solutions offers clients financial packages to optimize asset and liability management and real estate solutions. The commercial cooperation agreement with Lazard concerning certain strategic derivatives has proven its effectiveness in Europe. Thanks to robust business, the range of underlying instruments has been extended, including in particular the organization of the first carbon transactions.

In the M&A market, Natixis Finance has benefited from robust market conditions, winning advisory mandates with well known companies such as Alstom for the sale of shipyards on the Atlantic coast to Aker Yards, Chantelle for the takeover of Orcanta, Dassault for the sale of its regional daily press business to L'Est Républicain in association with Crédit Mutuel, the Moroccan government for the second phase of the privatization of Régie des Tabacs Marocains, AXA PE and the shareholding family in acquiring the majority interest in Camaïeu and the management team of Françoise Saget in the LBO by Yves Rocher.
In addition, Natixis has developed its advisory services for corporate clients in the infrastructure and real estate sectors, including the acquisition by Caisse des Dépôts of 49% of Viaduc de Millau and acting as intermediary in the sale of 6% of Eiffage by Albert Frère.

A BESPOKE SERVICE IN STRUCTURED PRODUCTS

Natixis has strengthened its presence in structured products based on alternative investment funds intended for an international client base. In Europe, it has developed its activities with banking networks. In Asia, it has capitalized on its partnership with SPARX Asset Management and consolidated its position in public offers of structured products indexed to hedge funds. By enlarging its range of funds eligible as underlying instruments for commodities funds, it is now involved in all alternative investment strategies.

Subsidiary Natixis Alternative Investments has launched a managed funds platform. The platform's first funds, created in the second half of 2006, offer greater liquidity than conventional alternative investment funds.
Meanwhile, subsidiary Natixis Capital Partners has strengthened its market-leading position in sale and leaseback transactions in continental Europe. Via its Captiva II fund, the real estate investment structure has acquired seven real estate portfolios in France, Belgium and Germany, including the city of Hamburg, which represents 39 buildings for a total acquisition cost of €815 million.

RENOWNED EXPERTISE IN THE ORGANIZATION OF COMPLICATED AND INNOVATIVE TRANSACTIONS

Natixis is a key player in the securitization market in Europe and the United States, with underlying assets concerning receivables of corporate clients, as well as financial assets on the books of financial institutions.

It is present in all segments of the market, with considerable capacity for innovation in asset backed commercial papers (ABCP), commercial mortgage backed securities (CMBS), residential mortgage backed securities (RMBS) and collateralized debt obligations (CDO), covering all areas of securitization, including origination, warehousing, structuring, placement and investment.

In the United States, Natixis sold and securitized over $3.3 billion of CMBSs through seven transactions and $4.1 billion of ABSs through eight transactions. It one of the world's leading underwriters of CDOs and CLOs, with a broad range of underlying assets. In 2006, it structured and placed CLOs of $14.5 billion, more than doubling the previous year's production. It is the world's No. 3 bookrunner in arbitrage CLOs in terms of issue volumes (source: Asset-Backed Alert). It also acted as collateral manager for ABS CDOs worth $1 billion.

Natixis had an excellent year in the securitization market in Europe, with a number of ABS, MBS and CLO mandates in Spain. It is ranked No. 7 in the league table for arbitrage CDOs (*source: Thomson Financial*). 2006 was characterized by a

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high level of diversity in assets handled and strong revenue growth. Natixis originated and structured two loans for the Classico synthetic CMBS securitization, which constitutes a first step in establishing itself as a lead manager for CMBS in Europe.
In the corporate client segment, Natixis structured a securitization operation with a firm under LBO. With Coface, Natixis launched César France, an innovative securitization platform intended for medium-sized companies. Less than one year after it was set up, the team in Milan won three mandates.

In the institutional client segment, the department continued to develop its expertise in the structuring of new assets, with a LBO CLO with Vallauris II, CMBS with Nacréa I, a Spanish-Portuguese auto loan with LTR6 in Madrid and RMBS with Voba in Milan.

Research: a strategic priority

Headed by Patrick Artus, the economics research department offers customers renowned and in-depth expertise combining monitoring of economic conditions, economic and financial forecasts, analysis of fixed income, forex and equity markets, valuations by country and investment strategy. The department covers around 40 countries that play a key role in the global economy, including the main emerging markets.

In credit research, the bank's strategists and analysts combine quantitative and fundamental approaches that allow for comprehensive analysis of over 100 issuers in Europe and North America, as well as the main private bond market issuers in the eurozone. Through their publications, these teams keep customers abreast of the best market opportunities.

In quantitative research, the expertise of the bank's financial engineering teams allows it to keep up with complex financial innovations. Based in Paris and New York, these teams design mathematical and statistical models to calculate the value of financial products, in particular derivatives and complex structured transactions. They also calculate risk coverage.

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Asset Management

The Asset Management division has developed expertise across a broad range of products covering all asset classes, including money market, bonds, equities, diversified, alternative and real estate assets. It also offers structured and multi-manager investment. Its business model is based on a structure grouping together multi-specialist managers with the support of a global distribution platform serving retail, institutional and corporate clients.

With assets under management of €583 billion at end-2006, the Asset Management division has a strong position in Europe, particularly in France, and in the United States. 2006 was an exceptional year, with growth in managed assets of €67 billion or 13%[6]. Net new money totaled over €30 million, an increase of 16% at constant exchange rates compared with 2005.

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A GLOBAL PLAYER IN ASSET MANAGEMENT

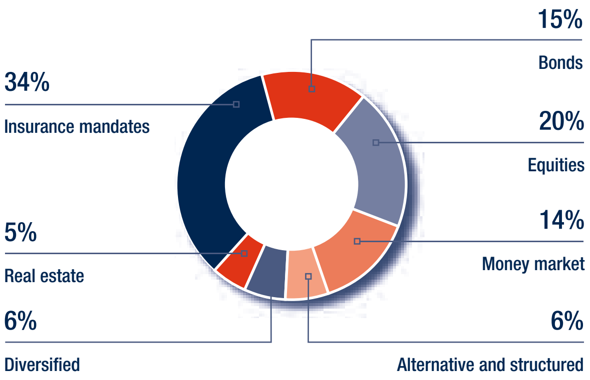
The Asset Management division - one of Natixis's most internationally established divisions - is No. 13 worldwide, No. 5 in Europe and No. 1 in France in asset management[7]. Since November 17, 2006, it has combined the asset management activities of Ixis AM Group and Natexis Asset Management and its subsidiaries, with nearly 2,600 employees, including around 1,500 in the United States.

With its federal structure, the division is made up of approximately 15 specialist asset management companies, based primarily in France and the United States, as well as the rest of Europe and Asia. It benefits from a specialist distribution entity controlled by a holding company - Ixis AM Group - which ensures the consistency of all activities by looking after steering and development functions.

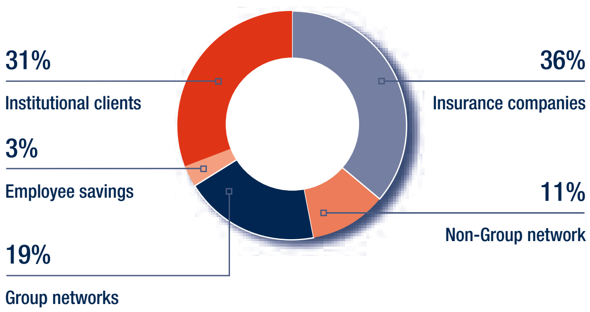
Its expertise covers all asset classes, including money market, bonds, equities, diversified, alternative and real estate assets. It also offers structured and multi-manager investment targeting all customer segments: institutional and corporate clients, insurance companies, banking groups and networks, individuals and wealth management.

2006 was a record year thanks to robust and diversified net new money under favorable market conditions. Assets under management totaled €583 billion, with €394 billion in Europe, €188 billion in the United States and the remainder in the Asia-Pacific region.
Net banking income increased by 23% to €1.5 billion in 2006.

ASSETS UNDER MANAGEMENT BY ASSET CLASS



ASSETS UNDER MANAGEMENT BY DISTRIBUTION CHANNEL



(6) *At constant exchange rates.*

(7) *Source: June 2006 IPE ranking for Natixis' Asset Management division's assets under management at-end 2005.*

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A GLOBAL DISTRIBUTION PLATFORM

The Ixis AM Global Associates distribution platform is one of the unique strengths of Natixis's Asset Management division. It markets the products of all of the Group's asset management companies in accordance with the terms of each country, as well as providing associated services. The Group's asset management companies are therefore able to focus on their core business of performance creation, while benefiting from the global commercial support and other support functions of Global Associates.

Products are distributed either directly or through the platform. Asset management companies offer their products directly to established customers, in particular institutional clients in the United States and France, and to retail clients in France through the Caisse d'Epargne and Banque Populaire networks.

The Global Associates platform helps to optimize coverage of the various customer groups in the United States - only for retail clients - and in the rest of the world (excluding France). It already covers customers in around 30 countries across all five continents. In 2006, products distributed by Global Associates on behalf of all of the Group's asset management companies represented assets under management of €70 billion.

This multi-specialist structure responds to changes in the asset management market on a global scale, characterized by the development of an open architecture - with a strong presence in the United States and development in Europe - the emergence of global distributors and growing demand for high value-added integrated and bespoke solutions, particularly for institutional clients, retail distributors and wealth management clients.

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> "A distribution platform offering added value for customers"

A NEW KEY PLAYER IN EUROPE

Asset management operations in Europe represented assets under management of €393.9 billion at end-2006, with net new money of €11.7 billion.

The bank's activities in Europe are based on a solid foundation in France, complemented by smaller units in the United Kingdom, Italy and Luxembourg, and are also expanding thanks to Global Associates in a number of European countries (United Kingdom, Germany, Austria, Sweden, Norway, the Netherlands, Belgium, Luxembourg, Portugal, Spain and Switzerland). In 2006, a representative office was opened in Dubai to increase sales in the Middle East.

In France, the combination of Ixis Asset Management and Natexis Asset Management should result in the creation of one of the largest centers of asset management expertise in Europe in 2006: Natixis Asset Management.

The Group's European asset management operations offer a broad range of products covering all conventional asset classes, including money market, fixed income, equities and real estate, as well as expertise in value-added products such as collateralized debt obligations (CDOs), socially responsible investment (SRI) and multi-manager investment.

The combination of Ixis AM France (assets under management of €244 billion) and Natexis Asset Management (assets under management of €109.5 billion) is planned for 2007, covering the majority of asset classes: money market funds, bonds, equities, diversified investments, alternative investments and CDOs.

Ixis Private Capital Management (assets under management of €2.8 billion), which is due to merge with Natexis Asset Square (assets under management of €4 billion) in 2007, specializes in multi-manager investment.

Ecureuil Gestion (assets under management of €17 billion excluding delegated mandates) distributes mutual funds and guaranteed funds through the Caisse d'Epargne network. The Group plans to extend this activity to the Banque Populaire network.

Ixis AEW Europe (assets under management of €14.7 billion) and Natexis Asset Management Immobilier (assets under management of €1.5 billion) manage real estate assets.

> "Strong growth potential in Europe"

2006: a year of distinctions

Ixis Asset Management's "Ixis AM Emerging Europe" fund received the silver medal in the "investment fund over five years" category from Investir Magazine, while the "Écureuil Harmonie" was awarded first prize in the diversified euro - three year category in the AGEFI asset management awards.

Le Revenu awarded Natexis Asset Management the Trophée d'Or for the best performance for a unit trust and diversified funds range over three years and the best range of sector equities over three years (retail banking category), as well as the Trophée de Bronze for the best overall performance over 10 years.

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STRONG POSITION IN THE UNITED STATES AND EXPANSION IN THE ASIA-PACIFIC REGION

Assets under management for the Group's dozen or so US subsidiaries totaled $247 billion (€187.7 billion) at end-2006. Net new money reached its highest ever level of $24 billion, two-thirds of which was generated through Global Associates. This relates primarily to Loomis Sayles, Harris Associates, Harris Alternative and AEW.

The Group's specialist asset management companies, which cover a broad range of expertise, achieved further growth by launching new products, winning new customers and improving the performance of their funds.

They are directly responsible for distribution for institutional clients in North America and also benefit, particularly for retail clients, from the support of Global Associates, which distributes investment products and offers advisory, structuring and associated services that can be tailored to the different markets and distribution channels. Global Associates works with leading distributors such as Merrill Lynch, Schwab and UBS.

Global Associates also helps to increase sales of US asset management companies' products in the Asia-Pacific region, Singapore, Japan and Australia.

> "The highest ever level of net new money in the United States"

Ixis AM Group is due to finalize the acquisition of Hansberger, in which it previously held just a minority stake, in the first half of 2007.

In the United States, several managers have received particularly prestigious awards:
David Herro of Harris Associates was nominated for Morningstar's International Stock Fund Manager of the Year and Dan Fuss and Kathleen Gaffney of Loomis Sayles came second in the Fixed Income Manager of the Year category. Barron's ranked Ixis AM Group top for the performance of its funds over five years and second for the performance of its funds over 10 years and one year. In addition, the Delafield Fund and Oakmark International Fund were ranked one of the five best funds in 2006 by SmartMoney.

US asset management subsidiaries

- Loomis Sayles (assets under management of €73 billion at end-2006): wide range of equity funds (growth, core, value) and bond funds (core, high yield);
- Harris Associates (assets under management of €52 billion): US and international value stocks;
- Reich & Tang Funds (assets under management of €12 billion): money market fund management;
- AEW (assets under management of €11 billion): real estate fund management;
- Hansberger (assets under management of €8 billion): international equity fund management;
- Harris Alternatives (assets under management of €7 billion): alternative fund management combining several investment strategies;
- Vaughan Nelson (assets under management of €5 billion): value stock and investment grade fixed income fund management;
- Capital Growth Management (50% ownded, assets under management of €5 billion): equities;
- Caspian (51% ownded, assets under management of €4 billion): alternative management focusing on arbitrage of US bonds and emerging markets;
- Reich & Tang Capital Management (assets under management of €2 billion): US small & midcap stocks, international core and high yield bonds;
- Westpeak (assets under management of €2 billion): index-tracker funds;
- Snyder (assets under management of €2 billion): US small & midcap value stocks.

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Private Equity and Private Banking

SHARED EXPERIENCE AND EXPERTISE

The Private Equity and Private Banking division comprises Natixis's private equity and private banking activities.
Private equity is one of Natixis's historic business lines, having operated in this marked for 20 years through subsidiary Natixis Private Equity (NPE). NPE is currently recognized as one of France's market leaders in private equity for SMEs, with a portfolio of over 600 investments and assets under management of €3.2 billion in 2006.
Private banking covers three activities: wealth management, serving customers with savings of over €1 million, private asset management for customers with assets of €150,000 to €1 million, and fund management.

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NATIXIS PRIVATE EQUITY

Natixis Private Equity one of France's market leaders in private equity for SMEs and a key player in Europe with operations in Germany, Spain and Italy. It is also establishing a growing reputation in the high potential markets of Asia, South America and India. It operates in all areas of private equity - venture capital, expansion capital and buy-out/buy-in financing - with 17 teams, 163 private equity professionals and over 600 investments. With over €3 billion dedicated to the growth of SMEs, NPE is largest source of capital for companies valued at less than €300 million. It sponsors all of the funds it manages from the time they are set up and remains the prime subscriber thanks to the active support of Natixis.

A major component of NPE's business model is ensuring a lasting commitment to small businesses, entrepreneurs and investors, irrespective of how economic cycles or investment markets develop.

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 original business model, targeting solely SMEs, gives NPE a real competitive advantage and robust growth outlook.

Natixis Private Equity subsidiaries in France and worldwide

Expansion capital
EPF Partners
N.I Partners
Nempartners
Naxicap Partners
NPE Asia

Venture capital
Seventure
Ventech

Buy-in/buy-out financing
Initiative & Finance Ixen
Finatem
Cape Natixis
Talinks
Providente
MCH Private Equity
Axxon Group
Krokus PE
+Indian team

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NPE 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 decided to focus on developing specific knowledge management and business development solutions for the sharing of expertise and opportunities.

BANQUE PRIVÉE SAINT DOMINIQUE

Banque Privée Saint Dominique specializes in wealth management and focuses solely on high net worth individuals, business owners and company executives.

The experience of its managers ensures capable handling of personal investment issues, as well as in-depth analysis of each individual situation. With the support of its personal investment experts, it proposes tailored solutions that take account of the personal and professional circumstances of each of its customers.

Its positioning alongside teams from Natixis also provides sound knowledge of issues relating to serving companies and their executives. In this area, it has developed expertise in financial engineering dedicated specifically to optimizing and financing private aspects of corporate finance transactions, such as executive profit-sharing, minority buyouts and financing of stock options.

Banque Privée Saint Dominique also offers a broad range of financial management services, through products managed by its own teams as well as structured products or selected investments with external partners.

Finally, it is able to offer its customers a range of products and services in the areas of insurance, tax optimization and art.

COMPAGNIE 1818 - BANQUIERS PRIVÉS

Created in 2005, Compagnie 1818 - Banquiers Privés, focuses exclusively on major private banking customers (entrepreneurs, company executives etc.). It is made up of specialists in wealth management and top-level experts in legal and tax issues to devise tailor-made solutions covering areas such as financial management structured products and dedicated funds. It has three main business lines:

- wealth management for its own customer base, with a broad and open offering so as to offer the best products and the best managers;
- private asset management to support subsidiaries of the Caisse d'Epargne Group (Caisse d'Epargne, Banque Palatine, Financière Océor, Crédit Foncier);
- asset management for independent financial advisors approved by Centre Français du Patrimoine.

These three business lines saw strong growth in 2006. Compagnie 1818 reported new deposits of €977 million via these various channels and assets under management of nearly €10 billion.

The development of its range of multi-manager investment products with the launch of the Elite 1818 fund of funds was a resounding success. Compagnie 1818 - Gestion achieved a solid performance in mutual funds and management mandates.

NATEXIS PRIVATE BANKING LUXEMBOURG S.A.

Natixis Private Banking Luxembourg S.A. offers wealth management and financial asset management services, finds international investors and provides bancassurance services for high potential international customers.

Positioned in the heart of Europe, if benefits from efficient, practical and flexible domestic legislation. It enjoys a stable political, social and economic environment and competitive tax conditions. Natixis Private Banking Luxembourg S.A. embodies local presence and a banking tradition of quality, oriented towards its client-investor-partners.

"High value-added financial services"

To address the needs of an ever more demanding clientele, the expertise of Natexis Private Banking Luxembourg SA extends to all banking and financial services. The range of products offered includes discretionary asset management, various types of exclusive management, based in particular on an open architecture approach, financial engineering, innovative optimization and asset structuring, tailor-made lending solutions, life insurance products, mutual products and structured products with a guaranteed or protected capital feature.

Its investment experts and wealth management advisors support Natixis's teams in resolving the international personal investment issues of business owners, entrepreneurs and company executives.

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Services

With nearly 4,200 employees, the Services division combines six complementary and interactive business lines from both a commercial and technical viewpoint.

Four of these business lines - Insurance, Sureties and Financial Guarantees, Consumer Finance and Employee Benefits Planning - specialize in designing products sold primarily by the distribution networks to their customers.

The other two business lines - Payments and Securities Services - complement the Group's payment processing services and financial instruments activities.

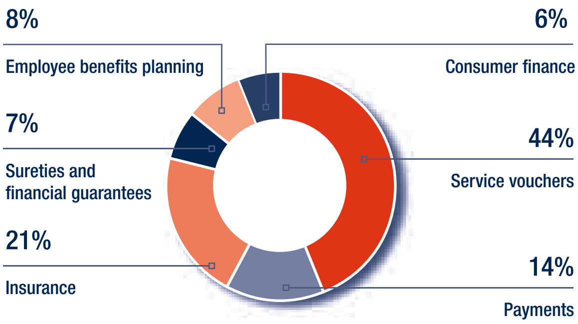
All of these services are designed to meet the specific expectations of each customer type (personal customers, institutional clients, corporate clients and small business clients). They are based on two core principles. Systems and processing are industrialized and pooled in order to provide performance and competitiveness for the distribution networks. Integrated and open systems are favored in order to meet the requirements of the European market.

Over the coming years, the Services division will endeavor to strengthen its position among the Caisse d'Epargne and Banque Populaire networks, while also seeking to enlarge its customer base beyond the two groups and continuing with the efforts already initiated to optimize its operating performance.

Rankings

- No. 1 employee savings manager in France;
- No. 1 in guarantee insurance in France;
- No. 10 in institutional custody services worldwide (source: Global Custody.net);
- No. 2 in retail custody services in France;
- No. 3 electronic banking operator in France;
- No. 4 non-life bancassurer in France.

BREAKDOWN OF SERVICES NET BANKING INCOME



All of the Services division's activities delivered satisfactory growth in 2006.

OUTPERFORMING THE MARKET

Natixis's Insurance offering covers all types of insurance: life and personal risk insurance for personal customers, small businesses and corporate clients; non-life insurance for personal customers and small businesses.

With gross premium income up 35% at €4.1 billion, the life insurance business again achieved stronger growth than the "G11" bancassurers (20%) and the French market (17%).

Against this favorable backdrop, the 72% increase in net premium income to €2.4 billion related mainly to the solid business momentum of the distribution networks and the launch of innovative products such as Fructi-Pulse.

Fructi-Pulse

The Fructi-Pulse life insurance policy provides access to the financial markets from just €30 per month. Customers can choose from three packages - "Initiation", "Equilibre" and "Tonique" - depending on their investor profile and the proportion of their investment they wish to allocate to unit-linked products. This includes an innovative and free steered management mechanism that automatically secures capital gains when the financial markets rise and enables investors to make the most of opportunities when the markets fall.

This new product offering has been a resounding success among the Banque Populaire Group's customers, with 70,000 policies taken out to December 31, 2006, and premium income of over €800 million.

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The solid performance of the equity markets also helped to boost inflows into unit-linked products, which increased by 60% and represented 22% of total gross inflows.
Personal risk insurance - which is subject to a highly competitive environment - maintained a steady rate of development, with premium income up nearly 9%.
In products intended for personal customers, the number of comprehensive personal accident insurance policies increased significantly. The success of Autonomis, a new product providing long-term care insurance, in the first few months after its launch confirmed the growth potential of this product line.
In non-life insurance (motor and home insurance), 153,000 new policies were taken out in 2006, bringing the total to 642,400.
Furthermore, in order to enhance the performance and quality of its products, Natixis Assurances launched a three-year program in 2006 concerning the complete updating of its IT systems.

Natixis has implemented a sustained business development policy for this area, primarily through intensive promotion of personal life insurance products to Banque Populaire customers, particularly unit-linked products.

Optimizing its product offering targeting private customers and stepping up the development of this business by capitalizing on the experience of Foncier Assurance with independent wealth management advisors are also key ways of boosting growth.

BECOMING A KEY PLAYER IN CONSUMER FINANCE IN FRANCE AND EUROPE

The Consumer Finance business has undergone reorganization since November 2006, with new rules of operation in making products available to the Banque Populaire and Caisse d'Epargne networks.
Natixis Consumer Finance has expanded and updated its consumer finance offering for the Caisse d'Epargne banks and developed a revolving credit product for the Banque Populaire banks.
The revolving credit business saw robust growth in 2006. CEFI's outstandings increased by 9%.
In 2006, this business line took the next step in its development with management of personal loans using an innovative new tool: "IZICEFi". Installed in Caisse d'Epargne branches, this tool increases selling opportunities of personal loans while ensuring optimum profitability. At the end of 2006, personal loan outstandings through IZICEFi totaled €1.1 billion.

In May 2006, the bank signed an agreement with the Carige Group to set up a joint venture in Italy, resulting in the creation of Créditis, specializing in consumer finance. This demonstrates Natixis's desire to develop partnerships and become a key player in consumer finance in France and Europe, specializing in distribution through banking networks.

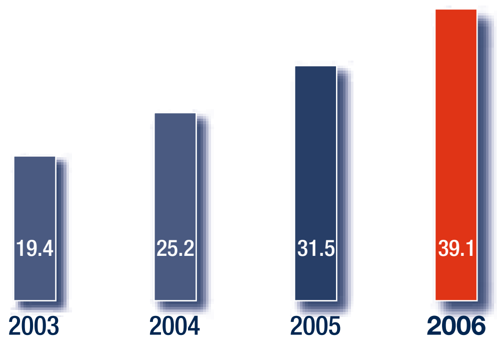
MARKET LEADER IN SURETIES AND FINANCIAL GUARANTEES

Covering a variety of business lines and markets, the Sureties and Financial Guarantees business provides partners with the banking and financial counter-guarantees required for their business.
Natixis Garanties' range of surety products are among the most apt and competitive on the market. A platform of experts provides the most suitable response to the financing needs of individuals, businesses and local authorities.

Market No. 2 in surety for home loans for individuals in France, Natixis Garanties instructed 117,000 cases in 2006. Although affected by mortgage reforms in France in mid-2006, this business line achieved a 14% increase in premiums earned.
In the real estate market, completion guarantees ("garantie d'achèvement") for builders of single-family homes (under the 1990 Act) covered 23,000 homes. With market share of 26%, Natixis Garanties is joint market leader in this sector. It is also No. 2 in the market for professional guarantees for real estate agents and property managers (under the Hoguet Law), with 3,750 policies.

TOTAL COMMITMENTS GIVEN

(in € billions)



A BROAD RANGE OF EMPLOYEE BENEFITS PLANNING PRODUCTS

The Group has developed a broad range of employee benefits planning products in order to suit the wage and social policies of companies and small businesses, including employee savings products (profit-sharing, company savings plans, Perco savings plans, employee shareholding), pensions and supplementary and group provident funds ("Article 83" and "Article 89" pension schemes, retirement bonuses) and regulated service vouchers (restaurant vouchers, vouchers to pay domestic employees, gift vouchers).

Natixis Interépargne has been market leader in employee savings for a number of years (source: AFG June 30, 2006) and is No. 1 in administrative and financial management. It has

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continued to expand its business, with a 17% increase in the number of corporate clients to over 30,000.
At the end of 2006, it managed 2.8 million employee savings accounts - an increase of 8% - representing market share of 28% (source: AFG June 30, 2006).
In 2006, Natixis streamlined its range of corporate savings schemes in order to improve productivity and clarify its offering. With managed assets of €17 billion, Natixis controls around 22% of the employee savings management market (source: AFG June 30, 2006).
The quality of its employee information services also constitutes one of Natixis Interépargne's competitive advantages. A satisfaction survey conducted in 2006 confirmed significant improvement in satisfaction, confidence and image indicators.

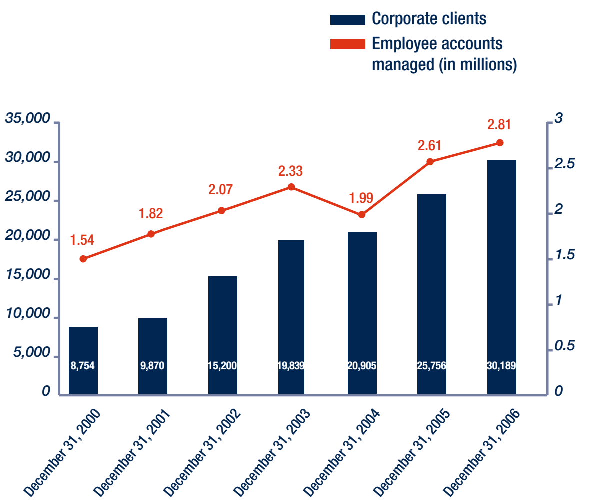
Against the backdrop of the ageing population, the stepping back of the French government and legislative incentives, distribution of pension products and supplementary provident funds offers considerable potential for growth.
Natixis sells specific products for small businesses and SMEs.

In response to the policies adopted by companies regarding their employees, in 2006, Natixis Intertitres enhanced its range of pre-financed vouchers used to pay domestic employees (*"Chèque emploi service universel"*) or "CESU" and gift vouchers (*"Chèque cadeau"*), distributed under the Cado Chèque brand by Titres Cadeaux, a joint venture in partnership with La Banque Postale.

The number of vouchers issued over the year increased by 12% (for all products).

In employee benefits planning, Natixis aims to continue its pro-active strategy, primarily by strengthening its market-leading position in connection with account holding and asset management, as well as by developing integrated products and services, in particular in service vouchers within the employee benefits planning range.

INCREASE IN THE NUMBER OF EMPLOYEE SAVINGS ACCOUNTS (2000-06)



PAYMENTS: AN EFFECTIVE PLATFORM

The Payments business designs, develops and managers all processing and associated services required for payments processing.
These services apply to all mass transactions in national and international systems, as well as all transactions involving large amounts.

Natixis Paiements, which acts primarily as technical operator for the Banque Populaire network, handles 14% of mass payment flows in the French Interbank Teleclearing System (SIT) and payments of large amounts via the Center for Interbank Fund Transfers ("Centrale des règlements interbancaires") platform.
In anticipation of the introduction of the Single Euro Payments Area (SEPA) and the launch of TARGET 2 in 2007, the Group has stepped up its preparatory measures. The different components of the payment processing IT system have been gradually replaced in order to handle new payment methods - pan-European direct debits and direct credits - and, more generally, automated payment transactions in Europe.
Natixis Paiements is No. 3 in electronic banking in France and manages 5.9 million bank cards. It processed 1.4 billion card transactions in 2006.
To accompany the development of the personal customer market, which is now nearing maturity, it launched France's first affinity card, the Football Mastercard, which was distributed successfully by the Banque Populaire network.
In order to develop integrated and open systems, Natixis created Partecis, a 50-50 joint venture in partnership with BNP Paribas. The aim of this joint venture is to develop a new shared industrial platform for processing electronic banking payments.

On the basis of its existing strong presence, Natixis aims to consolidate its position in France before creating a major European player in the electronic banking payments sector.

A KEY PLAYER IN SECURITIES SERVICES

The Securities business has become a key player in all of its areas of activity - retail custody services, institutional custody services and fund administration.

Natixis is No. 2 **in retail custody** in France with around 25% market share and the leading service provider in the outsourcing market. The open price offering of the Natixis shares demonstrated the ability of Gestitres and Natixis's financial services activities to handle an exceptionally high volume of orders.
Boosted by further buoyant stock market conditions in 2006, the number of stock market orders executed increased significantly year-on-year.
With a new integrated platform and unified back office functions, Natixis will have all of the key strengths to become a real player in the retail custody market, allowing for rapid expansion in France and Europe.

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Natixis is market leader in France **in institutional custody services** - provided primarily by CACEIS, a joint venture created with Crédit Agricole in 2005 - with assets in custody up 16%. It is No. 10 in institutional custody services worldwide (source: Global Custody.net).
Exclusive negotiations began in March 2007 with HypoVereinsbank concerning the transfer of its custody activities to CACEIS.
At December 31, 2006, CACEIS had assets in custody of €1,787 billion. The bank also provides account holder custodian services for around 60 asset management companies.

This business line will draw on the high level of assets under management to achieve economies of scale, while also developing an innovative offering and a renowned standard of services, thereby strengthening its operations while also improving productivity.

The fund administration business provides services for around 6,500 fund management portfolios. It currently has operations in six countries.
With CACEIS and Natixis Investor Servicing, Natixis is market leader in fund administration in France (source: CSC Peat Marwick). CACEIS is one of the leading fund administrators in Europe.
As a result of the development of a flexible range of fund administration services depending on the level of integration required by the various types of customer, the number of funds increased by 15% and the number of middle office transactions increased by 10.5%.

Finally, Natixis is No. 3 in **issuer services** in France.
In this business line, Natixis aims to continue to look after administration of the Group's financial assets while also developing its external customer base.
It also intends to enhance its range of services to include more value-added services such as funds of funds, management of complex instruments and performance and risk reporting.

SLIB confirms its international strategy

Natixis's subsidiary SLIB develops software solutions for brokers, banks and global clearing members to handle their trading, post-trading and clearing activities on the Euronext markets.

In 2006, SLIB confirmed its international strategy by winning contracts with European operators for clearing, portfolio management, trading and market data distribution services, as well as a range of derivatives and futures services for Euronext.liffe.

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Receivables Management

COMPLEMENTARY EXPERTISE

The Receivables Management division combines the expertise of Coface, Natixis Factor and GCE Affacturage. It enjoys a market-leading position in France and worldwide in all four business lines, which enable companies to manage, protect and finance their accounts receivable: company information, receivables management, credit insurance and factoring. It has developed an effective multi-network strategy. Coface offers Receivables Management solutions through its own network spanning 60 countries and those of its partners in the CreditAlliance network, comprising insurance companies, banks and services companies. Natixis Factor offers solutions through the Banque Populaire and Natixis networks as well as brokers, while GCE Affacturage uses the Caisse d'Epargne and Banque Palatine networks.

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Rankings

- No. 1 in receivables management in France;
- No. 3 factor in France (source: ASF), No. 7 factor worldwide (source: FCI June 2006);
- World No. 3 in credit insurance (source: ICISA June 2006);
- World No. 6 in receivables management;
- World No. 7 in company information.

The business lines within Receivables Management

Receivables Management comprises four business lines, enabling companies that sell to other companies to manage, protect and finance their accounts receivable. Company information enables them to evaluate the financial condition of their business partners and their ability to meet their commitments (solvency information) and to detect business opportunities with solvent customers (marketing information). Credit insurance protects companies against the risk of non-payment of their customer receivables. Receivables management helps companies recover the amounts that are due to them. Factoring enables companies to monetize their accounts receivable by transferring them to a third party, the factor, who takes responsibility for collection.

A growing business

The Receivables Management division delivered further growth in 2006, with net banking income up 7% compared with 2005.

The division has ambitious long-term development plans. Its strategic plan aims to make Natixis world market leader in receivables management in 2015. In addition to growth and profit targets, it plans to enlarge the offering of each of the four business lines in every country, overhaul its production organization and implement a global IT infrastructure for all four business lines. Finally, it will seize any acquisition opportunities that may arise in any of the four business lines.

> “Aiming to become world market leader in receivables management in 2015”

COFACE

With premium income up 10% at €1.34 billion, Coface saw its strongest intrinsic growth in 10 years in 2006 (premium income up 9.8% like-for-like).

Present in 60 countries (compared with 57 last year) and able to offer locally-based services in 93 countries, Coface generated 64.5% of its consolidated premium income outside France in 2006 (compared with 62.1% in 2005). It provides services to companies across the globe, offering all of its receivables management solutions through its own networks and those of its partners in the CreditAlliance network. In addition to the four business lines that make up Receivables Management, Coface also offers guarantee insurance and, in France, export credit guarantees managed on behalf of the French government (prospecting insurance, export, currency risk and investment guarantees).

Rapid dissemination within foreign subsidiaries

In 2006, Coface achieved the initial targets of its strategic development plan by enhancing its product offering in the countries in which it operates, establishing company

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information in two new countries, receivables management in 10 new countries, credit insurance in four new countries and factoring in four new countries.

All four business lines saw robust growth. The factoring business reported a 69% increase in factored receivables to €16.4 billion. In addition to France, Germany, the United Kingdom and Italy, factoring services were extended to Japan, Chile, Spain and the Netherlands. This growth is set to continue at a sustained rate in 2007, with the launch of services in a further 20 or so countries. This strategy should enable the Receivables Management division to control 10% of the global factoring market in 2015.

New acquisition opportunities

Following the acquisition of ORT in 2004, ORT was merged with Coface Scrl in 2006 to create Coface Services, market leader in company information in France and No. 2 in receivables management.

In Italy, Coface acquired a 15% stake in Cerved Business Information (CBI), a leading company information provider. It also continued its expansion, primarily in the United States, with the acquisition of Newton & Associates, one of the country's leading debt collection companies. In Russia, Coface signed a partnership agreement with JSC Kapital Insurance, No. 5 in general insurance in the country, to extend its offering to include credit insurance. In Algeria, it rolled out its credit insurance offering through services company Coface Algérie Services (CALS) and local partner, Algerian public credit insurer Cagex.

Since the creation of Natixis, Coface's ratings have been upgraded and are now among the highest in the sector.

> "Coface generated 64.5% of its consolidated premium income outside France in 2006"

Coface's @rating system is the link between all these business units. A unique, worldwide system for rating insurable companies, @rating includes:

- an @rating opinion, including a suggested credit limit on 44 million companies worldwide (1@ = €20,000, 2@ = €50,000, 3@ = €100,000, etc.);
- an @rating credit score, now available on all French companies, which indicates a probability of bankruptcy in the coming year;
- a country @rating on 154 regularly monitored countries;
- a sector @rating measuring the average non-payment risk of companies in the sector.

NATIXIS FACTOR

Natixis Factor saw rapid growth in 2006, with factored receivables up 16% at €13.6 billion.

In France, Natixis Factor consolidated its position as market No. 3 (source: ASF), progressing in all customer segments. In 2006, it continued to pursue its strategy of winning new clients and heightening customer loyalty, including in the French overseas departments and territories (factored receivables up 29%) and in exports (up 53%).

Stronger presence among corporate clients

Covering all four areas of Receivables Management (factoring, company information, receivables management and credit insurance), Natixis Factor is highly active among its target customer base of corporate clients of the Banque Populaire regional banks and Natixis.

It has also strengthened its position among large companies thanks to the success of its confidential factoring products. It has enhanced its offering with the launch of a trade balance purchasing solution. It was also the driving force behind the first two syndications of factoring products in France.

On December 29, 2006, Natexis Factorem changed its company name to Natixis Factor, a wholly-owned subsidiary of Natixis.

Reasserting its quality-based strategy

In an environment characterized by heightened competitive pressures, Natixis Factor decided to differentiate itself through the quality of its services. It obtained BVQI certification for its services in 2005 as recognition that it has honored a specific set of commitments to its clients over the full range of its factoring services. One of its commitments, for example, is to finance 100% of every factored receivable from one day after reception. A new satisfaction survey conducted at the end of 2006 showed an overall satisfaction rate of over 92% (source: Artenice). The score given by customers increased by 0.2 points to 7.4 (out of 10) and the level of "very satisfied" customers increased by 2 points compared with 2005.

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Development of factoring activities outside France

2006 saw strong growth in export factoring with factored receivables up 53%, thanks to CREANCExport. In Germany, the development of VR Factorem as a joint venture with DZ Bank subsidiary VR Leasing now constitutes a major growth driver. Finally, Natixis Factor is jointly responsible - with Coface Finanz - for the division's Center of factoring excellence, which supports the roll-out of the Group's factoring activities around the world.

"Natixis Factor decided to differentiate itself through the quality of its services"

GCE Affacturage, which joined the Receivables Management division in 2006, distributes factoring products through the Caisse d'Epargne Group's networks. Its networks are led by a sales team covering six major regions of France from Lille, Nantes, Lyons, Toulouse, Paris and soon Strasbourg. The company had a very encouraging first year, with strong business among SMEs, and looks set to achieve further growth in 2007. GCE Affacturage also aims to become a key partner of very small enterprises and small businesses, offering the entire range of receivables management products to all customers.

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CIFG

CIFG provides financial guarantee insurance to financial investors irrevocably guaranteeing interest and principal payments due from a borrower. By enhancing the credit rating of an issue to AAA, it offers issuers additional liquidity at a lower cost.

CIFG upgrades to AAA rating underlying issues which are rated at least investment grade.

The issuers concerned can be traditional issuers such as local authorities or special purpose issuers such as SPVs, securitization funds and trusts.

CIFG entered the financial guarantee market in Europe and in United States in 2002. It operates in all segments of financial guarantee insurance, including local authorities in the United States, as well as infrastructure transactions, public-private partnerships and credit enhancement for tranches of securitization vehicles. CIFG is the first European company to have an integrated structure in both Europe and the United States.

It consists of a holding company and four companies of which the main two are monoline insurers, operating in Europe (CIFG Europe, based in Paris and London with the capacity to issue guarantees in the European Union) and in the United States (CIFG North America, based in New York, with insurance company licenses in most US states).

Corporate and investment banks originate transactions in which CIFG improves the credit rating, whether bond issuances, structured financing or securitization operations.

CIFG therefore holds a specialized position within Natixis, independent of the capital markets and financing businesses, providing it with credibility in the eyes of potential customers.

CIFG complements Natixis's corporate and investment banking activities by boosting the ratings in transactions arranged and structured by the corporate and investment banking segment through, for instance, securitization operations and CDOs, structured finance, particularly in project and infrastructure financing and public private partnerships in France and in Europe.

CIFG also offers synergies with certain Natixis activities such as credit insurance and with the Banque Populaire and Caisse d'Epargne networks, given their involvement in local public sector financing and infrastructure finance on a local level.

CIFG achieved further organic growth in 2006, with net banking income of €79 million, an increase of 54%. With 625 transactions in 2006 compared with 367 in 2006, CIFG's net par insured exposure stands at €74.6 billion, an increase of 75%.

Natixis aims to build on CIFG's position as a key player in the financial guarantee sector by helping its subsidiary to increase its investment and diversify its portfolio.

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Retail banking

Natixis's activities include retail banking both directly through the 20% share of income from retail banking activities through CCI certificates held, and indirectly through activities - in particular for the Services division - made available to the Caisse d'Epargne and Banque Populaire banks and their customers.

Retail banking accounted for 21% of Natixis's net income in 2006 through CCIs.

THE BANQUE POPULAIRE AND CAISSE D'EPARGNE GROUPS

Natixis benefits from its affiliation to two powerful mutual banking groups - the Banque Populaire Group and the Caisse d'Epargne Group - which give it access to a large retail banking customer base.

Natixis's two main shareholders - the Banque Populaire Group and the Caisse d'Epargne Group - are mutual banking organizations that occupy leading positions in the French banking sector.

As a mutual banking organization, each group includes:

- a retail banking network that includes a group of mutual banks (20 Banque Populaire banks and 28 Caisse d'Epargne banks at December 31, 2006) that are owned directly or indirectly by cooperative shareholders *("sociétaires")* (each group has over 3 million cooperative shareholders), as well as by Natixis through CCIs, which represent 20% of their share capital[6];
- a central body that coordinates and supervises the activities of its group (BFBP and CNCE), the capital of which is held by the retail banks;
- a number of entities that provide specialized products either directly or through the retail banking networks, such as mutual funds, consumer finance and mortgage lending and insurance products, as well as financial services for corporate and institutional customers, distributed either directly or through the retail banking networks; and
- a system of mutual financial support.

The Caisse d'Epargne Group also includes a body known as the Fédération Nationale des Caisses d'Epargne, which is an institution for coordination and concertation among the Caisses d'Epargne, as well as relations with cooperative shareholders.

RETAIL BANKING NETWORKS

The Banque Populaire and Caisse d'Epargne networks constitute a major growth driver for Natixis.

The strong strategic fit between the two networks represents a major advantage for Natixis, which - as holder of CCIs- benefits from the individual strengths of each network and - as a provider of products and services - their combined strength.

The two groups have a highly complementary customer base:

- in the personal customer market, with a very large customer base for the Caisse d'Epargne network and robust growth for the Banque Populaire network;
- small businesses, in which the Banque Populaire Group is market No. 2;
- SMEs, in which the Banque Populaire Group is the leading principal bank;
- public housing, in which the Caisse d'Epargne Group is the leading bank and also No. 1 bank for real estate professionals.

This complementary positioning, coupled with the development of the two networks, provides natural growth drivers for Natixis in business lines such as employee benefits planning, lease financing and factoring.

In addition to the impact on Natixis of the development of the two networks via CCIs, Natixis's development also stems from existing strong ties with the two groups:

- industrial ties: Natixis provides services for the Banque Populaire and Caisse d'Epargne banks such as custody, electronic banking, payments processing and IT support;
- ties as supplier-distributor: Natixis supplies products and services targeted at all customers (personal customers, small businesses, corporate clients and institutional clients) of the Banque Populaire and Caisse d'Epargne groups, which distribute these products;
- commercial ties: the Banque Populaire and Caisse d'Epargne banks are also direct clients of Natixis and recognized as a customer segment in their own right.

(6) Except for Caisse d'Epargne de Martinique, which has not issued any CCIs.

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The Banque Populaire network

As cooperative, regional banks of the people, the Banque Populaire banks play a key role in the Banque Populaire Group's regional footing. They are loyal to their original business and ensure a high standard of banking relations with customers on a day-to-day basis, playing an active role in the economic development of the region.

- 7 million customers including 6.2 million personal banking customers and 750,000 small businesses and corporate clients
- Outstanding loans of €108.7 billion (up 12.4%)
- Customer deposits of €92 billion (up 3%)
- Customer savings of €65 billion (up 9%), including €29.9 billion in life insurance (up 15%) and €31 billion in mutual funds

Continuing extension of the distribution platform

The 20 Banque Populaire regional banks provide a local presence to customers and have strengthened their regional ties by opening new branches, bringing the total number of branches to 2,778.

This expansion of the branch network is coupled with development of the number of cash dispensers, which offer an ever wider range of functions.

The network's distribution capacity is also enhanced through remote banking channels.

As a means of ensuring permanent contact with customers, online banking as seen strong growth in the number of subscribers, as well as increasingly frequent use of the service.

Call centers at all of the Banque Populaire banks have also reported a sharp increase in both outgoing calls and e-mails handled.

In addition to ensuring the continuity of customer relations, remote banking improves the availability of customer advisors, enabling them to listen better to their customers. The number of advisors increases at the same rate as the expansion of the branch network.

Personal banking: strategy focusing on winning new customers

The personal banking market, with over 7,000 advisors, constitutes a major area of growth, as confirmed by steady increase in the number of personal banking customers and rising market share in both lending and savings activities.

In 2006, measures to win new customers were focused on three segments:

- young customers, with a broad range of products and services covering the different age groups. In 2006, a partnership was signed with La Mutuelle des Etudiants to facilitate access to loans;
- private banking customers, with the creation of a nationwide organization to make the most of the potential offered by the network;
- public sector workers, with whom the Group has close relations through CASDEN for employees of the French national education, research and culture systems, and ACEF to provide savings and lending products for public sector workers.

The enlargement of the personal banking customer base has been accompanied by a review of the product offering, with new products such as multi-fund life insurance policies, personal risk insurance with a long-term care insurance product and electronic banking with an affinity card.

This enhancement of the product range is not intended solely for new customers. It primarily addresses the needs of the Group's existing customers, ensuring the loyalty of whom is still a priority.

Winning new customers and extensive measures to ensure the loyalty of existing customers resulted in further growth in customer savings, outstanding loans and the number of products per customer.

Small businesses and corporate clients: a solid foothold

■ Small businesses

As the historic banking partner for small businesses, the Banque Populaire Group also has a strong presence among self-employed professionals, farmers and entrepreneurs, with a leading position in all of these segments.

Its expertise stems from a local presence, with specialist advisors in each branch, including Crédit Maritime - market leader among professionals in the maritime industry - and Socama mutual guarantee companies.

The 32 Socama companies are made up of entrepreneurs. This original structure allows the Group to meet its customers' needs, thanks to its excellent sector knowledge. It creates innovative products that enjoy a high level of success, such as investment loans or business buyout loans with no personal guarantee required or a limited personal guarantee for buyouts.

The Group's achievements in 2006 attest to its solid momentum in this sector, notably:

- confirmation of its No. 1 position in franchise finance. This area has long been a favored axis for growth;
- the launch of a special range of products for young people on apprenticeships;
- the creation of packages in collaboration with three national federations representing key sectors of the economy;
- stepping up sales and marketing efforts targeting self-employed professionals.

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Corporate clients

The Banque Populaire Group has established itself as a key player in the corporate clients market. Its diverse expertise and the professionalism of its teams enable it to support its clients - whether small, medium-sized or large companies - in all stages of their development.

From its solid footing in the corporate client market, the Banque Populaire Group offers a broad range of banking products and services in areas as diverse as payments processing, structured and specialist finance, employee benefits planning and international or financial management. In addition to this global approach to clients' needs, the Group offers a local presence, guaranteeing reactivity and understanding of companies' specific needs. It has a structure dedicated to this customer group, based on the Banque Populaire business banking branches and regional departments of Natixis. Specialists at its 155 business centers mobilize and organize the Group's various resources in order to offer tailor-made solutions to each client.

Thanks to the combined expertise of the Banque Populaire regional banks and Natixis, as well as the complementary know-how of Coface, the Group is able to provide support at each stage of a company's development, from starting up to expansion in France and abroad, IPOs and buyouts. The Group has relationships with in two SMEs in France and is also the No. 1 principal bank for SMEs (source: SOFRES - September 2005).

In 2006, the Banque Populaire Group, with Natixis Factor, also consolidated its position as market leader in factoring.

It is also No. 1 in employee savings and has confirmed its position as the partner of choice for companies in the larger market of employee benefits planning.

The Caisse d'Epargne network

The Group is centered around the Caisse d'Epargne network, France's third-largest banking network with 4,294 branches, 6,400 ATMs and a full range of online banking services. Nearly one in two people in France are Caisse d'Epargne customers, over 3 million of whom are cooperative shareholders. The Caisse d'Epargne banks are committed to the idea of social progress that led to their creation and are open to everyone. They are continually working on innovations to make life easier for their customers and support them in their plans.

Retail banking

Investments, insurance, provident insurance, wealth management, loans, real estate, payment methods: Caisse d'Epargne offers all of the services expected of a modern bank. As an innovator, Caisse d'Epargne was the first French bank to pay interest on current accounts.

Personal banking

With 26 million customers, Caisse d'Epargne has the largest customer base in France.

In 2006, the Caisse d'Epargne banks continued with the "Fréquence Client" program, intended to improve their sales and marketing methods and their distribution network. The various online banking channels have also been optimized (the website is the second most visited banking website in France).

It has also continued the roll-out of mobile banking services via wap, Imode and SMS. Caisse d'Epargne has also demonstrated its capacity for innovation in this area, with the launch of movo, the first service for person-to-person money transfers by mobile phone in France.

Caisse d'Epargne's core business line of savings has seen robust growth. The life insurance business is continuing to deliver strong growth and Caisse d'Epargne has confirmed its position as No. 2 bancassurer. Caisse d'Epargne is also continuing to gain momentum in the private banking market, with the complementary areas of expertise of its specialist account managers and estate planning and investment management teams.

In 2006, interest-bearing current accounts helped to boost sales of service packages and win new customers. This relationship has been strengthened by the launch of the S'miles customer loyalty program, which has been particularly popular among the bank's customers, for which Caisse d'Epargne is the exclusive banking partner. Caisse d'Epargne has confirmed its position as the leading issuer of Visa cards and as the second-largest issuer for all card brands.

As the leading bank for young people, Caisse d'Epargne is continuing to develop innovative new products and services specifically designed for this customer group. Young people account for 30% of new banking customers.

Ecureuil Sérénité Services, a comprehensive range of personal banking services developed in partnership with MACIF and MAIF, was launched at the start of the year. Caisse d'Epargne has also formed a strategic partnership with Accor Services to offer its corporate and local authority clients pre-financed Chèques Emploi Service Universel (CESU) service vouchers.

In partnership with MACIF, the Caisse d'Epargne Group also launched three straightforward and competitive top-up health insurance policies at the end of 2006.

More than one in 10 people in France has selected Caisse d'Epargne to provide their home loan, making it the No. 2 bank in this market. It is now able to offer customers the new *"hypothèque rechargeable"* home equity loan.

The property and casualty insurance business, developed by Ecureuil Assurances IARD, achieved strong growth in 2006. Ecureuil Assurances IARD is the No. 2 personal accident guarantee insurer and No. 3 in motor insurance, buildings and contents insurance and legal protection.

Small businesses

Caisse d'Epargne is also a partner of choice for small retailers, craftsmen and self-employed professionals, both on a professional and a private basis. Interest-bearing current

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accounts have boosted banking services, customer deposits and lending business.

Specialist bank for regional development

With its strong regional positioning, Caisse d'Epargne partners all organizations involved in regional social and economic development.

As a specialist bank for regional development, it offers local authorities, hospitals, social housing organizations, real estate professionals and local businesses a broad range of products and services to finance their projects, simplify their management and maximize their investments.

Local authorities

Caisse d'Epargne is joint market leader in providing financing for the public sector and hospitals in France. It also acts as an advisor to local authorities and institutions, providing tailor-made solutions for their development projects, managing their debt portfolios etc.

It has also developed a significant public private partnership (PPP) business, with a dedicated structure and funds.

The Caisse d'Epargne banks also provide local authorities and institutions with innovative services such as secure online payment system ServicePublicPlus, which enables users to pay for municipal services online. They also offer pre-financed CESU service vouchers in collaboration with Accor Services. In 2006, the Group won the French government's invitation to tender for childcare service voucher financing.

Public housing

As the historical partner of France's HLM low-cost housing system, Caisse d'Epargne is the leading private bank in the sector, managing over one-third of cash assets and 50% of private debt of Social Housing Enterprises (ESH) and HLM agencies, whose construction programs are financed primarily by funds from Livret A passbook accounts.

The Caisse d'Epargne banks are also shareholders and directors of over 100 Social Housing Enterprises, representing one in three.

The banks are directors of the majority of Public Agencies for Development and Construction (OPAC). They are the largest private shareholder in semi-private real estate companies, whose majority shareholders are local authorities.

Social economy

Caisse d'Epargne is a leading partner of social economy and solidarity projects. More than one in four associations are customers of the bank. Over 17% of the sector's bank financing is provided by Caisse d'Epargne, the No. 1 social economy lender.

Corporate clients

Caisse d'Epargne supports regional businesses from start-up stage to buyouts, offering a comprehensive range of financing solutions and services, as well as equity solutions through national and regional investment funds.

It has 90 centers and 250 account managers specializing in corporate clients. It also benefits from the support of Banque Palatine in cooperation agreements.

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4 RESOURCES

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Human resources

A YEAR OF TRANSITION

2006 was a year of transition in terms of human resources. To meet the challenges involved in creating the new entity and presenting the transaction to the entire workforce, the Human Resources department initiated a broad information and consultation program covering the entire Natixis scope. In the context of the merger with Ixis CIB, the HR department also worked on identifying key people to ensure that they are placed at the right level in the new organization and thereby preserve the company's human capital.

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HIRING EXPERTS

Natixis pursued an ambitious hiring policy in parallel with the merger-related actions. 572 new employees joined the parent company either on a permanent or fixed-term basis in 2006, against 482 in 2005. The new people are highly educated (more than two thirds have four or five years' post-high school education) and very experienced (more than 30% are aged over 35). These high-profile recruits have strengthened the bank's expertise, particularly in commercial fields and the capital markets, but also in risk management, internal control and compliance.

A CONFIRMED MOBILITY POLICY

The bank also pursued its internal mobility policy by providing more information on available jobs through internal memos or the intranet. All in all, 124 employees from either subsidiaries or the Banque Populaire Group joined the parent company in 2006. In addition, the number of people changing department within the parent company rose significantly from 183 to almost 250 in 2006. In mid-December 2006, the new "HR Contacts" intranet went online to support this policy of mobility and communication.

A NEW HR INTRANET FOR EVERYONE

The new intranet, which in time will cover the entire Natixis Group, aims to encourage the development of a common culture while enabling the subsidiaries to promote their own identity. HR Contacts provides access to the "job mart", which is open to all employees, and to a series of practical information, such as "Who does what in HR", "Practical Questions" and "Time Planning" for online leave planning and management. Various subsidiaries offer specific content and the site is designed to welcome all entities that wish to use it. HR Contacts has been developed in line with international web content accessibility guidelines so that it can be used by all employees and particularly those with motor, vision or hearing disabilities.

Natixis employees by business activity

at December 31, 2006 (full-time equivalents)

Corporate and Investment Banking	6,355
Asset Management	2,595
Services	4,165
Receivables Management	5,371
Private Equity and Private Banking	634
Corporate functions and other	2,018
TOTAL	**21,138**

A third of employees work abroad.

AN ORGANIZATION STRUCTURE TAILORED TO THE BANK'S DEVELOPMENT

In 2006, the Human Resources department strengthened its core-business-based organization structure, with one person specifically responsible for coordinating human resources management for each core business. The social management control and compensation analysis team was strengthened in 2006. A new team devoted to the employment of young people was also created to handle the growing number of students and young graduates being taken on by the bank (see inset).

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A growing number of young people

The Natixis Group hired almost 1,600 young people in 2006, giving them the opportunity to consolidate on their training with practical experience.

As part of its policy of building up relationships with students and young graduates, Natixis attended 14 career fairs (11 in 2005) and took on 544 student interns (428 in 2005), 23 people on international work experience programs (20 in 2005), 86 people on work-study programs (76 in 2005), and 573 summer interns (553 in 2005).

ATTRACTIVE COMPENSATION POLICIES

In 2006, Natixis pursued its policy of offering attractive compensation packages. The profit-sharing agreement renewed for one year in 2006 covers more than 6,700 employees of the parent company and nine of its subsidiaries. The allocation principles introduced in 2004 were renewed in 2006. Up to €550, the entitlement is based solely on the number of hours or days worked in the company during the period. Above that, it is based entirely on salary.

The three-year incentive plan signed in 2006 applies to the parent company and three of its subsidiaries. Sixty percent of the total envelope is distributed on the basis of salary and 40% on the basis of hours or days worked in the company during the period. All in all, for the entities defined above, the profit-sharing and incentive entitlements for 2006, which will be paid in 2007, amounted to €17.3 million and €40.7 million respectively.
A range of socially-responsible investment and solidarity funds was added to the employee savings plan in 2006, proving that it is possible to reconcile social utility with financial performance.

HEAVY INVESTMENT IN TRAINING

The training policy adopted in 2005 continued during 2006. It has two main focuses: first, cross-functional skills such as foreign languages, information technology, degree programs and regulations, and second, specific training programs designed to consolidate technical expertise, develop a managerial culture and strengthen the sense of belonging to a constantly-evolving enterprise.
In addition, business line seminars on financial strategy aimed at experienced relationship managers in corporate and investment banking were organized in partnership with the HEC business school. Lastly, 80% of Natexis Banques Populaires employees completed a compliance awareness course via the Banque Populaire Group's e-learning platform.

In 2006, 112,000 hours training were received by employees of Natixis parent company, including 23% on products and markets and 20% on foreign languages. 281,000 hours training were received by employees of the new entity comprising Natixis and its subsidiaries.

SUSTAINED SOCIAL DIALOGUE

More than 120 agreements or amendments were signed with the Natixis Group in 2006.
A new employee representative body was created for the new entity comprising Natixis and its subsidiaries to provide a legal framework for collective bargaining on issues common to all Natixis Group companies, such as the Group Works Council, employment and mobility.
The three-year agreement creating the new body was signed by all the labor unions represented in the Natixis Group (CFDT, CFTC, CGT, FO, SNB-CNE/CFE-CGC and UNSA). It covers companies in which Natixis directly or indirectly owns more than half the capital and whose registered office is based in France.
Under the agreement, the labor unions have appointed national delegates within the Natixis Group, who are authorized to sign agreements negotiated by the new employee representative body.

RAPID ACTION TAKEN THROUGHOUT THE NEW ENTITY

As soon as Natixis was created on November 17, 2006, the Human Resources department began to take action throughout the new entity to meet the needs and expectations of over 23,000 employees, including one third working abroad. Working groups were created to review the potential repercussions of the new organization structures on the various aspects of human resources management.
As a result of work on "employer image", the bank attended the École Polytechnique career fair on November 23, with a new stand sporting the Natixis colors and a brochure presenting the new entity's flagship business lines. The brochure was also circulated at subsequent engineering and business school career fairs. It will gradually be enriched with a description of the Group's other business lines. In addition, a presentation common to all entities has been prepared for the online employment sites, to emphasize their belonging to the same Group. Lastly, the corporate web site will be revamped to place a greater focus on the diversity of the business lines offered by Natixis and its subsidiaries.

In parallel, in December 2006, Natixis Management, the bank's management institute, organized an integration seminar for recently-hired managers. Called "Objectif Découvertes", this seminar enabled 80 managers from all Natixis horizons to discover the Group's business lines and strategy and to meet with senior executive managers. Some 700 managers

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hired in 2006 across the whole of Natixis (parent company and subsidiaries) will be invited to attend the 2007 integration seminar.

A COMMUNICATIONS CAMPAIGN TO ACCOMPANY THE MERGER

Working groups were also created to handle internal communications. This led to the development of a program to support employees throughout the change involved in the creation of Natixis. As soon as the merger was announced, an 8-page letter called "Natixis News" was sent out to employees to explain the principles behind the merger. A "Project Letter" was then regularly e-mailed to all employees updating them on progress in the merger. As soon as Natixis was officially created, the communications program was stepped up. A video journal called "Focus on" has been gradually extended to all Natixis entities. A weekly newsletter called "Natixis infos newsletter" e-mailed to employees contains information about the entire Natixis group. The "Project Letter" became the "Natixis newsletter" and provides news about the merger, including organizational decisions, appointments and new agreements signed. A 24-page two-monthly magazine called "Impulsion" is sent to all Natixis employees. In addition to these central arrangements, the Communications department also helps the bank's various business lines to design and produce dedicated newsletters called "Business Line Info". All these newsletters and magazines, which are always available in both French and English, can be consulted on "IntraNatixis". This new web page created in November opens automatically when an employee connects to one of the bank's intranets and provides news and information on life in the new entity.

2007: MAJOR CHALLENGES

All these actions will be continued or strengthened during 2007. The Human Resources department is faced with three major strategic challenges. The first is to combine the teams on an operational level as quickly as possible, which means simultaneously strengthening its ability to hire, retain people and encourage mobility. The second challenge is to implement a change support mechanism to encourage the teams to adopt the bank's new organization methods and foster the emergence of a common culture. The third challenge is to create a common compensation policy while taking account of business line diversity. This will involve a review of incentive and profit-sharing policies, as well as setting up a group pension plan.

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NUMBER OF NATIXIS EMPLOYEES*

	At Dec. 31, 2005	At Dec. 31, 2006	Change
Permanent + fixed-term	19,719	21,138	+1,419
Corporate and Investment Banking	5,759	6,355	+596
Asset Management	2,473	2,595	+122
Private Equity and Private Banking	622	634	+12
Services	4,101	4,165	+64
Receivables Management	4,877	5,371	+494
Corporate functions and other	1,887	2,018	+141

* *Full-time equivalents at period end.*

Pro forma figures for 2005 and 2006 (change in scope).

CONSOLIDATED PROFIT-SHARING AND INCENTIVE PLAN COSTS

(In € thousands)	2002	2003	2004	2005	2006*
Employee profit-sharing	9,100	11,194	15,622	18,791	37,153
Employee incentive plan	11,641	27,264	38,934	52,519	87,231

* *New entity including all subsidiaries of the Caisse d'Epargne Group transferred on November 17, 2006.*

EMPLOYER'S MATCHING AMOUNTS PAID INTO THE EMPLOYEE SAVINGS PLAN

Parent company

(in € millions)	2002	2003	2004	2005	2006
	5.8	4.9	5.8	7.0	7.8

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Other resources

ENTERPRISE SYSTEMS DEVELOPMENT PLAN

This plan will provide Natixis with a modern, upgradeable enterprise systems architecture which guarantees consistency between the various reporting systems.

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Natexis Banques Populaires first launched the plan in 2005. It defines a new architecture for the general and management accounting, regulatory returns, financial control and risk management systems.

One of its key objectives is to satisfy legal and regulatory requirements through automated reconciliation of "risk" and "management" information with the accounting system. It will provide Natixis with an enterprise database containing accounting quality information, which will be used as a source for both regulatory returns and internal management reports. Apart from regulatory requirements, the plan will significantly improve the management systems for the new Natixis entity (monitoring the Group's activity and profitability on various analysis criteria such as business lines, structures, clients, products, etc.).

2006 saw major progress in the plan

During 2006, most of the specification work was completed for projects due to be rolled out in 2007. The key building blocks of the plan were delivered in 2006:

- publication of financial control standards;
- deployment of business line database;
- upgrade of third-party database to integrate the multi-business line vision, then adding Ixis third parties on November 17;
- structure of the target account plan;
- deployment of the new general accounting program and central database (Matisse V1).

2007 will be a crucial year of evolution and change

In January 2008, the new general and management accounting system (Matisse), new management and financial control tools (Artemis), and target products and structures databases will become operational and form the basis of the bank's systems.

During 2007, work will focus on preparations for meeting this key milestone. The new systems will be tested throughout the summer and a parallel run is scheduled for the final quarter. During 2007, aspects related to the new Natixis entity will also be integrated into the enterprise systems development plan:

- upgrade of data entry architecture to take account of an almost twofold increase in data flows;
- reconfiguration of the "counterparty risk" project to capitalize on Ixis CIB's systems;
- revision of the applications migration timetable to include business line applications identified as "target" during business line IT convergence work.

Lastly, 2007 will be a year of radical change marked by migration to new enterprise systems applications and the gradual dismantling of the current project-mode structures.

INFORMATION SYSTEMS CONVERGENCE

The creation of Natixis led to the need to converge IT systems in order to capitalize on existing systems and to accompany the business lines and support functions.

An Information Systems project was launched to ensure seamless convergence. It is managed by a steering committee that tracks progress in the various IT projects, which are designed to ensure overall consistency of IT work.

The first goal was to implement the measures required to create Natixis on November 17, 2006 and to ensure continuity of service of the existing systems. The second goal is to assist the business lines and support functions in defining a target architecture. Other goals are to define new IT governance rules and identify potential areas for improvement.

The IT projects are structured around the four key stages in the creation of Natixis:

- launch: preparation of documents required to launch Natixis;
- creation: launch of activities under the new identity;
- transition: ensuring business continuity;
- target: operation of the target system.

Initial achievements

The creation stage focused on regulatory requirements, particularly for the accounting production, risk management and compliance functions. An entire IT project was dedicated to this stage. Its goal was to implement and coordinate all

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IT actions required for launch on November 17 and then for the 2006 period-end.

This stage enabled the collection of risk management information to provide a consolidated picture and was reflected in the first operational impacts:

- introduction of the new identity on all media (signboards, paper, signage, intranet and Internet sites, e-mail and telephone);
- opening of infrastructures and extension of directories to cover the entity's new scope;
- interconnexion of third-party databases with Ixis-CIB and preparation of risk consolidation work;
- launch of OPO for Natixis and upgrade of infrastructures to expected data volumes;
- implementation of a first common intranet.

Transition and target organization stage

The goals of the transition and target stages are:

- to ensure business continuity in the bank's operations and the production of consolidated financial statements in accordance with regulatory requirements;
- to define and validate a target structure for each business line and for support functions;
- to determine the process and the main milestones;
- to initiate work to achieve the target structure;
- to monitor synergies.

These stages are covered by projects to align the business line information systems and cross-functional projects.
Certain business lines that are not much affected by the merger operations (Factoring, Insurance, Receivables Management, Guarantees and Consumer Finance) will retain their existing systems.
Work on Corporate and Investment Banking is designed to unify and optimize processing chains, focusing on front to back solutions using cross-functional software and sharing support functions wherever possible.
The French asset management companies will migrate to a shared system by mid-2008, based on similar applications and cross-functional databases already existing within the two entities.
In Services, the Securities Services departments will eventually migrate to a single system for each customer segment (retail, institutional).
Payment systems (access to clearing platforms) will be unified, especially during convergence work on Corporate and Investment Banking's IT systems. The custodian business of Ixis CIB and other subsidiaries will be transferred to Natixis.

Resources

The IT function employs a total of about 1,700 people. Outsourcing accounts for about 50% of activity, which is in line with practices in the major French banking groups.

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5 SUSTAINABLE DEVELOPMENT

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Sustainable development is now an integral part of the bank's day-to-day activity. Its policy is based on concrete action and aims to involve all employees both in their commercial approach and in their daily lives. Natixis is involved in all the major national and international sustainable development organizations. It finances renewable energies and offers dedicated socially-responsible investment funds. It also strives to raise employee awareness of the key sustainable development issues, from global warming to methods of adopting a responsible purchasing policy. Natexis also extends its action to society in general, by supporting projects that go beyond its traditional areas of activity through its patronage of the arts and involvement in the battle against malaria.

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Stronger commitment to sustainable development

INVOLVEMENT IN NATIONAL AND INTERNATIONAL ORGANIZATIONS

As the listed vehicle of the Banque Populaire and Caisse d'Epargne Groups, both of which have signed the United Nations' Global Compact, Natixis is committed to respecting the Compact's principles on human rights, environmental protection and anti-corruption.
On a national level, Natixis is also a member of ORSE, the corporate social responsibility think tank, and of IMS-Entreprendre pour la Cité.

GRADUAL INTEGRATION IN INVESTMENT AND FINANCING

In 2006, Natixis continued to meet new requirements and capitalize on new opportunities in sustainable development, principally in investment and financing, which is a bank's main area of leverage.

Taking account of new environmental constraints

Natixis keeps a close eye on the emerging carbon market (negotiable emission rights, carbon credits, Kyoto projects, etc.). Since the Kyoto Protocol became effective in 2005, the bank has developed a range of products and services to support its clients who are subject to CO_2 quotas and who wish to take advantage of the opportunities offered by this new market.

Natixis trades in the CO_2 quotas market as a broker. A dedicated team can now buy and sell negotiable emission rights on the Amsterdam stock exchange. The bank also offers "Kyoto" project finance solutions to encourage the use of greenhouse gas reducing technologies in developing and industrialized countries. These solutions enable corporate clients investing in these technologies to receive carbon credits that have a value in the market.

Ixis Environment and Infrastructure (Ixis E&I), a subsidiary of Natixis, is an AMF-authorized asset management company. As a provider of project finance in the areas of environment and infrastructure, particularly through equity, its activity is directly in line with the bank's sustainable development policy.

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Two funds under direct management, FIDEME and FIDEPPP, together with a fund managed under mandate, Europe Carbon Fund (ECF), have more than €390 million invested in sustainable development, managed by some twenty specialists in the energy, climate and infrastructure sectors.

ECF, a Luxembourg SICAV launched by the major European financial institutions and managed by Ixis E&I, aims to finance the "carbon" component of industrial projects. It meets the objectives set out in the Kyoto Protocol and the European Directive aiming to reduce greenhouse gas emissions throughout the world (see inset). The teams support projects in all four corners of the globe by buying certified emission credits issued by the UN under the Kyoto Protocol, with the aim of providing liquidity in the European CO_2 market.

Europe Carbon Fund

At end-2006, Ixis E&I bought almost 17 Mt of CO2 on behalf of the ECF, through some ten transactions for a market value of about €300 million. Geographical diversification has led to the signature of contracts with counterparties in China, Korea, India, Lithuania, Brazil and Argentina. Technologies supported include wind energy, biomass power stations, methane recovery in landfill sites and coal mines, and the reduction of industrial gases in the chemicals sector.

The deal concluded with the Rhodia Group in early 2006 aiming to reduce its N2o emissions in its Korean and Brazilian plants was the biggest in the market. In November 2006, Ixis E&I also concluded a deal with Chinese coal mining company Yang Quan for 18 Mt of CO2 and arranged the participation of first-class banks in the deal.

Raising the awareness of large companies

To make its corporate clients more aware of the issues of global warming, the bank took part in the 4thedition of the Carbon Disclosure Project. This survey was sent by 225 investors managing over $31,500 billion to the world's biggest listed companies in terms of market capitalization. In 2006, the survey also included French companies in the SBF 120 index as well as FT 500 companies. 72% of the FT 500 companies responded and 45% of French companies. The results confirm that companies are gradually taking more account of global warming and that investors are seeking more information.

Strong growth in renewable energy financing

Natixis has confirmed its leading position in renewable energies through its leasing, project finance and specialist investment fund management business lines.

In 2006, Natixis Lease, mainly through its Energeco subsidiary, took part in financing 37 wind farms with a total capacity of 378 MW. This represented a total investment of €121 million, raising its portfolio to €250 million and 750 MW.

In addition, the project finance business line substantially increased its activity in financing renewable energies. Fourteen wind farm projects were financed in Europe and the United States in 2006, with a total capacity of 1,730 MW. Natixis also diversified its support to the renewable energies sector by financing two solar farms in Spain (see inset).

Natixis finances Europe's largest solar farm

Natixis was appointed Mandated Lead Arranger with Spanish bank Caja Madrid to arrange financing for the construction and operation of PS10 and PS20 solar power towers, developed by Spanish group Abengoa near Seville in Spain.

These two towers, which have a combined capacity of 31.02 MW, will reduce CO2 emissions by about 54,000 tonnes a year and will provide almost 18,000 homes with electricity.

In the medium-term, there are plans for six additional towers with a total capacity of 302 MW, which will create Europe's biggest solar farm.

Lastly, FIDEME (environment and energy control investment fund), launched in 2003, provides quasi-equity financing for renewable energy and waste recycling projects. This fund, which is managed by Ixis Environment et Infrastructure, involves the ADEME (French environment and energy management agency) and some fifteen banks including the sponsors, Ixis CIB and Banca OPI. At end-2006, FIDEME had twenty-five investments, mainly comprising convertible bonds, in wind farms, hydraulic power stations, one waste recycling unit and one biofuel unit. FIDEME contributed to the production of almost 300 megawatts (MW) of green energy in France.

Growing awareness of environmental risk in project finance and credit insurance

An environmental scorecard is systematically completed by the relationship managers for all proposed project finance deals, regardless of amount, and reviewed by the credit committee. Scores take account of the project's impact (level A, B or C depending on the sector or country), compliance with regulations, the conclusions of the environmental report and the risk of opposition to the project.

During 2006, a system for monitoring the most sensitive projects in terms of environmental impact was put in place in association with the bank's various business lines (project finance, commodities).

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For guarantees managed on behalf of the French government, Coface has been evaluating the environmental impact of major projects since 2000. Two experts handle these aspects in association with the relationship managers.

Coface has a set of environmental guidelines that define the criteria used for analyzing major projects for each sector concerned. They identify the main factors having an impact on the environment and set out Coface's requirements for environmental management. In 2006, guidelines for the construction sector were added to those covering large dams, thermal power stations and hydrocarbon projects.

Asset management's commitment

Ixis Asset Management and Natexis Asset Management, both asset management subsidiaries of Natixis, are pioneers in socially responsible investment (SRI)[7] in the broad sense.

- Ixis Asset Management launched the *Nord Sud Développement* solidarity fund in 1985, which mainly contributes to the development of emerging countries and microfinance;
- Natexis Asset Management, in partnership with Natixis Interépargne, launched *Fructi Capital Éthique* in 1999, the first sustainable development based employee savings fund.

They have rounded out their approach by incorporating sustainable development issues in their internal operating processes. This active approach has already won Natexis Asset Management an A++ rating by BMJ-Ratings, an extra-financial ratings agency. It was the first asset management company in France to seek an SRI rating for its entire business activity, in the same way as listed companies are rated for their socially responsible management processes.

A buoyant year for SRI

At December 31, 2006, the Asset Management core business managed several types of SRI expertise represented by 37 funds encompassing all asset classes (equities, bonds, money market and diversified) and based on various types of approach (best in class sustainable development, ethical, sectoral and solidarity-based). These products are aimed at all client segments, including retail, institutional, corporate and employee savings.
In 2006, eight new funds in the bond range *(Natexis/Fructi ISR Obli Euro)* adopted SRI screening of governments and companies in their investment process.

SRI assets amounted to €3.4 billion at December 31, 2006, putting the bank's Asset Management business among the leading players in the French SRI market according to the quarterly Novethic indicator[8].

Strong, highly-reputed expertise in solidarity investment

In 2006, Ixis Asset Management launched *Insertion Emplois Équilibre*, a diversified fund, to round out its SRI offering. This fund was the result of a review conducted by Ixis Asset Management and France Active on "Diversified Solidarity Expertise", which combines commitment to employment with performance and moderate risk (see inset).

Insertion Emplois Équilibre

Insertion Emplois Équilibre aims to provide access to solidarity-based financing and socially responsible investment through a prudent asset allocation (65% fixed income and 35% equities). It invests directly or via mutual funds in unlisted securities issued by solidarity organizations (5-10% of assets) that directly or indirectly create jobs for people in severe difficulties.

In 2006, Natexis Asset Management and Natixis Interépargne launched an innovative new product, Natexis Solidaire, the first ever solidarity-based venture capital fund (see inset)

Natexis Solidaire

This fund is devoted to managing the solidarity components of the bank's solidarity-based employee savings funds. It is the first fund of this type to provide a broad range of solidarity players with the benefit of funds raised from employee savings to support projects promoting solidarity housing, fair trade or development of southern countries. The fund was approved by the AMF on August 1, 2006 and received the Finansol label in December 2006.

The Finansol Label Committee, which comprises the main players in solidarity financing, gave its seal of approval to Insertion *Emplois Équilibre, Nord Sud Développement* and *Natexis Solidaire* on December 20, 2006, singling out their rigorous investment processes and quality of solidarity-based investment management.

(7) Socially responsible investment (SRI): SRI includes all investment strategies that incorporate non-financial sustainable development related criteria in the investment decision. Such investments include sustainable development funds, ethical funds, solidarity funds, etc.

(8) Novethic: Center for sustainable development and SRI resources and expertise.

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Stepping up the battle against financial crime

The bank has stepped up its long-standing efforts to combat financial crime. The dedicated team, which reports to the Compliance department, was strengthened in terms of both staff and technical resources. Training in money laundering prevention also continued during the year. At end-2006, around 85% of parent company employees and over 80% of the subsidiaries' employees had attended the training.
The behavioral analysis software purchased in 2005 went live for an initial batch of business activities. This software is designed to identify suspicious transactions in terms of money laundering regulations. It is now being extended to other businesses. The payment filtering software designed to ensure observation of embargoes and asset freezes on entities suspected of participating in financing terrorism has been extended to all SWIFT transactions.
Lastly, the "know your customer" rules applicable to all new business relationships have been tightened up.

ENVIRONMENTALLY-RESPECTFUL DEVELOPMENT

Given the scale of its operations and its 23,000 employees, Natixis has significant impacts on its environment in terms of consumption of resources, waste management and the associated carbon emissions. In 2004, the bank introduced an internal environmental management approach to control these impacts.

Raising awareness of global warming

In line with its membership of the Ademe's "Planète Gagnante" club, which aims to make the general public aware of the effects of greenhouse gas emissions on climate change, Natixis has been involving its employees in a "Gestes Verts" eco-behavior campaign.

In 2005, a questionnaire was sent out seeking employees' suggestions for reducing energy, paper and fuel consumption and optimizing waste management. The results were used in 2006 to identify "five key green behaviors", which have been published on the "gestes verts" intranet site.

Five key green behaviors

- optimizing travel: use environmentally-friendly or public transport wherever possible and make more use of telephone conferencing;
- saving energy: switch off lights in unused rooms, turn off computer screens at night, avoid turning up the air-conditioning or heating;
- reducing paper consumption: use both sides of the paper and only print out e-mails if really necessary;
- sorting waste: use the waste sorting bins provided;
- eco-purchasing: choose "green" products in the office supplies catalog.

Support from the Logistics Department

The Logistics Department plays a role in managing the bank's direct impacts on the environment by tracking energy consumption (electricity, heating and cooling) to minimize operating costs while optimizing user comfort. Lights are configured to go off outside of normal working hours. Heating and air-conditioning systems are regulated based on outside weather conditions and the thermal properties of each building. System performance is monitored and improved by comparing actual monthly consumption with budgeted energy requirements. Shared multi-function printers set by default to duplex, ink-saving mode contribute to reducing paper and ink cartridge consumption.

In 2006, when Natixis was created, consumption tracking was extended to all entities comprising the new group.

Optimizing waste management

In 2006, the bank introduced various measures to optimize waste management. Selective sorting of office waste was introduced along with a paper recycling system. Employees are encouraged to sort their waste upfront using separate bins for different types of waste.

When the new identity was introduced, a specific mechanism was made available to employees to recover their obsolete printed matter, business cards and headed envelopes for recycling. In this way, 23 tonnes of paper were recovered for recycling, the equivalent of 9,000 reams.

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Lastly, collection points for used batteries were installed in some ten premises. The batteries are collected by an external service provider responsible for their treatment and recycling as required by law.

Carbon report

In the second half of 2006, Natixis completed a carbon report on the old Natexis Banques Populaires parent company (i.e. 5,200 employees and fourteen premises). The carbon report aims to audit the level of greenhouse gas emissions generated directly and, more importantly, indirectly by the bank's business operations.

The report was prepared with assistance from a reputed French expert in the field of energy and climate change and designer of the Carbon Report methodology, in association with the ADEME environment and energy control agency.

The audit, which was managed by the Sustainable Development team, involved the Logistics, Purchasing, Corporate Secretary, IT and Human Resources departments in the data collection phase, which covered energy consumption, employee travel, clients and suppliers, logistics, purchases, etc.

The report **(see inset)** revealed that the bank's own operations have a significant impact: 56,000 tonnes CO_2 equivalent, i.e. 40,000 car kilometers per employee. Areas for potential improvement include management of the computer base, travel between home and work and supplier awareness.

Carbon report results

The items that produce the most greenhouse gas emissions are the purchase of products and services (51%) and travel (24%), half of which is due to business travel by plane. Internal energy consumption generates 7% of total emissions and depreciation of buildings and computer equipment 17%.

Information technology produces 40% of emissions, stemming from manufacturing, utilization, consumables and associated services.

A responsible purchasing policy

As part of the policy introduced in 2005, the bank continues to integrate sustainable development criteria in its bid invitations. Emphasis is placed on recognized environmental labels for products and ISO 14001 or EMAS certification for production sites.

The requirement to include environmental and social criteria in bid invitations is set out in the Purchasers' Charter, an official procedure used by all employees in the Purchasing department.

For computer equipment, sustainable development criteria are also taken into account during the technical specification stage. They are a pre-requisite for all equipment loaned for testing purposes.

For service providers, a "social responsibility" clause is included in all contracts and sets out requirements for working conditions at sub-contractors' sites. Sustainable development criteria have also been tightened up for services that have a significant social and environmental impact. For example, contracts with transportation companies contain specific clauses on the social issues inherent in the industry (overtime, undeclared work) and clauses on the level of polluting emissions generated by the vehicles used to provide the service.

As part of a continuous progress approach, environmental criteria based on recognized labels such as TCO for computer equipment or the European eco-label for other types of products are monitored regularly to take account of any changes in standards or legislation.
The criteria are also refined in association with the Ademe's "Eco-design and sustainable consumption" department.
In addition, raising awareness among suppliers is reflected in a particular focus on eco-labeled products, particularly for office supplies, with an extension of the range of products bearing the European eco-label.
The continuous progress and supplier awareness approach also involves gradually tightening up the bank's requirements of suppliers in line with changes in standards for recognized labels and changes in suppliers' offerings.

"Eco-responsible" purchasing

- In 2006, the bank renewed its choice of products having less impact on the environment, including:
- paper containing recycled fibers or new fibers from sustainable managed forests;
- recyclable envelopes for both internal and external use carrying the "NF Environnement" eco-label;
- recycled ink cartridges for printers and fax machines;
- office supplies listed as "green products": in 2006, 22% of products were listed as green, representing a total of 103 catalog items, against 15% in 2005.

ENCOURAGING SOCIAL PROGRESS

Based on the Vigeo criteria, Natixis is among the leaders in human resources management, given its heavy investment in training, employability and social dialog **(see chapter on "Human resources").**

Nevertheless, two points were singled out for special attention. First, the proportion of women managers has been growing steadily (34.1% in 2004, 34.9% in 2005 and 36.4% in 2006)

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and the percentage of promotions involving women should significantly improve the position (56.4% in 2004, 59.1% in 2005 and 57.3% in 2006).

Hiring and integrating people with disabilities is also becoming an important aspect of social responsibility. To make sure the bank is integrating this initiative into its hiring policies, the Human Resources department has staffed a new team dedicated to diversity issues, and more particularly the hiring of people with disabilities.

In 2006, assisted by a specialist consultant, the bank conducted an analysis of its position with regard to disabled workers. The aim was to implement an active policy of hiring disabled people and calling on the protected sector more often for certain types of job. This should lead to the bank signing an agreement with the Agefiph in 2007.

Disability awareness sessions for human resources employees aim to change the way people perceive disability and to think about how better to integrate disabled workers into the workplace. This campaign will be further developed in 2007 not just among human resources employees but also among managers.

Employees are directly involved

Natixis has decided to involve employees as much as possible in sustainable development efforts so as to make them common practice throughout the company. Apart from regular communication in internal media (magazines, intranet) and enriching the “gestes verts” site content, employees also benefited from more specific awareness sessions. For example, a presentation of the bank’s sustainable development policy is included in the induction course for new employees, and several “general” training sessions on sustainable development took place in 2006. These one-day sessions are now listed in the catalog of training available to all employees.

More specific conferences were also organized for a targeted audience, including a presentation of the carbon market to the corporate and investment banking teams, awareness of global warming and increasing scarcity of fossil fuel for employees involved in work on the carbon report.

SUPPORT FOR SOCIETY IN GENERAL

Commitment to the battle against malaria

As part of its solidarity patronage, the bank renewed its commitment to the battle against malaria for the second year running in order to contribute to the economic and social development of affected countries. There are solutions to combat this forgotten disease, which kills over two million people a year.

For the second year running, Natixis supported the Franco-African fight-against-malaria day organized by the NGO Plan France, a campaign designed to inform the general public. Along with its subsidiaries, the bank also finances programs to increase awareness and distribute mosquito nets among affected populations. In 2006, projects were carried out in Cameroon and Burkina Faso. Audits conducted on the program set up a year ago in Cameroon confirmed the benefits of this project.

The bank helped finance a biomedical research program run by the Institut Pasteur in Madagascar, which aims to compare the therapeutic effectiveness of two combined anti-malarial treatments.

Where Art meets Science

Since 2003, Natixis has been involved with cultural institutions to reveal France’s hidden treasures to the general public using a strong theme linking Art with Science. Its “Patrimoines d’Hier, Trésors d’Avenir” patronage program reflects its aim of uniting historical and scientific expertise to enrich the national heritage, explain how a work of art is born and foster the work and inspiration of tomorrow’s artists and scientists.

En 2006, Natixis continued its action to promote knowledge about Coronelli’s terrestrial and celestial globes. These seventeenth-century baroque works of art were exhibited at the Grand Palais in September 2005 and joined the permanent collection of the Bibliothèque Nationale de France (BnF) in October 2006. The ultraviolet and infrared images and x-rays taken by the Centre de Recherche et de Restauration des Musées de France (C2rmF) have provided valuable information about the Globes ahead of the next stages of their restoration.

In parallel, Natixis supported a contemporary plastics artist, Xavier Lucchesi, the National Picasso Museum and the C2rmF in their project for an exhibition entitled XRAYS (September 2006 to January 2007), revealing the hidden face of Picasso’s plaster works using x-ray techniques.
In 2006, the bank also provided financing for the Musée du Quai Branly to develop its Internet documentary portal and complete its central mezzanine floor devoted to multimedia.

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SUSTAINABLE DEVELOPMENT ACHIEVEMENTS AND OUTLOOK

2005 projects	Significant achievements in 2005/2006	2007 outlook
Increase financing and investment in favor of the environment	■ Training of commercial teams in the carbon market ■ Development of expertise: negotiating CO_2 quotas, Kyoto project financing, purchase of credits by the European Carbon Fund ■ Integration of an environmental scorecard for project finance proposals ■ Strong growth in financing renewable energies.	■ Continue awareness campaigns for all employees. ■ Structure the range of products and services for clients subject to new environmental constraints. ■ Implement an environmental risk monitoring system for the most sensitive projects. ■ Continue financing renewable energies.
Confirm position in socially-responsible investing and the solidarity-based economy	■ Strong growth in SRI assets under management: number 2 in the French SRI market ■ Strong growth in solidarity assets: number 1 in the French solidarity-based employee savings market.	■ Continue to promote SRI/solidarity-based products and growth in volume of managed assets. ■ Contribute to the emergence of new solidarity economy structures.
Continue and develop work on fraud prevention	■ Training in money laundering prevention techniques for 85% of parent-company employees and over 80% of subsidiaries' employees. ■ Introduction of e-learning tools. ■ Deployment of the behavioral analysis program for the first batch of activities. ■ 'Know your customer' rules tightened up.	■ Continue employee training. ■ Roll out the behavioral analysis program.
Control direct impacts on the environment	■ Membership of Ademe's "Planète Gagnante" club. ■ 'Green behaviors' awareness campaigns for employees: communication campaigns on the 5 key green behaviors. ■ Completion of carbon report. ■ Development of selective waste sorting.	■ Raise employee awareness of green behaviors. ■ Examine the possibility of a corporate relocation plan as part of the integration process. ■ Draw up a formal environmental policy and set quantified targets for energy cosumption control.
Incorporate environmental criteria in the selection of suppliers and products	■ Partnership with Ademe's eco-design and sustainable consumption department. ■ Sustainable development criteria included in all bid invitations. ■ Discriminating environmental criteria included in the selection of suppliers and products.	■ Refine the sustainable development criteria incorporated in new bid invitations. ■ Draw up a manual of responsible purchasing practices and share them with all the new entities comprising Natixis.

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2005 projects	Significant achievements in 2005/2006	2007 outlook
Promote commitment to diversity in all stages of human resource management	■ New team dedicated to managing diversity, and particularly hiring people with disabilities. ■ Analysis of the bank's position with regard to disabled workers. ■ Awareness campaigns for human resources employees.	■ Draw up an action plan for integrating disabled workers. ■ Raise awareness about diversity among employees involved in recruiting and career planning (HR and managers). ■ Take better account of diversity in hiring practices.
Contribute to the development of the poorest countries	■ Commitment to the battle against malaria (support for the anti-malaria day, project finance in affected countries, support for research carried out by the Institut Pasteur). ■ Awareness campaigns for employees (exhibition on malaria). ■ Skills patronage.	■ Continue support for the battle against malaria (raise public awareness, new projects, research). ■ Broaden the malaria debate to encompass water and sewerage issues. ■ Involve employees (skills patronage, project participation).
Make sustainable development a vector for education and improvement, involving all employees	■ Employees regularly informed through traditional communication channels. ■ Training dedicated to sustainable development. ■ Awareness sessions during induction days. ■ Organization of conferences.	■ Raise awareness and expand training for employees in new entities.
Develop social and environmental reporting	■ Scope of monitoring extended to entities comprising the new Natixis. ■ Integration of GRI 3 criteria.	■ Optimize reporting by entities comprising the new Natixis.

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NRE Appendices - Social Data

Performance indicators

The indicators used are those defined in the NRE Act of February 20, 2002. The equivalent indicators defined in the Global Reporting Initiative (GRI 3) guidelines are shown in brackets.

Scope

Quantitative information - except for workforce totals covering France and other countries - relate to Natixis parent company and its French subsidiaries (excluding Caceis, Anteis Epargne and Foncier Assurances). The reporting system is currently undergoing improvement and moving towards a consolidated presentation of the parent company and all subsidiaries.

A distinction has been drawn between the old scope comprising Natexis Banques Populaires and its subsidiaries, and the new scope comprising Natixis, which includes the subsidiaries of the Caisse d'Epargne group transferred on November 17, 2006.

Additional information is available in the 2006 social report.

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TOTAL NUMBER OF EMPLOYEES (*LA 1*)

The total number of employees was 21,138 full time equivalents (FTEs) at December 31, 2006. The parent company accounts for almost one quarter of the total.

One third of employees work outside France.

Employees (FTEs)	2003	2004	2005	2006 New scope
Natixis Group	11,913	12,534	12,973	21,138

BREAKDOWN OF NUMBER OF EMPLOYEES IN FRANCE

(number of people)

Fixed-term/permanent	2005	2006 Old scope	2006 New scope
Total fixed-term contracts	188	181	377
Total permanent contracts	9 921	10 298	13 691
TOTAL	**10,109**	**10,479**	**14,068**

Management/non-management	2005	20069 Old scope	2006 New scope
Management	6,010	6 451	9 215
Non-management	4 099	4 028	4 853

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Gender	2005	2006 Old scope	2006 New scope
Men	4,885	5,042	6,921
Women	5,224	5,437	7,147

During 2006, 194 fixed-term contracts were converted into permanent contracts.

The proportion of managers continued to grow. They represented 61.6% of the old scope and 65.5% of the new scope in 2006 (more than 63% within the parent company, see table below).

BREAKDOWN OF EMPLOYEES IN THE PARENT COMPANY

(number of people or percentage)

Fixed-term/permanent	2003	2004	2005	2006
Total fixed-term	74	53	67	54
Total permanent	4,627	4,701	4,681	5,018
TOTAL	**4,701**	**4,754**	**4,748**	**5,072**

Management/non-management	2003	2004	2005	2006
Total management	53.5%	56.6%	60%	63.3%
Total non-management	46.5%	43.4%	40%	36.7%

Gender	2003	2004	2005	2006
Men	2,449	2,495	2,502	2,658
Women	2,252	2,259	2,246	2,414

NEW HIRES

In France:

	2005	2006 Old scope	2006 New scope
Total number of new hires	984	1,167	1,977
Permanent contracts	728	867	1,456
Fixed-term contracts	256	300	521
Proportion of managers	60%	60.8%	65.1%

An active hiring policy accompanied the bank's growth and development in 2006. The total number of new hires during the year in France was 1,977 (new scope) including 1,456 permanent and 521 fixed-term contracts.

New hires in 2006 represented almost 14.1% of total employees in France.

Managers accounted for 65.1% of all new hires and 75.1% of new permanent contracts.

The number of new hires on permanent contracts in the parent company has grown rapidly in the last five years. The figures below include employees hired from subsidiaries (109 in 2006).

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	2002	2003	2004	2005	2006
Permanent contract	287	185	261	461	582
Fixed-term contract	70	79	62	99	99
TOTAL	**357**	**264**	**323**	**560**	**681**

The diversity of new employees reflects the diversity of the bank's business lines and its need for complementary talents and cultures.

Within the parent company, more than two thirds of new hires have four to five years of post-high school education. Positions of high responsibility or requiring specific, business-line expertise were filled by experienced candidates, both male and female.

The number of junior employees continues to grow, accounting for 26.6% of new hires compared to 24.6% in 2005). Young employees are often recruited after a long-term internship or international work experience with the bank *(see section on "Relationships with associations and schools")*.

No significant recruiting problems were encountered. In addition to the www.natixis.com web site, the bank regularly uses the major online employment sites to publish its job offers.

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LAY-OFFS

There were 155 lay-offs in France (old scope), including 98 at the parent company. Most of them were for personal reasons.

Lay-offs	2005	2006 Old scope	2006 New scope
Parent company	137	98	98
Subsidiaries	84	57	100
TOTAL	**221**	**155**	**198**

OVERTIME

Overtime in France totaled 43,775 hours in 2006, representing 27.2 FTEs.

Overtime in the parent company totaled 12,900 hours, representing 8 FTEs.

	2005	2006 Old scope	2006 New scope
Overtime (in hours)			
Parent company	15,530	12,900	12,900
Subsidiaries	6,174	15,562	30,875
TOTAL	**21,704**	**28,462**	**43,775**
Overtime (in FTEs)			
Parent company	9.7	8.0	8.0
Subsidiaries	3.8	9.7	19.2
TOTAL FTES – PARENT COMPANY AND SUBSIDIARIES	**13.5**	**17.7**	**27.2**

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WORKERS EMPLOYED BY NON-GROUP COMPANIES (*LA 1*)

- Temporary employees: temporary employees represented 3.3% of total French employees (new scope) at December 31, 2006, representing a monthly average of 467 FTEs.

In the parent company, the monthly average was 156 FTEs, representing 3.1% of total parent company employees in France at December 31, 2006.

Temporary employees	2005	2006 Old scope	2006 New scope
France:			
Average monthly number	278	388	467
Percentage of total employees	2.8%	3.7%	3.3%
Parent company:			
Average monthly number	143	156	156
Percentage of total employees	3.0%	3.1%	3.1%

- Service providers: the average monthly number of FTEs in France was 1,435 for the old scope and 1,767 for the new scope. Service providers were used mainly in the areas of information systems (project management), finance and accounting.
- Other: over one hundred civil servants seconded by the government work for the Group in France, mainly at Ixis CIB and Ixis AEW.

REDUNDANCY PLANS

As defined by French labor law, not applicable to Natixis.

WORK SCHEDULING, WORKING TIME, ABSENTEEISM

Seven collective bargaining agreements cover the various business lines exercised by Natixis and its subsidiaries in France. The banking and insurance agreements apply to three quarters of employees.

As a result, there are specific provisions depending on the sector, in particular with regard to working time.

In the parent company, the statutory workweek is 35 hours averaged over one year. The actual workweek is 38 hours and employees are therefore granted additional days off in lieu. Management-level employees who work on a number-of-days basis rather than an hourly basis work 209 days, including the additional work day stipulated under the June 30, 2004 act for the protection of elderly and disabled people *(loi sur la solidarité et l'autonomie des personnes âgées et handicapées).*

Employees have the option of working part-time on the basis of 50%, 60%, 70%, 80% or 90% of the full-time schedule. Similarly, management-level employees on a number-of-days basis may opt for part-time arrangements of 105, 126, 147, 167 or 188 days. At December 31, 2006, 552 people or 10.9% of total staff opted for these part-time arrangements.

9.1% of all French employees worked part time.

Part-time work	2005	2006 Old scope	2006 New scope
France			
Number of employees	1,002	1,017	1,278
Percentage of employees	9.9%	9.7%	9.1%

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In the parent company, an amendment to the work-time management plan *(compte épargne-temps)* was signed in 2006, allowing employees to save up all their extra days off plus six days of their paid leave in the year, while maintaining the option of being paid five days a year.

The days saved may be used to finance all or part of a future unpaid leave (maternity leave, leave to create or acquire a business, sabbatical leave, parental education leave, training leave, etc.) or to switch to part-time work, to use as end-of-career leave or to finance training at the employee's personal choice.

A new online leave and absence management tool is available to employees and managers of the parent company on the intranet. It is due to be extended to certain subsidiaries.

COMPENSATION AND RAISES

Labor negotiations at the Banque Populaire Group resulted in a 1.6% overall gross salary increase in April 2006, with a gross annual minimum of €420. Natixis applies the Group agreement to all employees whose contracts are governed by the collective bargaining agreement applicable to banks.

In addition, individual compensation and raises are assessed every year in March based on the employee's performance targets.

Average gross annual compensation for permanent employees on a full-time equivalent basis (fixed and variable components excluding profit-sharing, incentive plans and employer's matching contributions to the employee savings plan) was €64,470 for the Group in France (€62,894 for the parent company).

INCENTIVE AND PROFIT-SHARING PLANS

See chapter on Human Resources

LABOR RELATIONS AND RESULTS OF COLLECTIVE AGREEMENTS

121 agreements and amendments have been signed by the Group in France, including 14 in the parent company, on subjects such as incentive and profit-sharing plans and the work-time management plan.

The Group employee profit-sharing agreement signed in 2005 was renewed in 2006 for a further year. It covers more than 6,700 employees in the parent company and nine of its subsidiaries.

As part of its corporate social responsibility program, Natixis and the labor unions signed an amendment to the Employee Savings Plan at the end of 2005, which led to the inclusion in 2006 of socially-responsible investment funds in the range of mutual funds available to employees.

Elections of employee representatives in the parent company are due to take place in October 2006. To take account of the special circumstances arising as a result of the merger of certain activities of the Banque Populaire Group and the Caisse d'Epargne Group within Natixis, an agreement was signed by Natexis Banques Populaires parent company and all the labor unions extending the mandates of the work council members and employee representatives until April 30, 2007.

At the end of 2006, a new employee representative body was created for the new entity comprising Natixis and its subsidiaries to provide a legal framework for collective bargaining on subjects common to all Natixis group companies, such as the creation of a Group Works Council and developments in employment and mobility.

Information and consultation processes began at the end of 2006 on the proposed merger of certain entities such as Natexis Asset Management and Ixis Asset Management.

In November 2006, an internal communication program was initiated to inform all employees of the new Group about current developments. The program uses a number of different media including e-mail letters, intranet and video screens.

At the end of 2006, following the HR intranet upgrade, a cross-functional information and services site was launched covering all human resources related matters. The site has different sections for various entities and can be consulted by all employees. In time, the HR intranet will cover all entities in the new Group.

Each labor union has space on the Natixis intranet to facilitate the expression and dissemination of its ideas within the company. In addition, employees can access the Central Works Council's intranet site from outside the company.

A user's guide to IT, digital and technological resources sets out employees' rights and responsibilities with regard to the IT resources made available by the employer.

HEALTH AND SAFETY (*LA 9*)

The Health, Safety and Working Conditions Committee (CHSCT) of the Paris metropolitan area has sixteen members compared to a legal minimum requirement of nine.

A "new organization" sub-committee has been created comprising representatives of Management, the labor unions and occupational physicians with a view to optimizing working conditions for employees following their redeployment in the new organization structures.

A health and hygiene support committee was also created in 2006 to examine risks on a human level and to make recommendations to Management. The committee's members include representatives from the CHSCT, the Human Resources, Communications, Logistics and IT Security

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departments of the parent company and its main subsidiaries, and the occupational physicians.

Recommendations made by the occupational physicians about precautions to take during heat waves were circulated at the beginning of summer 2006.

As is the practice every year, an influenza vaccination campaign in the workplace took place in October 2006.

Concerning employee health, the independent, occupational medicine department regularly monitors employees in the Paris metropolitan area. Independently of the new legal provisions requiring two-yearly physical examinations, employees requiring special medical supervision will continue to be monitored on an annual basis.

A medical insurance adviser is available twice a week for employee consultations in the Paris metropolitan area.

TRAINING (*LA 10, LA 11*)

The time devoted to training indicates the importance Natixis and its subsidiaries place on developing the skills of their employees. More than 11,552 employees took part in over 281,000 hours of training in 2006 (new scope).

In the parent company, 4,755 employees including 2,925 managers and 1,830 technicians, received 112,000 hours of training, which is in proportion to the relative size of these two categories.

The number of hours training rose by 65% compared to 2005, mainly due to compliance and money-laundering prevention training.

In 2006, the parent company and many of its subsidiaries focused on training for management-level employees (senior executive managers to middle managers), with an increasing emphasis on managerial relationship skills.

Due to the Group's growing internationalization, foreign language training accounted for a high proportion of the total in some entities, as did business line training.

TRAINING FRANCE

	2006 Old scope	2006 New scope
Number of hours	211,543	281,233
Number of employees	8,618	11,552
Breakdown of hours training by subject		
■ Information systems	18.5%	16.8%
■ Languages	22.7%	22.2%
■ Business line skills	21.6%	23.2%
■ Management, communications	17.0%	16.4%
■ Recognized qualification programs	5.6%	6.7%
■ Risk management and regulations	5.5%	5.2%
■ Other	9.1%	9.5%

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TRAINING (PARENT COMPANY)

	2005	2006
Number of hours	105,018	112,017
Number of employees	3,535	4,754
Breakdown of hours training by subject		
■ Information systems	24.5%	18.0%
■ Languages	20.1%	19.8%
■ Business line skills	17.1%	23.2%
■ Management, communications	15.5%	17.8%
■ Recognized qualification programs	9.5%	5.5%
■ Risk management and regulations	7.1%	7.8%
■ Other	6.2%	7.9%

Training in 2006 represented 4.72% of the parent company's total payroll and 3.30% of the French payroll compared to a minimum legal requirement of 1.6%.

A catalog of available training is circulated to employees each year. Available training can also be consulted by all employees on the HR intranet.

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DIVERSITY IN THE WORKPLACE (*LA 14*)

Equal status for men and women

■ As of December 31, 2006, women represented **50.8%** of the total French workforce - new scope (47.3% for the parent company).

	2005	2006 Old scope	2006 New scope
France	51.8%	51.9%	50.8%
Parent company	47.3%	47.6%	47.6%

■ **The number of women hired** by the parent company continued to increased in 2006. 50.4% of the 681 new hires in 2006 were women and the percentage was similar across all French entities (new scope).

Parent company	2004	2005	2006
Proportion of women among new hires	41%	45.2%	50.4%

■ **Working time:** women accounted for 91.5% of part-time employees (versus 93.0% on old scope).

■ Proportion of women in **management-level** positions (parent company):

	2002	2003	2004	2005	2006
Proportion of women in management-level positions	32.9%	33.7%	34.1%	34.9%	36.4%

Among all French employees, the proportion of women in management-level positions was 39.7% at December 31, 2006.

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■ Proportion of women among **promoted** employees:

Women received 56.7% of all promotions in France in 2006.

	2005	2006 Old scope	2006 New scope
France	59.0%	56.3%	56.7%

	2002	2003	2004	2005	2006
Parent company	50.7%	52.2%	56.4%	59.1%	57.3%

■ **Individual pay rises** granted to women:

Women received 50.7% of all individual raises among employees in France, which is equivalent to the proportion of women in the total French workforce.

	2005	2006 Old scope	2006 New scope
France	51.8%	51.7%	50.7%

■ **Training:** women accounted for 48.9% of the number of employees receiving training and the number of hours training.

	2005 Parent company	2006 Parent company	2006 France
Number of women receiving training	48.8%	47.6%	48.9%
Number of hours training received by women	50.9%	50.0%	48.9%

Breakdown of employees by age bracket

The age pyramid of all permanent French employees is relatively well balanced. 34.9% of employees are under 36 years old and almost 950 employees, or 6.9% of the total are aged over 56.

Over the next few years, a significant proportion of employees are due to retire, which will reduce the average age and boost mobility.

	2006 Old scope	2006 New scope
■ 35 and under	31.0%	34.9%
■ Over 55	8.0%	6.9%
Average age	42	41

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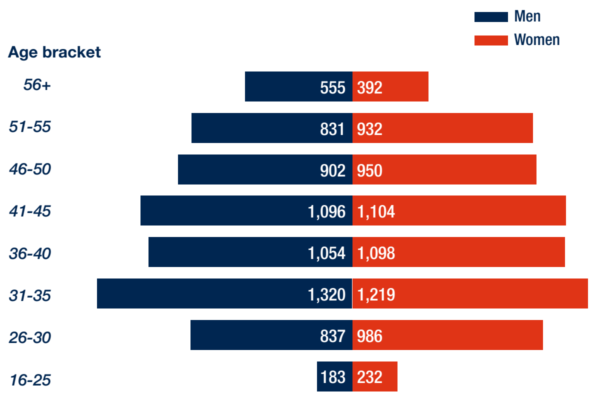
AGE PYRAMID FOR NATIXIS FRANCE

Permanent employees at december 31, 2006 (*)



(*) Excluding Caceis, Anteis Epargne and Foncier Assurances.

EMPLOYMENT AND OPPORTUNITIES FOR DISABLED WORKERS

The bank and its French subsidiaries employ 144 people with disabilities (120 on old scope).
The slight decrease in the number of disabled workers is mainly due to the new legal definition of disabled, which means that some employees included in this category last year were no longer included in 2006. In addition, some disabled workers in the parent company reached retirement age during the year.
Of the 49 disabled workers in the parent company, 29% are management-level, 37% are women,
47% are aged 51 and over, and 29% are part-time.
The bank pays close attention to diversity management, and in 2006, tasked one of the parent company's employees with developing a plan to encourage the hiring of disabled workers.
An analysis of the bank's position was carried out during the year, which led to recommendations aiming to develop partnerships with associations with a view to hiring disabled workers, calling on the appropriate sector and encouraging the hiring of interns and temporary workers with disabilities. Internal campaigns to raise awareness about disability are also planned for 2007, aimed particularly at HR employees.

A number of subsidiaries take a similar approach, particularly in terms of hiring disabled workers either permanently or on internships.

In addition, the human resources intranet was upgraded in line with international guidelines on web content accessibility for people with motor, visual or hearing disabilities.

EMPLOYEE WELFARE (*LA 3*)

The Natixis Mutuelle private health insurance fund and Management applied the new legislation on healthcare by offering employees responsible contracts in order to preserve the tax-deductibility of employee contributions.

In 2006, electronic voting was introduced for the first time at the Mutuelle's annual general meeting in June. This had the effect of tripling the number of voters and a quorum was reached the first time around.

The bank introduced a centralized, consistent policy for financing employees traveling between the bank's various premises and attending meetings. Among other things, this enables all Group employees to use the various company restaurants.

Natixis provides modern sports amenities for its employees, including a new gym in the Liberté 2 building. This led to a 20% increase in the total number of members of the Natixis Sports Association.

A mutual assistance organization helps employees who are confronted with a traumatic event or serious personal problems in their lives. Annual voluntary contributions to the association are also matched by the company.

A large number of employees were involved in the Telethon solidarity event in 2006. Donations to the Telethon are also doubly matched by Management.

METHODS EMPLOYED BY THE COMPANY TO ACCOUNT FOR THE IMPACT OF ITS ACTIVITIES ON EMPLOYMENT AND REGIONAL DEVELOPMENT

Natixis supports regional development by providing its clients with financing for their activities and building up long-term partnerships with them ***(see chapter on "Businesses").***

RELATIONSHIPS WITH EDUCATIONAL INSTITUTIONS AND ASSOCIATIONS THAT COMBAT SOCIAL EXCLUSION

Natixis maintains and develops relationships with certain higher education institutions, selected in accordance with the company's business lines (business and engineering schools, universities). As a result, 1,295 student interns worked in

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various capacities in the bank and its French subsidiaries (new scope) in 2006.

Eighty-seven young graduates took part in the International Work Experience program (Volontariat International en Entreprise) offered by the parent company and its subsidiaries, including Coface, Ixis Asset Management, Ixis Corporate & Investment Bank and Natixis Pramex International (especially in North America and Asia). These assignments last between one and two years. They give participants the opportunity to acquire their first international work experience and are often a springboard for permanent hiring either locally or in France.

The company has forged close ties with certain training and apprenticeship centers, which enables young people with a baccalaureate plus 2-5 years of further education to join the company through apprenticeship contracts.

In all, 204 young people joined the bank in France on work-study programs (new scope).

The parent company pays 30% of the "apprenticeship tax" (taxe d'apprentissage) directly to the training and apprenticeship centers, 22% to the national apprenticeship fund and 48% to secondary schools, universities and business schools. In this way, it consolidates its relationship with partner organizations, while financing educational and social projects intended, among other things, to help youngsters with academic or social problems.

SUBCONTRACTING AND OBSERVANCE OF ILO FUNDAMENTAL CONVENTIONS

The company ensures that its sub-contractors observe the legal requirements regarding management of their personnel. The Purchasing department includes working conditions at sub-contractor locations as a criterion in all bid invitations for service contracts.

No bank processing is outsourced to developing countries.

METHODS EMPLOYED BY FOREIGN SUBSIDIARIES TO ACCOUNT FOR THE IMPACT OF THEIR ACTIVITIES ON REGIONAL DEVELOPMENT AND LOCAL INHABITANTS

Natixis contributes to local development outside France through its international operations. Over 7,000 people work in offices, branches and subsidiaries abroad. Nearly all of them are hired locally. There are very few expatriates in the Group. Only 116 French employees (new scope) work abroad on expatriate contracts.

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NRE Appendices - Environmental data

Performance indicators

The indicators used are those defined in the NRE Act of February 20, 2002. The equivalent indicators defined in the Global Reporting Initiative (GRI 3) guidelines are shown in brackets.

Scope

Following the creation of Natixis, environmental data for 2006 covers the consolidated Natixis group and the two main subsidiaries that joined the new group, i.e. Ixis AM and Ixis CIB. To facilitate consumption comparisons from one year to the next, figures are also presented on a comparable basis between 2005 and 2006.

Two separate sets of figures are provided:

- **A = new scope** comprising the former Natexis Banques Populaires and its subsidiaries including Coface, plus Ixis AM and Ixis CIB, in metropolitan France (i.e. approximately 80 premises representing 350,000 sq.m. of space and 18,000 work stations)
- **B = comparable 2005/2006 scope** comprising the former Natexis Banques Populaires and its subsidiaries including Coface in metropolitan France (excluding Ixis AM and Ixis CIB).

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CONSUMPTION OF MATERIALS (*EN 1, EN 2*)

Consumption of materials mainly comprises paper consumption, which rose sharply in 2006 due to growth in the number of employees and the Group's business activities. On a per workstation and 2005/2006 comparable basis, consumption remained high but is kept under control.

Total paper consumption includes white paper, colored paper, security printing paper, envelopes, internal and external printed matter, etc.

	B 2005	B 2006	A 2006
Total paper consumption (tonnes)	**585**	**620**	**1,150**
Proportion of eco-paper (recyclable envelopes with the «NF environnement» eco-label)		88	88
Consumption per workstation (tonnes)	**0.064**	**0.065**	**0.074**
Consumption per workstation (reams)	**26**	**26**	**29**

WATER CONSUMPTION (*EN 8*)

Water consumption for the new scope including Ixis CIB and Ixis AM totaled 150,632 cubic meters in 2006. There was an increase per workstation in 2006, although overall consumption remains low.

	B 2005	B 2006	A 2006
Total consumption of drinking water *(cu. m.)*	**92,810**	**97,991**	**150,632**
Consumption per *workstation (cu. m.)*	**7.88**	**8.32**	**9.05**
Consumption per *sq. m. GLA (cu. m.)*	**0.34**	**0.36**	**0.42**

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ENERGY CONSUMPTION (*EN 3, EN 4*)

Energy consumption (electricity, heating and cooling) for all companies in the new scope, including Ixis AM and Ixis CIB, totaled over 130,000 MWh. On a comparable structure basis, it increased between 2005 and 2006. Consumption of gas and heating oil remained low.

	B 2005	B 2006	A 2006
Total energy consumption *(MWh)*	**80,614**	**98,385**	**131,237**
■ Electricity		80,056	101,028
■ Heating fluids		10,141	16,124
■ Cooling fluids		8,188	14,085
Greenhouse gas emissions *(in tonnes of CO_2 equivalent)*		10,045	13,381
Energy consumption per workstation *(MWh)*	**6.85**	**8.35**	**7.89**
Energy consumption per sq. m. GLA *(MWh)*	**0.30**	**0.36**	**0.37**
Total gas consumption *(cu. m.)*	**103,631**	**109,200**	**122,008**
Gas consumption per workstation *(cu. m.)*	**363**	**383**	**189**
Gas consumption per sq. m. GLA *(cu. m.)*	**13.2**	**13.9**	**8.2**
Total fuel consumption *(cu. m.)*	**142**	**183**	**144**
Fuel consumption per workstation *(cu. m.)*	**0.14**	**0.14**	**0.12**
Fuel consumption per sq. m. GLA *(cu. m.)*	**0.004**	**0.004**	**0.036**

MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY

The bank's energy and fluid consumption is managed by the Logistics department. Its policy is to minimize the direct environmental impacts of the bank's operations, while maintaining high-quality working conditions for employees. In an effort to achieve this delicate balance, qualitative and quantitative consumption targets are set annually for each building.

The Logistics department has individual building representatives who interact directly with users. They are responsible, among other things, for optimizing energy consumption. They use centralized technical management tools to optimize user comfort while minimizing energy consumption. These tools automatically manage technical installations, taking account, for example, of outside temperature and the thermal properties of the building.

System performance is monitored and improved through regular comparison of actual consumption with budgeted energy requirements. Energy budgets are based on annual targets and take account of seasonal fluctuations observed for each building over several years.

The environmental quality of buildings is also taken into account right from the design stage. The Liberté 2 building, which opened in 2005, is a perfect example of this policy. From the outset, financial, architectural and technical aspects were fully planned from a long-term perspective. Building materials and technical equipment were chosen not only on the basis of the initial investment cost, but through a comprehensive approach including future operating costs over the building's estimated useful life. This approach made it possible to opt for modern, efficient solutions that minimize energy consumption while offering high-quality interior space.

Lastly, the carbon report completed in 2006 provided an opportunity to remind employees about the importance of global warning, raise awareness of the five key "green behaviors" that help reduce energy and paper consumption, and optimize waste management processes ***(see chapter on sustainable development).***

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USE OF RENEWABLE ENERGY SOURCES (*EN 6*)

In 2005, Natixis considered a program to purchase electricity produced from renewable energy sources. However, the program did not offer acceptable environmental guarantees and was therefore not pursued.

GROUND USE, DISCHARGE OF ENVIRONMENTALLY HARMFUL SUBSTANCES INTO THE AIR, WATER AND GROUND, NOISE AND ODOR, WASTE (*EN 16 TO 23*, *EN 29*)

Natixis attaches particular importance to the environmental quality of its buildings in order to limit the impact of its activities on the immediately surrounding areas.

For example, the company has reinforced measures to prevent the spread of the legionella bacteria into the air. Installations prone to risk – particularly water heaters and cooling towers – are monitored very closely. The practice of taking and analyzing samples twice-yearly has been extended to all the bank's premises. Maintenance frequency has also been increased. The legionella prevention program introduced in 2005 continued during 2006, with the replacement of the cooling tower at the Toulouse premises.

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Direct and indirect emissions of greenhouse gases (*EN 16 / EN 17*) - Transportation (*EN 29*)

A carbon report on the bank's operations was carried out in 2006, covering the former Natexis Banques Populaires parent company in 2005 (Paris and regional buildings).

	Parent company 2005	
	Total	Per FTE
Total emissions *in tonnes of CO_2 equivalent*	**55,630**	**10.7**
Of which:		
■ energy	4,003	0.77
■ buildings *(depreciation, information systems, vehicle fleet)*	9,641	0.14
■ purchases of products and services	27,612	-
■ travel	13,460	
- business travel:	6,954	1.34
air	*6,415*	*1.23*
rail	*34*	*0.007*
road	*505*	*0.10*
- home/work travel	3,839	0.74
■ freight	205	-
■ other (waste, internal processes, etc.)	708	-

No new survey was carried out on travel between the home and the workplace and figures are therefore not available for 2006.

For business travel, data concerning air travel were collected in 2006 for the parent company and «B 2006» (former Natexis Banques Populaires and subsidiaries excluding Ixis AM and CIB). Data for subsidiaries that joined the new Natixis will be collected as part of the harmonization of business travel processes.

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Business air travel	Parent company 2005	Parent company 2006	B 2006
■ **Aggregate distance** *(km):*	**14,612,326**	**15,599,814**	**25,043,907**
Short-haul flights	1,560,891 (10,7%)	1,766,171 (11,3%)	5,948,084 (23,7%)
Medium-haul flights	2,531,565 (17,3%)	3,936,787 (25,2%)	4,527,492 (18,1%)
Long-haul flights	10,519,870 (72%)	9,896,856 (63,5%)	14,568,331 (58,2%)
■ **Greenhouse gas emissions** *(in tonnes of CO_2 equivalent):*	**6,415**	**6,465**	**10,219**

Emissions of ozone-depleting substances and other significant air emissions: NOx, SOx (*EN 19, EN 20*)

Not significant

Water discharge (*EN 21*)

Natixis does not install air conditioning systems that discharge heated water so as to avoid polluting water discharge. Instead, glycolated water from heat exchangers is periodically emptied and recovered by specialized recycling companies. Used fluids from combustion engines (generators, vehicles, etc.) are also recovered and treated by specialized companies.

Total waste by type and disposal method (*EN 22*)

In 2006, the bank took various measures to optimize waste management. Selective sorting of office waste was introduced with specific procedures for recycling paper and collecting and processing used batteries and ink cartridges.

Waste	Weight	Processing
Paper, envelopes and boxes	634 T	Natixis uses envelopes that are recyclable and have the «NF environnement» eco-label.
	6 873	Selective sorting for recycling
Cartridges*	6,873	Collection, transportation and treatment by an approved external service provider in line with legislation
Batteries	129 kg	Collection, transportation and treatment by an approved external service provider in line with legislation
Electrical and electronic waste	approx. 30 T	Sold to an external service provider for re-use or treatment in line with legislation. A waste tracking form is supplied.

* *In 2006, 60% of consumables used (cartridges) were remanufactured. The Purchasing department buys these cartridges as and when the models used by the bank's equipment are available on the market and their reliability and quality can be confirmed.*

Significant spills (*EN 23*)

Not applicable

Noise and odor

Not significant

MEASURES TAKEN TO LIMIT DAMAGE TO THE ECO-SYSTEM, NATURAL HABITATS AND PROTECTED ANIMAL AND PLANT SPECIES

The bank's offices are mainly in towns and do not have a significant, direct impact on the natural environment. Nevertheless, preventive measures are taken to avoid any accidental water or air pollution. For example, sensitive installations are regularly maintained and premises containing potential pollutants are sealed.

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ENVIRONMENTAL ASSESSMENT OR CERTIFICATION INITIATIVES

As a listed company, Natixis is regularly assessed and assigned "investor-solicited" ratings by extra-financial rating agencies. These agencies place a strong emphasis on the company's environmental strategy. In 2006, Natixis assessed its greenhouse gas emissions through its carbon report with assistance from an outside specialist.

MEASURES TAKEN, IF ANY, TO ENSURE THAT THE COMPANY'S ACTIVITIES COMPLY WITH ENVIRONMENTAL LEGISLATION AND REGULATION

Natixis observes all legal and regulatory environmental requirements. It has experts in buildings and buildings operation who are in close contact with the users and have full control over technical equipment. They are responsible for monitoring any changes or developments in regulatory standards. Moreover, technical installations and maintenance processes are subject to regular inspection by outside, specialized organizations.

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ENVIRONMENTAL PROTECTION EXPENDITURES (*EN 30*)

In 2006, the company spent €936,000 (excl. VAT) on environmental protection, covering the following areas: asbestos detection and removal, bacteriological testing, recovery and treatment of potentially polluting liquids, air conditioning replacement studies.

AMOUNT OF PROVISIONS AND INSURANCE FOR ENVIRONMENTAL RISKS (*EN 30*)

None.

AMOUNT OF ENVIRONMENTAL FINES PAID DURING THE PERIOD FOLLOWING COURT RULINGS AND ACTION TAKEN TO REPAIR ENVIRONMENTAL DAMAGE (*EN 28*)

None.

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INTERNAL DEPARTMENTS FOR ENVIRONMENTAL MANAGEMENT, TRAINING AND INFORMING EMPLOYEES, RESOURCES DEVOTED TO REDUCING ENVIRONMENTAL RISKS (F5)

For building works and buildings operation, environmental issues are centralized by a cross-functional unit reporting to the Logistics Department. It is responsible for tracking consumption, coordinating and harmonizing actions taken by the Logistics Department's operating units.

In 2005, the bank embarked on campaigns to inform and train employees about everyday behaviors that help minimize the company's impact on the environment (Ademe partnership, "gestes verts" campaign). The carbon report completed in 2006 provided an opportunity to remind employees about the importance of global warning, raise awareness of the five key "green behaviors" that help reduce energy and paper consumption, and optimize waste management processes ***(see chapter on sustainable development).***

Several information seminars on the Kyoto Protocol and the European market in emission quotas were organized for employees in corporate and investment banking to provide them with the expertise required to support clients in their efforts to reduce greenhouse gas emissions.

ARRANGEMENTS FOR DEALING WITH ACCIDENTAL POLLUTION HAVING REPERCUSSIONS BEYOND THE COMPANY'S OWN OPERATIONS

Given the bank's activities, emissions of polluting products are very rare.

Any "potentially polluting fluid" used in the bank's premises (glycolated water, hydrocarbons, etc.) is recovered and treated in line with current regulations.

INFORMATION ON THE TARGETS ASSIGNED TO FOREIGN SUBSIDIARIES WITH REGARD TO POINTS 1 TO 6 ABOVE.

The targets concerning buildings operation and informing employees apply to all the bank's foreign subsidiaries.

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6 FINANCIAL DATA

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Risk factors

Natixis operates in an environment that presents inherent risks, some of which it cannot control. Readers are invited to take the following risks into consideration. However, these are not the only risks to which Natixis is exposed. The risks set out below, as well as other risks that have not yet been identified or which are considered immaterial by Natixis, may have a material adverse impact on its operations, financial position and/or results.

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RISKS RELATING TO THE CREATION OF NATIXIS

Natixis may not achieve the expected synergies from the combination transactions carried out in 2006

Synergies are expected from the combination transactions between the corporate and investment banking and financial services activities of the Banque Populaire Group and the Caisse d'Epargne Group carried out in 2006, resulting in the creation of Natixis. These synergies are set out in appendix B of the offering circular registered with the Autorité des Marchés Financiers on October 16, 2006, under number E. 06-162 to accompany the combination transaction. The anticipated level of synergies is based on a number of assumptions, many of which depend on factors that are beyond the control of Natixis. Natixis may fail to achieve expected synergies for any number of reasons, including difficulties encountered in the integration process, disruptions caused by the unique structure of the new Group (described below in "Risks relating to Natixis' structure") or the materialization of risks relating to ordinary banking activities (described below in "Risks relating to Natixis' operations and the banking sector"). Any of these factors, among others, could result in the actual level of revenue and/or cost synergies being lower than anticipated.

The integration process may be difficult and could disrupt operations or could prove to be more costly than anticipated

Realization of the anticipated benefits from the creation of Natixis will depend in part upon whether the operations of the entities contributed on November 17, 2006, can be integrated in an efficient and effective manner with those of the former Natexis Banques Populaires Group. Integrating the operations of an acquired business is a complex and lengthy process. Successful integration requires, among other things, the satisfactory coordination of business development and marketing efforts, the retention of key management personnel and professionals, effective hiring and training policies and the alignment of information and software systems. Despite the complementarity of the operations of the contributed entities with those of the former Natexis Banques Populaires Group, there may be difficulties encountered in combining operations that could result in higher integration costs and lower savings or revenues than expected.

Moreover, the integration of the operations of the Natexis Banques Populaires Group with those of the contributed entities could interfere with the activities of one or more of their businesses and divert management's attention from other aspects of Natixis' operations, which could have an adverse effect on Natixis' operations and results.

The integration of the activities of the new group could generate restructuring costs initially estimated at €300 million. The actual restructuring costs that Natixis incurs could exceed this estimate.

The combination transactions generated a substantial amount of goodwill that may be subject to impairment

In connection with the Combination Transactions, Natixis recorded new goodwill of €633 million (before the fair value allocation of the implied acquisition price), in addition to the goodwill on the books of the contributed entities of €1,423 million. Overall, pro forma goodwill, before fair value allocation, as of December 31, 2005, was €2,808 million. If significant asset quality issues arise or if the financial condition and prospects of the contributed entities otherwise fail to meet the expectations used for valuation purposes in the Combination Transactions, Natixis could incur impairment charges, which could have an adverse effect on its results of operations.

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The results of operations and financial condition presented in Natixis' unaudited pro forma financial statements may not be indicative of its future performance

Natixis' pro forma financial statements have been prepared to illustrate the effect of the combination transactions on Natixis as if they had occurred on January 1, 2005. Natixis' pro forma financial statements were prepared on the basis of a number of assumptions, and do not reflect the results which Natixis would have had if the combination transactions had actually taken place on January 1, 2005. In addition, there can be no assurance that the trends indicated by the pro forma financial statements (or by the separate financial statements of the entities that are being combined to form Natixis) are representative of the future results or performance of Natixis.

RISKS RELATING TO NATIXIS' STRUCTURE

Natixis has two principal shareholders who will maintain a significant degree of influence over certain corporate actions in the future

Natixis' two principal shareholders are BFBP and CNCE, each of which owns approximately 45.5% of Natixis' share capital. These two shareholders are therefore in a position to exert significant influence in the election of Natixis' directors and officers and other corporate actions that require shareholder approval. Pursuant to a shareholders' agreement signed between the two groups on November 17, 2006, BFBP and CNCE have also agreed to coordinate the voting of their shares with respect to certain actions, in particular with respect to the election of members of the supervisory board and of the management board. Any coordinated action between BFBP and CNCE will further limit the ability of other shareholders to influence the corporate governance of Natixis.

The shareholders' agreement between BFBP and CNCE limits the flexibility of Natixis to raise equity capital or to use its shares for acquisitions, and could have significant anti-takeover effects

Pursuant to the shareholders' agreement, BFBP and CNCE have agreed to own an identical number of Natixis shares and to maintain their percentage ownership at or above 34% of Natixis' total share capital for at least ten years following the completion of the combination transactions carried out on November 17, 2006. Accordingly, Natixis is limited in its ability to conduct equity issuances or use its shares for acquisitions, since this requires the approval of both BFBP and CNCE, as well as a mechanism to enable both parties to maintain their percentage shareholdings following the transaction. BFBP's and CNCE's ownership of a large percentage of Natixis' share capital and any coordination between them may also have the effect of delaying, deferring or preventing a change in Natixis' control, and may discourage bids for its shares more generally *(see paragraph "Factors that may have an impact in the event of a public offer").*

The risk management policies and procedures of Natixis will be subject to the approval and control of BFBP and CNCE

BFBP and CNCE are both required to ensure the compliance of the entire Banque Populaire Group and the Caisse d'Epargne Group, respectively, with applicable French banking regulations in areas such as capital adequacy and risk management. As a result, BFBP and CNCE have been granted significant approval rights over important aspects of the risk management policies of Natixis (which is part of both the Banque Populaire Group and the Caisse d'Epargne Group). In particular, BFBP and CNCE have the power to approve the appointment or removal of the director of internal audit of Natixis, as well as certain aspects of risk management such as the approval of credit limits and the classification of loans to customers that are common to Natixis and one or both of the two shareholder groups as doubtful loans. The interests of BFBP and CNCE (on behalf of their respective groups) with respect to risk management may be different from those of Natixis.

In the event of a disagreement between BFBP and CNCE, the business or operations of Natixis could be subject to significant disruptions

Under the shareholders' agreement signed on November 17, 2006, BFBP and CNCE have established a mechanism for the appointment of members of the supervisory board and of the management board of Natixis, and have also agreed on the implementation of various corporate governance measures. In addition, the shareholders' agreement provides that certain decisions deemed essential — such as the purchase or sale of an interest or the creation of a joint venture by Natixis or one of its subsidiaries in an amount exceeding €150 million — require the approval of both BFBP and CNCE as well as the supervisory board of Natixis. In the event of a disagreement, the shareholders' agreement provides mechanisms for the resolution of the issue at the senior management level, but it does not contain a mechanism for definitively resolving the disagreement. In the event of deadlock, the management board may be unable to obtain supervisory board or shareholder approval to proceed with planned actions. Natixis' business may therefore be subject to significant disruptions in the event that BFBP and CNCE are unable to resolve any differences concerning Natixis' development.

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Natixis has no voting rights with respect to the cooperative investment certificates representing 20% of the share capital of the Banques Populaires and the Caisses d'Epargne and is not the central body of the Banque Populaire Group or the Caisse d'Epargne Group

Natixis owns a 20% equity interest in the Banques Populaires and in the Caisses d'Epargne in the form of cooperative investment certificates issued by each entity. These cooperative investment certificates are non-voting securities, with different rights from those attached to cooperative shares in the Banques Populaires and the Caisses d'Epargne. Although Natixis is entitled to participate in meetings of the cooperative shareholders ("sociétaires") of the Banques Populaires and the Caisses d'Epargne, it is not entitled to vote at these meetings and does not have control over decisions that require the consent of the shareholders of the Banques Populaires and the Caisses d'Epargne. Moreover, Natixis is not the central body of the Banque Populaire Group or of the Caisse d'Epargne Group (the central bodies, BFBP and CNCE, respectively, have certain coordination and control powers under French banking laws and regulations).

Natixis has a significant influence with respect to the Banques Populaires and the Caisses d'Epargne as a result of certain rights granted to it under agreements relating to the combination transactions (in particular, rights with respect to representation in or the right to be consulted on certain decisions of the governance bodies or committees of BFBP and CNCE, audit and inspection rights and rights to receive information), but these rights do not include voting rights in shareholders' general meetings and are not equivalent to the powers of a central body. As a result, the ability of Natixis to guide the future development of the two groups in which it will hold a substantial interest will be limited.

Natixis cannot freely sell its 20% equity interests in the Banques Populaires or the Caisses d'Epargne, and in some circumstances could be required to sell those interests back to the Banques Populaires or the Caisses d'Epargne

Under the terms of the agreements relating to the combination transactions, Natixis is prohibited from selling all or part of its 20% equity interests in the Banques Populaires or the Caisses d'Epargne without the prior consent of the board of directors of the Banque Populaire concerned or CNCE, respectively. While a bank whose board refuses to approve such a sale will be required to repurchase the relevant equity interests, the price will be based on the proportionate share of the net assets of the bank represented by the equity interests, taking into account the valuation method used to determine the initial price paid by Natixis for those interests, and thus may be different from the price that Natixis would have obtained from the proposed purchaser. In addition, the mere existence of the approval right might make it difficult for Natixis to sell its equity interests.

In addition, if the equal ownership of the shares of Natixis by BFBP and CNCE is not substantially maintained, or if BFBP and CNCE cease to control Natixis jointly, or if certain legislative changes or other circumstances occur, then the Banques Populaires and the Caisses d'Epargne will each have the right to repurchase the 20% equity interests from Natixis, at a price based on the proportionate share of the net assets of such bank represented by the equity interests, taking into account the valuation method used to determine the initial price paid by Natixis for those interests. The repurchase price may be different from the price that Natixis could have obtained through a sale to an unaffiliated third party. Moreover, following the repurchase Natixis will no longer have an economic interest in the results of the affected bank or banks, and its ability to sell products and services through the affected bank or banks could be impaired.

Natixis has important commercial relationships with entities in the Banque Populaire Group and the Caisse d'Epargne Group, which might have interests that are different than those of the shareholders of Natixis

Part of Natixis' strategy for long-term growth is to expand the products and services it provides through the retail banking networks of the Banque Populaire Group and/or the Caisse d'Epargne Group, in areas such as employee benefits planning, consumer finance and payment services. However, the customers of the Banque Populaire Group and the Caisse d'Epargne Group are faced with a range of savings, investment or other products from which to choose, including in some cases products and services of competitors that will be offered by banks within each group. There can be no assurance that products or services provided by Natixis will be uniformly selected, or promoted, over the other services offered by the two banking networks. Although the Banque Populaire Group and the Caisse d'Epargne Group, as indirect owners of substantial interests in Natixis, have a significant financial interest to support Natixis' continued development, they may from time to time have interests that differ from those of Natixis.

The non-competition undertakings of BFBP and CNCE contain certain exceptions that could result in Natixis being in direct competition with the entities of one of the two groups

As part of the shareholders' agreement signed on November 17, 2006, Natixis' two principal shareholders, BFBP and CNCE, have generally agreed not to compete with the activities of Natixis in France or abroad. However, this agreement not to compete contains certain exceptions, in particular for activities currently conducted by either BFBP

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or CNCE and their subsidiaries that were not contributed to Natixis as part of the combination transactions. In particular, these exceptions include life and property insurance, areas in which the Caisses d'Epargne offer their customers products of CNCE affiliates that have not been contributed to Natixis. As a result, Natixis may find itself competing directly or indirectly with the services provided by one or both of its principal shareholders.

RISKS RELATING TO NATIXIS' OPERATIONS AND THE BANKING SECTOR

Natixis is subject to several categories of risks inherent in banking activities

There are four main categories of risks inherent in Natixis' activities, which are summarized below and described in detail under "Risk Management" in the management report. The risk factors described below elaborate on or give specific examples of these different types of risks, and describe certain additional risks faced by Natixis.

Credit risk. Credit risk is the risk of financial loss relating to the failure of a counterparty to honor its contractual obligations. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. Credit risk arises in lending activities and also in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk also arises in connection with the credit insurance and factoring businesses of the Group, although the risk relates to the credit of the counterparty's customers, rather than the counterparty itself.

Market, liquidity and financing risk. Market risk is the risk to earnings that arises primarily from adverse movements of market parameters. These parameters include, but are not limited to, foreign exchange rates, bond prices and interest rates, securities and commodities prices, derivatives prices and prices of all other assets such as real estate.

Liquidity is also an important component of market risk. In instances of little or no liquidity, a market instrument or transferable asset may not be negotiable at its estimated value. A lack of liquidity can arise due to diminished access to capital markets, unforeseen cash or capital requirements or legal restrictions.

Market risk arises in trading portfolios and in non-trading portfolios. In non-trading portfolios, it encompasses:

- the risk associated with asset and liability management, which is the risk to earnings arising from asset and liability mismatches in the banking book or in the insurance business. This risk is driven primarily by interest rate risk;
- the risk associated with investment activities, which is directly connected to changes in the value of invested assets within securities portfolios;
- the risk associated with certain other activities, such as real estate, which is indirectly affected by changes in the value of negotiable assets held in the normal course of business.

Operational risk. Operational risk is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal processes include, but are not limited to, human resources and information systems. External events include floods, fires, earthquakes or terrorist attacks.

Insurance risk. Insurance risk is the risk to earnings due to mismatches between expected and actual claims. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behavior, changes in public health, pandemics, accidents and catastrophic events (such as earthquakes, industrial disasters, or acts of terrorism or war). As mentioned above, the credit insurance business is also subject to credit risk.

Adverse market or economic conditions may cause a decrease in net banking income or profitability

As a global financial services provider, Natixis' businesses are materially affected by conditions in the financial markets and economic conditions generally in France, in Europe and elsewhere around the world. Adverse changes in market or economic conditions could create a challenging operating environment for financial services companies. In particular, such adverse changes could result from increases in interest rates or commodities prices (including oil), or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts).

There are numerous examples of the specific risks that Natixis faces with respect to potential adverse future market or economic conditions. Financial markets in France, in Europe and elsewhere may decline or experience increased volatility, which could lead to a decline in capital markets transactions, cash inflows and commissions from asset management. Adverse economic conditions could reduce credit demand by corporate borrowers or increase the rate of defaults by borrowers. These developments would adversely affect Natixis' net banking income, and, if it were unable to reduce expenses commensurately, its profitability. Revenues and profitability could also be depressed by market losses in Natixis' securities portfolio or proprietary positions resulting from adverse market or economic developments.

The terms of distribution of a regulated savings account (the Livret A) by the Caisses d'Epargne and La Banque Postale are the subject of European and French legal proceedings. If the claims are successful, the Caisses d'Epargne's revenues could be affected

As part of its retail banking activities, the Caisse d'Epargne Group is one of two groups in France that offer to depositors a

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form of regulated savings account, known as the Livret A (the other group is La Banque Postale, owned by the French postal service). Developed by the French State to help fund public housing, the Livret A offers depositors a fixed rate of interest that is tax-free. This public interest function of the Caisses d'Epargne is compensated through a mechanism equivalent to a distribution commission, set by the French State. In 2005, the Caisse d'Epargne Group recorded €715 million in net banking income for its distribution of the Livret A.

In June 2006, the European Commission opened an inquiry to determine if the special rights granted to the Caisses d'Epargne, La Banque Postale and Crédit Mutuel (which distributes the Livret bleu, another regulated savings account) violated European laws with respect to the right to free exercise of a trade and the freedom to provide services. In addition, in March 2006, a group of banks, consisting of BNP Paribas, BFBP, Crédit Agricole, Société Générale and ING Direct, filed a complaint with the Administrative Tribunal of Paris in order to overturn the administrative decisions of the Minister of the Economy, Finance and Industry rejecting their requests to be authorized to distribute the Livret A. These banking groups and Crédit Agricole S.A. have also filed a complaint before the Conseil d'Etat. Through these legal actions, the banks are seeking to obtain permission to distribute the Livret A in the future.

An extension of the right to distribute the Livret A to other banking groups could have an adverse effect on the net banking income of the Caisses d'Epargne, which would in turn affect the share in the income of the Caisses d'Epargne that Natixis records in respect of its 20% equity interest. Even if the Caisses d'Epargne were to change their commercial policies, such a measure could negatively affect their results, and consequently the 20% participation of Natixis through the non-voting cooperative investment certificates issued by the Caisses d'Epargne.

While the Banque Populaire Group is one of the plaintiffs in the cases challenging the distribution of the Livret A, BFBP and CNCE have advised Natixis that they do not believe that this will affect their ability to cooperate on matters relating to Natixis. If this were to prove untrue, it could have the effect of impeding or delaying certain strategic decisions relating to Natixis' development.

A substantial increase in new provisions or ashortfall in the level of previously recorded provisions could adversely affect Natixis' results of operations and financial condition

In connection with its lending activities, Natixis periodically establishes provisions for loan losses, which are recorded in its income statement under cost of risk. Natixis' overall level of provisions is based upon its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. For further information on Natixis' provisioning policy and its treatment of doubtful loans, see "*Risk Management*".

Although Natixis endeavors to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses in the future as a result of increases in non-performing assets or for other reasons. Any significant increase in provisions for loan losses or a significant change in Natixis' estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the provisions allocated with respect thereto, could have an adverse effect on Natixis' results of operations and financial condition.

Natixis' ability to attract and retain qualified employees is critical to the success of its business and failure to do so may materially affect its performance

Natixis' employees are its most important resource and, in many areas of the financial services industry, competition for qualified personnel is intense. Natixis' results depend on its ability to attract new employees and to retain and motivate its existing employees. Changes in the business environment may cause Natixis to move employees from one business to another or to reduce the number of employees in certain of its businesses; this may cause temporary disruptions as employees adapt to new roles and may reduce Natixis' ability to take advantage of improvements in the business environment. This may impact Natixis' ability to take advantage of business opportunities or potential efficiencies.

Future events may be different than those reflected in the management assumptions and estimates used in the preparation of Natixis' financial statements, which may cause unexpected losses in the future

Pursuant to IFRS rules and interpretations in effect as of the present date, Natixis is required to use certain estimates in preparing its financial statements, including accounting estimates to determine loan loss reserves, reserves related to future litigation, and the fair value of certain assets and liabilities, among other items. Should Natixis' determined values for such items prove substantially inaccurate, or if the methods by which such values were determined are revised in future IFRS rules or interpretations, Natixis may experience unexpected losses.

Natixis may incur significant losses on its trading and investment activities due to market fluctuations and volatility

As part of its trading and investment activities, Natixis maintains positions in the fixed income, currency, commodity and equity markets, as well as in unlisted securities, real estate and other asset classes. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular

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market, regardless of market levels. Volatility can also lead to losses relating to a broad range of other trading and hedging products Natixis uses, including swaps, futures, options and structured products.

To the extent that Natixis owns assets, or has net long positions, in any of those markets, a downturn in those markets could result in losses due to a decline in the value of its net long positions. Conversely, to the extent that Natixis has sold assets that it does not own, or has net short positions, in any of those markets, an upturn in those markets could expose it to losses as it attempts to cover its net short positions by acquiring assets in a rising market. Natixis may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn net revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that Natixis did not anticipate or against which it is not hedged, the Group might realize a loss on those paired positions. Such losses, if significant, could adversely affect Natixis' results of operations and financial condition.

Natixis may generate lower revenues from brokerage and other commission- and fee-based businesses during market downturns

Market downturns are likely to lead to a decline in the volume of transactions that Natixis executes for its customers and as a market maker, and, therefore, to a decline in its net banking income from these activities. In addition, because the fees that Natixis charges for managing its customers' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its customers' portfolios or increases the amount of withdrawals would reduce the revenues the Group receives from its asset management and private banking businesses.

Even in the absence of a market downturn, below-market performance by Natixis' asset management business may result in a decline in assets under management (in particular as a result of withdrawals from mutual funds) and in the incentive and management fees Natixis receives.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses

In some of Natixis' businesses, protracted market movements, particularly declines in asset prices, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if Natixis cannot close out deteriorating positions in a timely way. This may especially be the case for assets Natixis holds for which there are not very liquid markets to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivative products traded between banks, may have values that Natixis calculates using models other than publicly quoted prices. Monitoring the deterioration of the prices of such assets is difficult and could lead to losses that Natixis did not anticipate.

Significant interest rate changes could adversely affect Natixis' net banking income or profitability

The amount of net interest income earned by Natixis during any given period significantly affects its overall net banking income and profitability for that period. Interest rates are highly sensitive to many factors beyond Natixis' control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income from lending activities. In addition, increases in the interest rates at which short-term funding is available and maturity mismatches may adversely affect Natixis' profitability. Increasing or high interest rates and/or widening credit spreads, especially if such changes occur rapidly, may create a less favorable environment for certain of Natixis' businesses.

An interruption in or a breach of Natixis' information systems, or those of third parties, may result in lost business and other losses

As with most other banks, Natixis relies heavily on communications and information systems to conduct its business, as its activities require it to process a large number of increasingly complex transactions. Any failure or interruption or breach in security of these systems could result in failures or interruptions in customer relationship management, general ledger, deposit, trading and/or loan organization systems. If, for example, Natixis' information systems failed, even for a short period of time, it would be unable to serve some customers' needs in a timely manner and could thus lose their business. Likewise, a temporary shutdown of Natixis' information systems, despite back-up recovery systems and contingency plans, could result in considerable information retrieval and verification costs, and even a decline in its proprietary businesses if, for instance, such a shutdown occurs during the implementation of its hedging policies. The inability of Natixis' systems to accommodate an increasing volume of transactions could also constrain its ability to expand its businesses.

Natixis also faces the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries or outside vendors it uses to facilitate its securities transactions. As its interconnectivity with its customers grows, Natixis may also increasingly face the risk of operational failure with respect to its customers' systems. Natixis cannot provide assurances that such failures or interruptions in its systems or in those of such other parties will not occur or, if they do occur, that they will be adequately addressed.

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Unforeseen events can interrupt Natixis' operations and cause substantial losses and additional costs

Unforeseen events like severe natural disasters, pandemics, terrorist attacks or other states of emergency can lead to an abrupt interruption of Natixis' operations and, to the extent not covered by insurance, can cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events may additionally disrupt Natixis' infrastructure, or that of third parties with which it conducts business, and can also lead to additional costs (such as relocation costs of employees affected) and increase Natixis' costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase Natixis' global risk.

Natixis may be vulnerable to political, macroeconomic and financial environments or circumstances specific to the countries where it does business

Natixis is subject to country risk, which is the risk that economic, financial, political or social conditions in a foreign country will affect its financial interests. Natixis does business throughout the world, including in developing regions of the world commonly known as emerging markets. In the past, many emerging market countries have experienced severe economic and financial disruptions, including devaluations of their currencies and capital and currency exchange controls, as well as low or negative economic growth. Natixis' businesses and revenues derived from operations and trading outside the European Union and the United States, although limited, are subject to risk of loss from various unfavorable political, economic and legal developments, including currency fluctuations, social instability, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets and changes in legislation relating to local ownership.

Natixis is subject to extensive supervisory and regulatory regimes in France and in the many countries around the world in which it operates; regulatory actions and changes in these regulatory regimes could adversely affect Natixis' business and results

A variety of supervisory and regulatory regimes apply to Natixis in each of the jurisdictions in which it operates. Non-compliance could lead to significant intervention by regulatory authorities and fines, public reprimand, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate. The financial services industry has experienced increased scrutiny from a variety of regulators in recent years, as well as an increase in the penalties and fines sought by regulatory authorities.

Natixis' businesses and earnings can be affected by the policies and actions of various regulatory authorities of France, other European Union or foreign governments and international agencies. Such constraints could limit Natixis' ability to expand its business or to pursue certain activities. The nature and impact of future changes in such policies and regulatory action are unpredictable and are beyond Natixis' control.

Such changes could include, but are not limited to, the following:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Natixis operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework, which are scheduled to change significantly in the near future;
- changes in the competitive environment and pricing practices;
- changes in the financial reporting environment;
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership;
- any adverse change in the political, military or diplomatic environments creating social instability or an uncertain legal situation capable of affecting the demand for the products and services offered by Natixis.

Tax laws and their interpretation in France and in the countries in which Natixis does business may significantly affect Natixis' results

As a multinational banking group involved in complex and large-scale cross-border transactions, Natixis is subject to tax legislation in a number of countries. Natixis structures its business globally in order to optimize its effective tax rate. Modifications to the tax regime by the competent authorities in those countries may have a significant effect on Natixis' results. Natixis manages its business so as to create value from the synergies and commercial capacities of its different entities. Natixis also endeavors to structure the financial products sold to its clients in a tax-efficient manner.

The structures of Natixis' intragroup transactions and of the financial products sold by Natixis are based on its own interpretations of applicable tax laws and regulations, generally relying on opinions received from independent tax counsel, and, to the extent necessary, on rulings or specific guidance from competent tax authorities. There can be no assurance that the tax authorities will not seek to challenge such interpretations, in which case Natixis could become subject to tax claims.

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A failure of or inadequacy in Natixis' risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses

Natixis' risk management techniques and strategies may not effectively limit its risk exposure in all economic market environments or against all types of risk, including risks that Natixis fails to identify or anticipate.

The risk management techniques and strategies used may also not effectively limit its risk exposure in all market patterns. These techniques and strategies may not be effective against certain risks, particularly those that Natixis has not previously identified or anticipated. Some of Natixis' qualitative tools and metrics for managing risk are based upon its use of observed historical market behavior. Natixis applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors Natixis did not anticipate or correctly evaluate in its statistical models. This would limit Natixis' ability to manage its risks. Natixis' losses could therefore be significantly greater than the historical measures indicate. In addition, Natixis' quantified modeling does not take all risks into account. Natixis' qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. See "Risk Management" below for a more detailed discussion of the policies, procedures and methods Natixis uses to identify, monitor and manage its risks.

Natixis' hedging strategies may not prevent losses

If any of the variety of instruments and strategies that Natixis uses to hedge its exposure to various types of risk in its businesses is not effective, Natixis may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if Natixis holds a long position in an asset, it may hedge that position by taking a short position in an asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, Natixis may only be partially hedged, or these strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also affect Natixis' hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in Natixis' reported earnings.

Natixis may have difficulty in identifying, executing and integrating an external growth policy in its acquisitions or joint ventures

Even though external growth is not expected to constitute the major part of its strategy in the future, Natixis may nevertheless consider external growth opportunities from time to time. Even though Natixis expects to review the companies it will acquire or joint ventures into which it will enter, it is generally not feasible for these reviews to be comprehensive in all respects. As a result, Natixis may have to assume unanticipated liabilities, or an acquisition or joint venture may not perform as well as expected. In addition, it might have difficulty integrating any entity with which it combines its operations. Failure to complete announced business combinations or failure to integrate acquired businesses or joint ventures successfully into Natixis' businesses could materially adversely affect the group's profitability. It could also lead to departures of key employees, or lead to increased costs and reduced profitability if Natixis felt compelled to offer them financial incentives to remain. In the case of joint ventures, Natixis is subject to additional risks and uncertainties in that it may be dependent on, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under its control. In addition, conflicts or disagreements between Natixis and its joint venture partners may negatively impact the benefits intended to be achieved by the joint venture.

Intense competition, both in Natixis' home market of France, where it has the largest single concentration of its businesses, as well as internationally, could adversely affect the Group's net banking income and profitability

Competition is intense in all of Natixis' primary business areas in France and the other countries in which it conducts large portions of its business. Consolidation, both in the form of mergers and acquisitions and by way of alliances and cooperation, is increasing competition. Consolidation has created a number of firms that, like Natixis, have the ability to offer a wide range of products and services. Natixis competes on the basis of a number of factors, including transaction execution, its products and services, innovation, reputation and price. If Natixis is unable to continue to respond to the competitive environment in France or in its other major markets with attractive product and service offerings that are profitable for the group, it may lose market share in important areas of its business or incur losses on some or all of its activities. In addition, downturns in the French economy could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for Natixis and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favorable terms. Technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new entrants may exert downward price pressure on Natixis' products and services or may affect its market share.

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Changes in exchange rates could significantly affect Natixis' results

Natixis conducts a significant portion of its business overseas, in particular in the United States, and its net banking income and results of operations could be affected by exchange rate fluctuations. While Natixis incurs expenses in currencies other than the euro, the impact of these expenses only partially compensates for the impact of exchange rate fluctuations on net banking income. Natixis is particularly vulnerable to fluctuations in the exchange rate between the United States dollar and the euro, as a significant portion of its net banking income and results of operations is earned in the United States (approximately 25% of adjusted net banking income in 2005).

In the context of its risk management policies, Natixis enters into transactions to hedge its exposure to exchange rate risk. However, these transactions may not be fully effective to offset the effects of unfavorable exchange rates on Natixis' operating income.

Natixis' profitability and business prospects could be adversely affected by reputational and legal risk

Various issues may give rise to reputational risk and cause harm to Natixis and its business prospects. These issues include inappropriately dealing with potential conflicts of interest; legal and regulatory requirements; ethical issues; money laundering laws; information security policies and sales and trading practices. Failure to address these issues appropriately could also give rise to additional legal risk to Natixis, which could increase the number of litigation claims and the amount of damages asserted against Natixis, or subject it to regulatory sanctions *(see "Legal Risks" in the management report)*.

RISK MANAGEMENT

A description of Natixis' risk management policy and practices is given in *Chapter IV* of the annual report, in the Management Report.

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Management report

METHODOLOGICAL INFORMATION

- The consolidated financial information in this report is presented on a pro forma basis, i.e. as if Natixis had been created on January 1, 2005.
- Several adjustments have been made to 2005 pro forma accounting information in order to improve the economic comparability of the bank's 2005 results with those of 2006 and future years.

The majority of these adjustments were identified as "adjusted economic income" for 2005, as reported in Document E. This concerns adjustments relating to: (i) the consolidation over 12 months in 2005 of the entities making up CACEIS (included in the pro forma consolidated financial statements as of July 2005) and Nexgen (accounted for under the equity method until December 31, 2005, in the pro forma consolidated financial statements); (ii) the neutralization of Ixis CIB's non-recurring day-one profit (loss); (iii) the reclassification as net banking income (rather than a reduction in tax charges) of certain tax savings at Ixis CIB in accordance with the principles adopted by the bank as of January 1, 2006; (iv) the reclassification of certain expenses as deducted from net banking income.

Certain 2005 pro forma income statement items have been subject to minor adjustments compared with those published in Document E:

- reclassification from net banking income to expenses (€62.7 million) for the Asset Management and Services divisions in order to harmonize the presentation standards of certain entities transferred with those of the Natixis Group;
- the transfer of other net banking income (€58.4 million) to Corporate and Investment Banking, mainly due to changes in the bank's organizational structure since the publication of the 2005 pro forma financial statements.

These additional adjustments do not impact the group's net income.

(in € millions)	2005 Oct 17, 2006	2005 revised	Difference
NET BANKING INCOME	**6,068.5**	**6,005.8**	**(62.7)**
Net banking income of core businesses	**6,133.1**	**6,128.8**	**(4.3)**
CIB	2,690.4	2,748.8	58.4
Asset Management	1,237.7	1,222.4	(15.3)
Services	1,096.1	1,045.5	(50.6)
Receivables Management	785.1	785.1	-
PEPB	275.8	275.8	-
CIFG	48.0	51.2	3.2
Other net banking income	**(64.6)**	**(123.0)**	**(58.4)**
EXPENSES	**(4,147.0)**	**(4,084.3)**	**62.7**
GROSS OPERATING INCOME	**1,921.5**	**1,921.5**	**-**
NET INCOME (GROUP SHARE)	**1,727.0**	**1,727.0**	**-**

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ECONOMIC AND FINANCIAL CONDITIONS

Like 2005, 2006 was an extremely positive year for the financial markets, with nearly all asset classes delivering an excellent performance. In equities, the MSCI World Index gained over 20% (in dollars). The general climate remained largely favorable, with acceleration in worldwide growth, continuing abundant liquidity and general interest rates supporting the search for returns. The highlight of the year was probably the ongoing reduction in volatility in nearly all markets, favoring carry trade transactions. This was supported by a low level of macroeconomic uncertainty, a solid microeconomic business environment and the lack of event risk, which some had expected to re-emerge as a result of investment transactions in particular.

In the United States, where the risk of inflation predominated at the start of the year, the possibility of price acceleration created concerns about an overreaction by the Federal Reserve, resulting in a sharp downturn in the stock markets and emerging debt. From the end of the summer, the risk of inflation was superseded by concerns about the sudden slowdown in the US real estate market impacting the rest of the economy: GDP increased by a modest 2.1% on an annualized basis in the third quarter, with residential real estate investment falling by 18%. The division of value-add remained highly favorable for business and profits were at their highest level in 40 years, highlighting the lack of risk of inflation by wage costs.

Meanwhile, in the eurozone, signs of more solid demand were observed. The job market saw notable improvement, with unemployment falling from 8.3% at the start of the year to 7.7% in November, its lowest level since April 2001. Industrial confidence indicators peaked at the end of 2006 and did not seem to show any concerns about the 3 percentage point VAT increase planned for Germany in January 2007. The end of 2006 was marked by a cyclical gap between the hesitant US economy and growth of 2.7% in the eurozone, with growth of just 2% in France. This cyclical gap explained the rise in the euro against the dollar at the end of the year, reflecting the differing outlooks concerning monetary policy.

The slowdown in inflation from 4% in January to 1.3% in November in the United States and from 2.4% to 1.6% in the eurozone was largely due to the development of energy prices: Brent rose from $61.6 per barrel at the start of the year to a peak of $78.7 in August, ending the year at $63. The risk of inflation was nevertheless highlighted by the Federal Reserve (with unemployment at 4.5%, tensions in the job market remain significant), as well as by the European Central Bank, which is wary of the inflexibility of credit growth in relation to higher interest rates.

Differing trends in monetary policy were seen in 2006: the Federal Reserve's normalization phase was cut off by the sudden fall in construction. Meanwhile, the Bank of Japan was hesitant about raising interest rates against the backdrop of inflation - while positive - still very close to zero. Despite fairly brisk growth and a strong rebound in property prices, the Bank of England did not raise its base rate over 5%. Only the European Central Bank made regular adjustments to its monetary policy, carrying out what it describes as "gradual normalization". The year ended with experts expecting a rate cut in the United States in spring 2007, hardening in Japan and the eurozone and a long-standing status quo in the United Kingdom.

This backdrop of differences in monetary policy and cyclical normalization was fitting for significant movements in exchange rates. In China, where extensive intervention avoids any sharp falls in the dollar, the renminbi rose by 3%. This movement was accompanied by a widespread increase emerging Asian currencies against the dollar. However, this movement was modest compared with the rise in the euro (from 1.19 to 1.32) and sterling (from 1.73 to 1.95) against the dollar. The most erratic development was that of the dollar against the yen. The sharp rise in the yen following the abandonment of the Bank of Japan's zero interest rate policy in April (from 118 to 110) was followed by a continuing fall in the Japanese currency, which ended the year at 117. Having initially expected an aggressive stance from Bank of Japan, experts have cut their rate increase expectations and maintained their carry trade strategies of borrowing in yen and investing in higher-yield currencies. Against this backdrop, the euro reached its highest ever level against the yen of 154.5.

In the bond markets, yield curves continued to flatten out significantly. The most notable movement was seen in the European yield curve, with the spread between 10-year and two-year yields falling from 45 basis points to 0 at the end of the year. In the United States, the curve fell from 10 basis points, ending the year inverted by 12 basis points. Overall, the spread between US and German 10-year yields narrowed from 105 to 80 basis points.

Against this backdrop, the stock markets saw another year of double-digit growth. However, the end of the spring was marked by a significant fall in most of the global indices relating to the possibility of a sharper increase in short-term rates in the United States and growth in energy prices peaking ($78 per barrel). The fall was spectacular - with the CAC 40 losing 13.2% and the Dow Jones 8% - but short lived. French and US indices ended the year up 16.6% and 14.8% respectively. Unlike in previous years, there was no notable outperformance by the European indices. Their comparative advantage in terms of valuations (European P/E ratios suggest that equities are less "expensive") was counterbalanced partly by a higher risk of rate increases and the rise in the euro at the end of the period.

Overall, global growth was robust in 2006, driven by the strong momentum of Asia (including Japan), slight improvement in Europe and moderate inflation on the other side of the Atlantic. In the absence of any major inflation shocks (less tension in oil prices and improvement in the job market, but with no excessive wage tensions), Central Banks were not forced to overreact. Meanwhile, interest rates remained low. Coupled with non-inflationary growth, low long-term rates increased investors' appetite for risk, particularly as China and oil-producing nations continued to support the dollar - at least implicitly: exchange rate fluctuations above all reflected cyclical differences and differences in monetary policy.

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REVIEW OF OPERATIONS AND RESULTS

Summary consolidated results. Key figures

(in € millions)	2005 pro forma	2006 pro forma	Change	
Net banking income	**6,005.8**	**7,321.5**	+**22**%	+**1,315.7**
Net banking income of core businesses	**6,128.8**	**7,509.9**	+**23**%	+**1,381.1**
CIB	2,748.8	3,494.4	+27%	+745.6
Asset Management	1,222.4	1,497.4	+23%	+275.0
Services	1,045.5	1,150.6	+10%	+105.1
Receivables Management	785.1	839.7	+7%	+54.6
PEPB	275.8	449.1	+63%	+173.3
CIFG	51.2	78.7	+54%	+27.5
Other net banking income	**(123.0)**	**(188.4)**	+**53**%	**(65.4)**
Operating expenses	**(4,084.3)**	**(4,967.3)**	+**22**%	**(883.0)**
Cost/income ratio	68.0%	67.8%		
Gross operating income	**1,921.5**	**2,354.2**	+**23**%	+**432.7**
Loan loss provisions	(111.5)	(49.8)	-55%	+61.6
Operating income	**1,810.0**	**2,304.4**	+**27**%	+**494.4**
Gains or losses on other assets	98.0	14.5		(83.5)
Share of income of associates	596.0	678.8		+82.8
Change in value of goodwill	2.0	(2.9)		(4.9)
Earnings before tax	**2,506.0**	**2,994.7**	+**20**%	+**488.7**
Tax	(711.0)	(732.8)	+3%	(21.9)
Minority interests	(68.0)	(103.7)	+52%	(35.7)
Profit on ordinary activities	**1,727.0**	**2,158.2**	+**25**%	+**431.2**
Restructuring costs net of tax	0.0	(58.4)		(58.4)
NET INCOME (GROUP SHARE)	**1,727.0**	**2,099.8**	+**22**%	+**372.8**

- Natixis' pro forma **net banking income** totaled €7,322 million in 2006, an increase of 22% compared with 2005. There was no currency impact as the average dollar exchange rate remained more or less unchanged year-on-year.

  Net banking income generated by the core businesses came to €7,510 million, up €1,381 million or 23% compared with 2005. In a favorable economic and financial climate, all of Natixis' business lines achieved strong growth in 2006, with a particularly notable performance for Corporate and Investment Banking (net banking income up €746 million or 27%), Asset Management (net banking income up €275 million or 23%) and Private Equity and Private Banking (up €173 million or 63%).

  Other net banking income was negative at -€188 million, down €65 million compared with 2005, mainly due to the increased cost of financing for cooperative investment certificates (€50 million) relating to the impact of higher interest rates and the introduction of fixed-rate refinancing at the end of 2006.

  Net banking income from international activities represented 47% of Natixis' net banking income in 2006 compared with 43% in 2005.

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- "Ordinary" operating expenses (excluding restructuring costs and charges relating to the creation of Natixis) totaled €4,967 million, in line with growth in net banking income. This increase of €883 million compared with 2005 related to several factors:
  - heavy investment in human resources (increase of 1,418 in the number of full-time equivalent employees compared with end-2005), equipment (updating of business and management products) and international operations as part of the bank's ambitious expansion plans;
  - variable remuneration, which increased sharply in relation to 2005 due to significant improvement in the performance of the Corporate and Investment Banking and Asset Management divisions and, to a lesser extent, the alignment of compensation paid in the former Corporate and Institutional Banking and Markets division with that of Ixis CIB;
  - the increase in expenses relating directly to business lines' activities: set-up costs for the Corporate and Investment Banking division, structuring and investment charges for the Private Equity division, "Organic" tax etc.
- The cost/income ratio remained stable in relation to 2005 at 67.8%.
- Natixis also incurred costs of €86 million relating to its creation in 2006, including:
  - restructuring costs of €45.5 million (advisory fees, property and IT write-offs relating to decisions concerning offices and the organizational structure at end-2006, initial IT and logistics equipment);
  - costs of €40.7 million relating to the "Champion" program and the market transaction (advisory banks, statutory auditors, expert appraisers, lawyers), promotional expenses (advertising campaign for the share incurred by Natixis) and events-related expenses (road shows).
- Gross operating income (before merger-related costs) came to €2,354 million, up €433 million or 23% compared with 2005.
- In a continuing favorable climate, impairment charges and other credit provisions came to €49.8 million in 2006, including reversals of collective provisions of €0.9 million and charges to provisions for specific risks of €50.7 million.
- Equity investments (€679 million), which comprise primarily the contribution from cooperative investment certificates, increased by 14% or €83 million compared with 2005.
- Gains and losses on disposals of fixed assets, which in 2005 included the capital gain of €95 million on the sale of the Liberté II building, came to just €15 million in 2006.
- Deducting a tax charge of €733 million and minority interests of €104 million, net income (Group share) totaled €2,158 million in 2006, up 25% compared with 2005. After restructuring costs and other merger-related expenses net of tax of €58 million, net income (Group share) was €2,100 million, an increase of 22% compared with 2005.

ROE was 13.9% in 2006 compared with 12% pro forma in 2005.

Contribution of core businesses to consolidated income

Natixis' activities are organized into six core businesses:

- Corporate and Investment Banking, formed from the merging of Natexis Banques Populaires' Corporate and Institutional Banking and Markets division's activities with those of Ixis CIB and GCE Bail;
- Asset Management, which comprises the activities of Ixis Asset Management Group and Natexis Asset Management;
- Services, comprising six business lines: two business lines relating to transaction processing (Securities and Payments) and four business lines offering products and services distributed mainly by the retail banking network (Insurance, Sureties and Financial Guarantees, Consumer Finance and Employee Benefits Planning);
- Private Equity and Private Banking, with Natixis Private Equity (private equity) and Banque Privée Saint Dominique, Natixis Private Banking Luxembourg and Compagnie 1818 (private banking);
- Receivables Management with Coface, Natixis Factor and GCE Affacturage.

Retail Banking, through the consolidation under the equity method of 20% of income generated by the Banque Populaire and Caisse d'Epargne networks from cooperative investment certificates.

In addition to these core businesses, CIFG is a subsidiary dedicated to monoline insurance.

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2006 PRO FORMA RESULTS BY BUSINESS LINE (EXCLUDING RESTRUCTURING CHARGES)

(in € million)	CIB	Asset management	Services	Receivables Management	PEPB	CIFG	Retail banking	Other	Total
Net banking income	**3,494**	**1,497**	**1,151**	**840**	**449**	**79**	**NA**	**(188)**	**7,322**
Operating expenses	(2,105)	(1,112)	(768)	(604)	(147)	(42)	NA	(190)	**(4,967)**
Gross operating income	**1,389**	**386**	**383**	**235**	**302**	**37**	**NA**	**(378)**	**2,354**
Loan loss provisions	(10)	1	(13)	(11)	(7)	0	NA	(10)	**(50)**
Profit on ordinary activities	**943**	**266**	**238**	**145**	**229**	**22**	**487**	**(172)**	**2,158**
Normal capital	6,273	269	1,421	958	240	467	2,552	3,324	**15,504**
ROE	15.0%	98.9%	16.8%	15.1%	95.6%	4.7%	19.1%	NA	**13.9%**
Cost/income ratio	60%	74%	67%	72%	33%	53%	NA	NA	**68%**

Comments on the methodology used:

Each business line has its own average allocated capital.

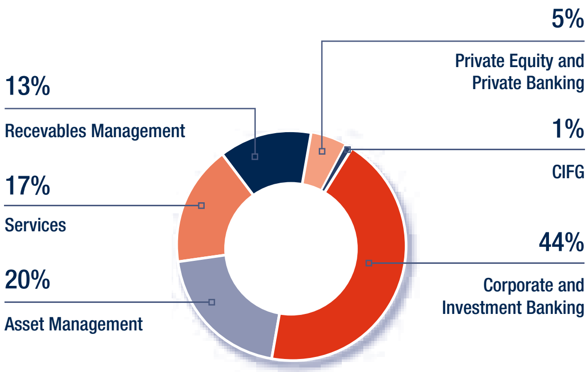
Several analytical adjustments have been made to the results of entities comprising the various core business lines:

- *business lines benefit from return on average allocated capital;*
- *return on company shareholders' capital of entities making up the business lines is neutralized;*
- *all goodwill carrying costs are borne by the corporate center;*
- *the business lines are charged an amount representing the majority of the group's overhead costs; the proportion not charged to the business lines represents 2% of the group's total expenses.*

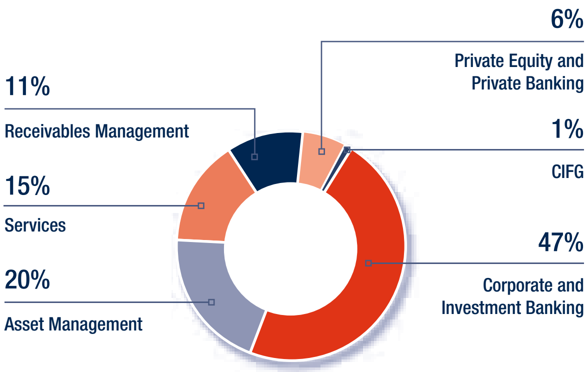
NET BANKING INCOME BY BUSINESS LINE

Compared with 2005, the contribution of the various business lines to the group's net banking income changed slightly to the benefit of Corporate and Investment Banking in 2006.

NET BANKING INCOME IN BUSINESS LINE PRO FORMA 2005



NET BANKING INCOME BY BUSINESS LINE PRO FORMA 2006



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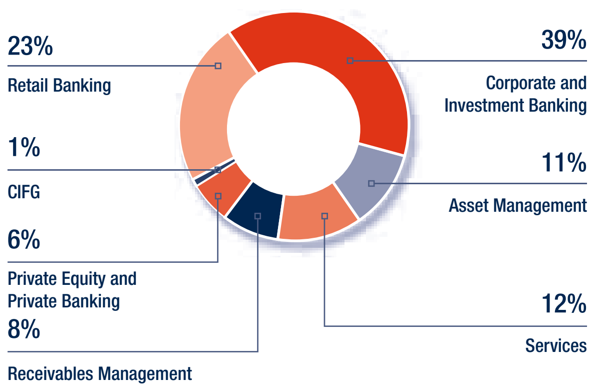
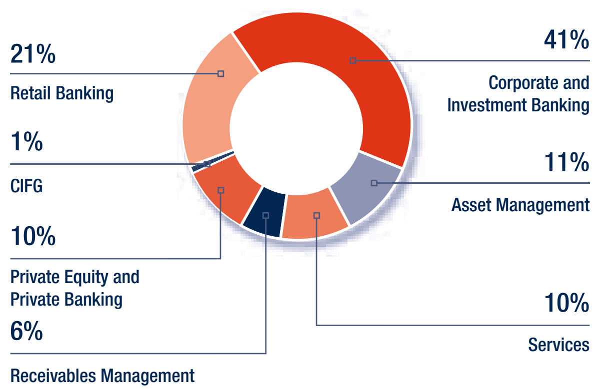
NET INCOME (GROUP SHARE) BY BUSINESS LINE

The contribution of the various business lines to net income (Group share) did not change as significantly, benefiting the Private Equity and Private Banking division due to a limited increase in expenses and favorable taxation.

NET INCOME (GROUP SHARE) BY BUSINESS LINE PRO FORMA 2005



NET INCOME (GROUP SHARE) BY BUSINESS LINE PRO FORMA 2006

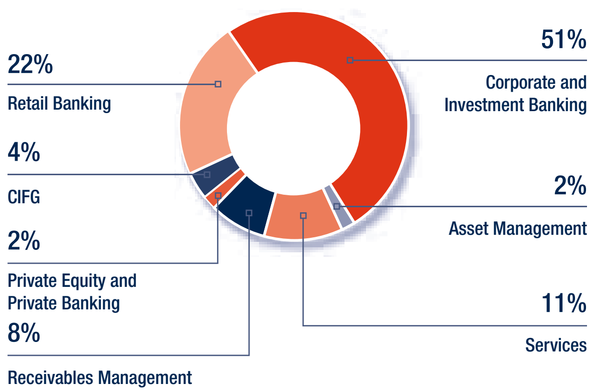


Through income relating directly to the recognition under the equity method of cooperative investment certificates, the Retail Banking division generated 21% of Natixis' net income. Including products and services distributed by the retail banking networks, the Retail Banking division accounted for 36% of Natixis' net income (Group share).

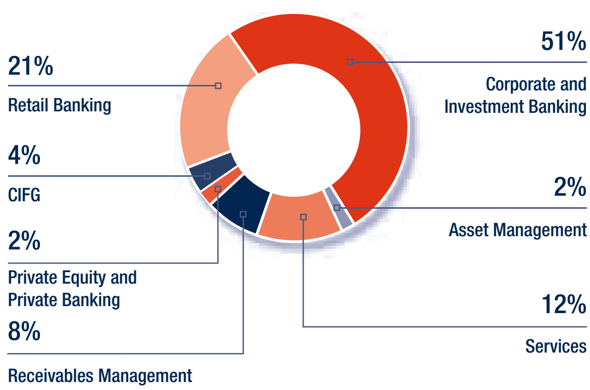
AVERAGE CAPITAL BY BUSINESS LINE

The breakdown of average capital by business line remained stable in relation to 2005.

AVERAGE CAPITAL BY BUSINESS LINE PRO FORMA 2005



AVERAGE CAPITAL BY BUSINESS LINE PRO FORMA 2006



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ANALYSIS OF THE BUSINESS LINES

Corporate and Investment Banking

Introduction

(in € millions)	Pro forma 2005	Actual 2006 pf	Act. 2006 / pf 2005 amount	%
Average allocated capital	5,372	6,273	+901	+17%
Average equity	1,166	1,246	+80	+7%
Net banking income	**2,748.8**	**3,494.4**	**+745.6**	**+27%**
Financing activities	1,002.2	1,217.9	+215.7	+22%
Investment activities	1,742.9	2,285.1	+542.2	+31%
Other	3.7	(8.6)	(12.3)	
Operating expenses	**(1,594.2)**	**(2,105.3)**	**(511.1)**	**+32%**
Gross operating income	**1,154.6**	**1,389.1**	**+234.5**	**+20%**
Loan loss provisions	(83.1)	(10.3)	+72.8	(88)%
Earnings before tax	**1,084.7**	**1,387.3**	**+302.6**	**+28%**
Net income (Group share)	**706.4**	**943.0**	**+236.6**	**+33%**
ROE	13.1%	15.0%		
Cost/income ratio	58%	60%		

Another year of strong growth in net banking income (up 27%)

The Corporate and Investment Banking division achieved strong year-on-year growth of 27% in 2006, at the upper end of the range for European banks, thereby confirming the solidity of Natixis' business model. This performance is even more remarkable against the backdrop of the merger.

The division's business profile changed slightly in 2006, with investment banking activities accounting for 65% of net banking income (an increase of 2 percentage points compared with 2005).

With net banking income up 22%, financing activities delivered strong growth, particularly in real estate finance, project finance (infrastructures, PPP*) and LBOs. The current situation of abundant liquidity coupled with strong company performances, favoring access to refinancing, resulted in greater pressure on margins. However, the strategy pursued in 2005 of developing a competitive product offering that is both extensive and innovative, came to fruition: recent measures undertaken have enabled the bank to offer its customers improved financing terms by optimizing sales of structured finance and with the support of reinforced coverage functions. Gains from cross and combined selling therefore doubled in relation to last year.

With net banking income up 31%, investment banking activities benefited from favorable global market conditions.
Capital market activities saw exceptional growth in 2006, with efforts still focused on two priority areas: adapting the range of new and structured products (structured products based on alternative investment funds such as CPPI, structured fixed income and equity derivatives) and strengthening the bank's position among all institutional and corporate clients. The takeover of Nexgen Financial Solutions generated additional revenue flows in the buoyant corporate finance segment, while teams at Lazard-Ixis and Natexis Bleichroeder were involved in a number of high profile equity capital market transactions (Natixis, Icade, EDF Energie, BNP Paribas, Vinci, ADP, Korian etc.).

Securitization activities, based mainly in New York, Paris and London, reported record volumes. Continuing low long-term rates on both sides of the Atlantic buoyed investor demand for these more lucrative asset classes (CMBS, ABS etc.). CDO/CLO activities also saw strong growth, with the bank's teams ranked No. 1 bookrunner for arbitrage CLOs worldwide in terms of issue volumes[10].

Expenses up 32%

The increase in expenses related to several factors:

- higher performance-related variable remuneration;

** Public Private Partnerships*

(10) Source: Asset-backed Alert.

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- a 12% increase in the average number of full-time equivalent employees, including over 50% outside France, which - in addition to the impact in terms of the wage bill - automatically generated an equivalent increase in ordinary operating expenses;
- the significant increase in IT expenditure with the implementation of a number of new business applications in 2006.

Increase in profitability indicators

2006 gross operating income came to €1,389 million, an increase of 20% compared with 2005 pro forma. Net income was €943 million, up 33% year-on-year.

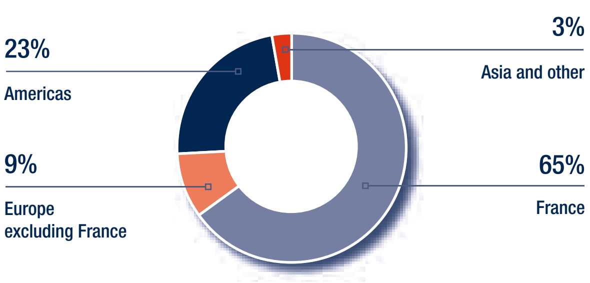
Average risk-weighted assets increased by 17% to €104.5 billion. The rate of return after tax, measured in terms of return on average allocated capital, was 15% compared with 13.1% in 2005.

Net banking income and performance by business area

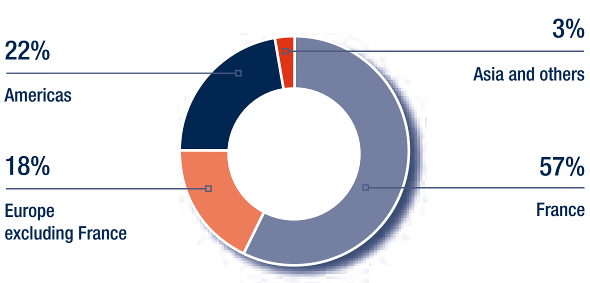
(in € millions)	Actual 2005	Actual 2006	Chg. 2006 / 2005 amount	%
Net banking income	**2,748.8**	**3,494.4**	**+745.6**	**+27%**
Corporate and Institutional Relations	416.3	416.0	(0.3)	-0%
International	133.4	170.8	+37.4	+28%
Structured Finance and Natural Resources	452.5	631.2	+178.6	+39%
Capital markets	1,023.0	1,388.8	+365.8	+36%
Securitization and principal finance	387.3	553.2	+165.9	+43%
Proprietary Management, Credit Portfolio Management, Finance	326.0	334.7	+8.7	+3%
Mergers & Acquisitions	6.6	8.4	+1.8	+27%
Other	3.7	(8.6)	(12.3)	ns

- The division's excellent growth related primarily to securitization and principal finance (net banking income up 43% at €553 million), structured finance and natural resources (up 39% at €631 million) and capital markets activities (up 36% at €1,389 million).
- As a result of the bank's international expansion aims and heavy investment, the proportion of net banking income generated outside France totaled 43% compared with just 35% the previous year, with a significant increase in Europe, representing 18% of Corporate and Investment Banking net banking income in 2006 compared with just 9% in 2005. The performance of the bank's international activities was driven by operations in London (arbitrage and new real estate financing and securitization activities).

2005 NET BANKING INCOME BY REGION



2006 NET BANKING INCOME BY REGION



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Corporate and Institutional Relations

The Corporate and Institutional Relations unit generated net banking income of €416 million in 2006, stable in relation to 2005. Growth in the leasing business was absorbed by the impact of deterioration in margins on corporate finance net banking income, as well as the decline in payment flows activities.

Average risk-weighted assets increased by 4% to €24.1 billion.

Corporate

New production in corporate finance activities amounted to €9.1 billion in 2006, compared with €9.3 billion in 2005. The granting of loans and credit lines was balanced out in 2006 (representing 50% of production respectively) compared with 2005, when a large part of new loan production related to back-up credit facilities (80% of credit lines and 20% of loans) due to particularly attractive rates during the period.

Average outstandings remained stable (down 1% in relation to 2005): control of outstandings was one of the main challenges facing the bank in 2006.

Payment flows

In a market dominated by the falling prices for payment methods, continuing severe competitive pressure and rationalization of bank pools through invitations to tender, the payment flows business grew further in 2006 in terms of both commercial financing volumes (up 10%) and the number of transactions processed (up 11%).

This growth stemmed from the significant increase in transactions with certain groups (France Telecom, Axa, Sanofi) and the effects of tenders for bids won in 2005.

In addition, the SOFRES study confirmed further improvement in the quality of transaction processing (overall score of 8.2 compared with 8 in the 2004 survey).

The range of products and services available on the portal was enhanced, in particular with the launch of Actiflow, the Group's cash management product (Natixis/Banque Populaire banks).

Leasing

New production increased by 12% against the backdrop of significant deterioration in margins.

In equipment lease financing, production totaled €1.6 billion, an increase of close to 16%, thanks to acceleration in the fourth quarter of the year. The deterioration in margins since the end of 2005 stabilized. The long-term leasing business reported new business of €29 million, up 13% on 2005. The number of vehicles under management was close to 4,000.

In property leasing and Sofergie financing, new production totaled €670 million, in line with 2005, with a further strong performance in Sofergie financing relating to the financing of wind energy projects. The property leasing activities of the Banque Populaire banks remained robust, representing €358 million (up 13%). Margins on property leasing and Sofergie financing activities remained stable compared with the previous year.

New business outside France (€138 million) increased by nearly 50% year-on-year.

Average outstandings increased by 7% to €6.5 billion at end-2006.

International activities

As a result of the group's robust international activities, new medium and long-term loan production increased by 60% or €3.6 billion year-on-year to €9.5 billion.

This growth related mainly to Financial Institutions, generating new loan production of €4 billion in 2006, an increase of 97% or €2 billion compared with 2005, relating primarily to the London office (increase of €1.2 billion), which - in addition to a number of transactions with big-name clients - won a significant number of new mandates (Reserve Bank, Merrill Lynch Int, Bears Sterns, Close Brothers, National Bank of Egypt).

Corporate Financing delivered new production of €4.9 billion, an increase of €1.4 billion compared with 2005, of which 90% relates to European offices, which focused on developing the customer base by including mid-corporates.

Global Trade Services, which was restructured in mid-2006, generated new production of €0.7 billion. The development of this business is now based on three main pillars:

- the search for buyer credit mandates offering higher value-add with only international customers;
- growth in trade finance volumes;
- increased cross-selling of international contracts, mainly with the Structured Finance and Natural Resources and Capital Markets divisions.

International entities accounted for 87.4% of total new medium and long-term loan production, relating chiefly to the Madrid and London offices, which achieved twice the level of 2005.

As a result of this high level of production, average outstandings increased by 30% year-on-year to €17.4 billion at end-2006.

Due to the deterioration in margins on outstandings, net banking income increased by just €171 million or 28% in 2006.

Structured Finance and Natural Resources

Against the backdrop of deterioration in margins, the Structured Finance and Natural Resources division achieved a 40% increase in net banking income to €631 million, reflecting robust business in its areas of activity over the year. This strong performance resulted in an increase in average risk-weighted assets of nearly 50% to €26.8 billion.

Natural Resources & Related Industries

- **New production** totaled €1,903 million in 2006, an increase of 27% or €419 million compared with 2005. Activities in the energy sector (€1,210 million) accounted for 64% of new production.

  Average outstandings (€8.6 million) increased by 43% or €2.6 billion in relation to 2005. This was largely thanks to activities in the energy sector, with average outstandings

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rising by 41% or €1.7 billion year-on-year to €5.8 billion, due to high oil prices (average price of $65 in 2006 versus $54 in 2005), large traders' needs for facilities and major deals signed in the course of the year (Roseneftgas and Sonangol, Maurel & Prom etc.), as well as robust business among medium-sized traders.

Risk-weighted assets totaled €6.6 billion at the end of the year, up from €5.9 billion one year previously.

- **Net banking income increased** significantly, despite adverse market conditions (fierce competition, relaxation of credit structures and longer loan terms, high liquidity and pressure on margins). However, this was attenuated in the fourth quarter. The majority of net banking income still came from activities in the energy sector (57% of total net banking income), despite strong growth of 51% in activities in the metals sector.

Structured finance

Acquisitions and LBOs

Acquisitions and LBOs again made the largest contribution to the performance of the Structured Finance and Natural Resources division.

2006 was a busy year, with new production of €3.8 billion: 34 mandates in France (including 12 as lead arranger and six as underwriter), 36 in Europe (including six as underwriter), 67 in the United States (including nine as underwriter) and three in Asia.

Despite deterioration in margins in the market as a whole, margins on outstandings increased in 2006 thanks to the ramp-up of arrangement mandates.

Real estate

Real estate activities saw significant improvement in net banking income compared with 2005.

Business volumes were brisk in 2006, despite a highly competitive climate, as a result of a number of factors:

- Natixis' reputation as a key player in the sector (numerous mandates with big-name clients: Colony, Nexity, Foncière des régions, AxaReim, Kaufman & Broad, Pirelli RE, Deutsche Bank etc.);
- origination in the early stages of transactions;
- expansion of its activities to other European markets (Italy, Germany, Spain);
- winning new investor clients (Bear Sterns, W.P. Carey, Foncière Euris etc.);
- establishing a visible position in mixed real estate/LBO transactions (winning the exclusive mandate for Deutsche Bank RE as part of the acquisition of France Printemps, representing €1 billion);
- confirmation of its penetration of the property investment segment (joint exclusive mandate with RBS for the Gecina/Générale de Santé deal, representing €460 million).

Project finance

Project finance activities generated high new business production of €6.6 billion. This was relatively evenly divided between the different sectors, with a particularly solid performance in PPP/infrastructure finance, benefiting from the resurgence of the French market and the privatization of a number of transport infrastructure projects. Natural Resources financing saw a slight decline in relation to other sectors due to emphasis being placed on three arranger mandates and fewer equity investment opportunities than in other sectors.

Aircraft finance

Natixis Transport Finance generated new production of €1.23 billion in 2006, compared with €468 million in 2005. With the return of a large number of investors and lenders that had left the market in the wake of September 11, 2001, projects on offer are subject to fierce competition and much lower margins. However, the impact of lower margins has been curbed by the launch of new predominantly tax-related products.

Ship and land transportation finance

New business production totaled €1,047 million, representing 40 deals, double the level of 2005. This includes €280 million relating to Korean and French export credits, with a Cooke weighting of 5%. 2006 saw strong growth in arrangement of bilateral or club deals. Of the 40 mandates signed, 21 concerned the bank acting as lead arranger in ship finance projects all over the world.

Syndicated loans

Natixis improved its position in a declining market, winning mandates for 67 syndicated loans in 2006 compared with 90 in 2005. It was also bookrunner 46 times in 2006 (70% of mandates) compared with 45 times in 2005 (50% of mandates). Natixis is ranked No. 15 MLA/bookrunner for the EMEA region (source: IFR).

Due to the highly competitive conditions in this market, Natixis has diversified into more lucrative niche areas with more complex structured credit products, international credit products and small and midcaps.

■ Capital Markets

The Capital Markets division generated net banking income of €1,389 million, up 36% in relation to 2005, with significant year-on-year improvement in all areas.

Fixed income

Fixed income activities were extremely robust in 2006. The flattening of the rate curve generated business for the structured derivatives desks. Meanwhile, following the introduction of IFRS accounting standards, customer turned more to vanilla products, which are insensitive to changes in underlying assets (fair value treatment for derivatives). Volumes doubled in vanilla interest rate derivatives.

The **credit** business was subject to fairly significant tightening of spreads in 2006. This trend was uneven, particularly in May, which was subject to severe market correction in reaction

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to the equity market decline. The Corporate and Investment Banking division strengthened its presence in these markets, with a solid performance in ABS.
The government bonds team was ranked No. 3 French government bond primary dealer ("Spécialiste en Valeurs du Trésor" or SVT) and No. 1 in the qualitative rankings.
In the primary bond market, the Corporate and Investment Banking division climbed the ranks to No. 10 in the global euro league table with 235 public issues and confirmed its position as world No. 4 in the covered bond market carrying out issues worth over €15 billion. It also acted as manager of the first 50-year covered bond issue on behalf of Compagnie du Financement Foncier. This market currently constitutes the bank's second-largest asset class after sovereign bonds.

The **forex** business suffered a decline in margins in vanilla products, validating its business model, which consists of selling the entire product range focusing on value-add and structuring.

Equity derivatives and arbitrage

The **equity derivatives** market benefited from strong business momentum in the core business line (structured derivatives in the form of barrier and digital options). The bank built up its positions by looking for innovative option products combining hybrid underlying assets. For example, in Italy the bank's teams set up a new multi-asset hybrid product allowing investors to combine several asset classes (equities, real estate, interest rates and inflation). On an international level, the Asia-Pacific region was confirmed as the main focus for expansion, with operations currently being rolled out in South Korea, Japan and Hong Kong.
Arbitrage activities benefited from buoyant market conditions in directional investments and M&A transactions. This favorable climate, coupled with the bank's risk control procedures, allowed it to deliver an excellent performance.

The **Equity Finance** business achieved remarkable growth in the volume of transactions. Its activities were driven by both economic conditions and structural factors (improved coverage of all European markets, enlargement of the structured product range, new active counterparties, building of teams etc.).

Brokerage

In a favorable climate, the performance of the various subsidiaries improved significantly in relation to 2005.

Ixis Securities increased its market share significantly in a stock market climate favored by the rise in European indices. However, due to weak volatility, the activity of certain investors was limited. Net banking income improved substantially both in France and abroad, particularly in Germany and the Benelux region. The bank is regularly recognized for the quality of its research, with 25 nominations in the "top three" of the 2006 Thomson-Extel Focus France survey. It is now ranked No. 3 broker in France. 2006 also saw the development of Ixis Midcaps, which was attributed the "Small & Midcaps Expert" label by Euronext.

It was also a busy year for **Natexis Bleichroeder SA**. All segments delivered an excellent performance, including securities lending (with lendings of €3.5 billion at the end of the year), institutional equity sales (with growth of 16.8% in secondary brokerage activities) and electronic execution (net banking income up 22.5%). Natexis Bleichroeder was also involved in major market transactions, including rights issues by BNP Paribas, Vinci and Société Générale as joint lead manager, as well as the privatization of ADP and the placement of Natixis shares.

Commodities trading

The Commodities trading business achieved strong growth in net banking income compared with 2005.
Commodities markets were subject to severe volatility in 2006, with heavy investment in this new asset class (investors looking to diversify their portfolios) and contrasting developments for each product category. Energy products (oil and natural gas) sustained a fall (GSCI Energy index down 22.2%), while base metals and precious metals saw a sharp increase (GSCI Base Metals index up 57.5% and GSCI Precious Metals index up 22.5%).

Natexis Commodity Markets currently trades most commodities (oil, soft commodities, base metals and precious metals). Trading volumes increased significantly to around 2,500 tickets per day, up 65% compared with 2005.

Corporate Finance

2006 was an excellent year for the Corporate Finance unit, with a four-fold increase in net banking income compared with 2005.

It proved to be one of the best years of the decade in the primary equity markets. The Equity Capital Markets business also performed well, benefiting from the partnership between Lazard and Ixis. Teams achieved major successes in IPOs (Icade, Parrot and EDF Energies Nouvelles), the Cap Gemini capital increase to refinance the acquisition of US company Kanbay and as global coordinator of the placement of Natixis shares, representing a total of €5.5 billion.

Ixis Corporate Solutions delivered a strong performance, benefiting fully from the 100% consolidation of Nexgen Financial Solutions from the end of March 2006. This entity comprises nearly 90 people, with a strong international presence and specializing in bespoke financial transactions. The bank was involved in nearly 20 new transactions or the restructuring of existing transactions, including transactions in Korea, Spain, Australia, Dubai and France, as well as three transactions concerning reinsurance. In Alternative Risk Transfer (ART), the bank won a new mandate for AXA for motor insurance risk securitization in Germany, Spain, Italy and Belgium, following the success of the 2005 operation.

The bank saw strong growth in its advisory business, particularly in real estate advisory mandates (for the creation of OPCI real estate investment funds) and in energy-related activities (e.g. negotiating and signing long-term electricity supply contracts for a consortium headed by Alcan).

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Financial Engineering

In an increasingly competitive market, 2006 was an excellent year for the Financial Engineering business.

The Structured Funds team confirmed its position in guaranteed capital structured funds. In France, business was driven by significant growth in this area among bank networks (Crédit Agricole, Caisses d'Epargne).

2006 also saw the launch of the first collateralized fund obligations (CFOs) for structured credit activities placed by the fixed income and equities teams, representing an issue volume of over €550 million.

In the real estate sector, Ixis Capital Partners strengthened its leading position in sale and leaseback transactions in Continental Europe with the acquisition of several real estate portfolios worth a total of €815 million.

Ixis Alternative Investment (IAI), based in London, provided new impetus for the development of alternative investment products. It launched a managed funds platform, characterized by enhanced risk control and transparency for investors. IAI also developed a seeding and incubation program for new hedge fund managers, due to be launched in early 2007. This seeding program will be syndicated to third-party investors and benefit from the Corporate and Investment Banking division's control and marketing infrastructure.

Securitization and Principal Finance

Net banking income totaled €553.2 million in 2006, up 43% compared with 2005.

The Group has a platform for the sale of all structured products - asset backed securities (ABS), residential mortgage backed securities (RMBS) and collateralized debt obligations (CDO) - comprising 80 people covering North America, Europe and Asia. On the strength of its experience, the bank was ranked No. 7 in the world for CDOs in the third quarter of 2006[11].

Ixis Capital Markets sold and securitized over $3 billion of commercial mortgage backed securities (CMBS) as part of seven deals and over $4 billion of asset backed securities (ABS) in eight deals. The subsidiary still enjoys a dominant position in the international market as underwriter for CDO/CLO (collateralized loan obligation) transactions. It structured and placed CLOs worth $14.6 billion in 2006, more than double the level of 2005. In order to accompany its growth, the company has opened new offices in Jersey City, Atlanta and Chicago. It also issued a record $4.8 billion of fixed-rate and floating-rate loans and mezzanine finance for real estate acquisitions and recapitalizations in the United States.

In Europe and Asia, teams won recognition throughout the year in conventional CDO/CLO products (e.g. for AXA and Commerzbank) and hybrid products (credit/interest rate hybrid CDO for CNP, ABS CDO, CDO squared structure for New Bond Street AM). The group was ranked No. 5 in the European CDO league table. The "Classico" deal was one of the highlights of the fourth quarter. Acting as arranger and sole lead manager, Ixis CIB launched its first CMBS deal in Europe, resulting from the combined efforts of the real estate loan origination and securitization teams (CMBS desk in London).

(11) Asset-Backed Alert ranking.

Proprietary Management, Credit Portfolio Management, Finance

This business unit achieved a 3% increase in net banking income in 2006 to €334.7 million thanks to the solid performance of Treasury activities, the ramp-up of Credit Portfolio management and, to a lesser extent, growth in net banking income at ABM LLC, offsetting the decline in Proprietary Management.

Proprietary Management

The Proprietary Management business was affected by mixed market conditions, with very narrow credit spreads at the end of 2006, close to their lowest ever level, while volatility continued to decline throughout the year.

Treasury

Short-term rates increased significantly in 2006. The ECB's key rate rose from 2% at the start of the year to 3.50% at the end of the year in six successive increases of 25 basis points. In the United States, following 17 rate increases in two years, the Federal Reserve decided in July to neutralize its monetary policy, leaving the federal funds rate unchanged at 5.25%. However, this increase in short-term rates had only limited repercussions on the price of money in the long term. The short-term treasury business benefited from successive rate increases thanks to active management of risk limits. In long-term treasury activities, the flattening of the rate curve was offset by particularly dynamic management.

Credit Portfolio Management

The Credit Portfolio Management desk, developed in 2006, paved the way for a dynamic credit risk management policy, ranging from the origination of financing to divestment of exposure on the market or its transformation in the form of investment products.

Services

Since the creation of Natixis, the Services division has comprised two major activities:

- transaction processing, i.e. securities and payments;
- business lines offering products and services distributed mainly by the retail banking network (Insurance, Sureties and Financial Guarantees, Consumer Finance and Employee Benefits Planning).

The Services division generated net banking income of €1,151 million in 2006, an increase of 10% or €105 million. Meanwhile, growth in operating expenses was maintained at 7% or €51 million.
The division therefore benefited from a favorable pincer effect, with a reduction in the cost/income ratio of nearly 2 percentage points year-on-year and gross operating income of €383 million, an increase of 16% or €54 million.

Net income for the Services division increased by 15% or €31 million to €238.2 million, €12 million ahead of target.

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(in € millions)	Pro forma 2005	Actual 2006 pf	Act. 2006 / pf 2005 amount	%
Average allocated capital	1,133	1,421	+289	+25%
Average equity	1,041	1,384	+342	+33%
Net banking income	**1,045.5**	**1,150.6**	**+105.1**	**+10%**
Operating expenses	**(716.7)**	**(767.6)**	**(50.9)**	**+7%**
Gross operating income	**328.8**	**383.0**	**+54.2**	**+16%**
Loan loss provisions	(14.7)	(12.5)	+2.1	(15)%
Earnings before tax	**323.5**	**377.7**	**+54.2**	**+17%**
Net income (Group share)	**207.1**	**238.2**	**+31.1**	**+15%**
ROE	18.3%	16.8%		
Cost/income ratio	69%	67%		

The Services division reflects the challenges of the two distribution networks to which it is attached:

- strong growth in financial savings and life insurance in particular, benefiting life insurance companies and securities activities in France;
- general pressure on margins in the highly competitive retail banking market and gains in market share to the detriment of prices: lower take-up charges in life insurance, lower tariffs for guarantees in real estate loans (-30%), reduction in charges paid on payment methods, pressure on interest rates in consumer finance.

Against this backdrop, the main challenges are improving operating performance and controlling costs. Thanks to the success of the CACEIS project in institutional custody services, the bank now enjoys a leading position in this segment, with net banking income up 14% and expenses more or less stable. The electronic banking partnership agreement with BNP Paribas signed in 2006 is in keeping with this strategy. In revolving credit facilities, the Group is currently finalizing its efforts to develop an offering covering both networks.

Insurance

- This business line was formed from the merging of Natexis Assurances, representing 98% of assets managed, and Foncier Assurances, transferred from CNCE, which holds a stake of 60% (the remainder is owned by Crédit Foncier).
- Natixis Assurances' assets under management increased by 15% thanks to commercial successes in 2005 and 2006 well above the average for the life insurance market. Gross premium inflows increased by 34% in 2006, well above the rate of growth for French bancassurers (20%) and the French market (17%).

  <u>The life insurance business</u> performed particularly well thanks to a number of factors:

  - the launch of Fructi-Pulse as part of the Banque Populaire Group's savings campaign, accompanied by a promotional offer of no take-up costs in the first quarter;
  - transfers of home purchase plans ("plan épargne logement" or PEL) as a result of the change in taxation for plans more than 12 years old;
  - the strong momentum of the life insurance market, which benefited indirectly from the favorable equity market trend. This buoyant climate favored the development of unit-linked products, which saw growth of 60% and now account for 22% of total gross premium inflows;
  - net premium inflows also increased sharply thanks to a combination of this solid business momentum and very moderate growth in paid-for services.
- Against this backdrop, net banking income totaled €244.9 million in 2006, an increase of 16% or €34.7 million compared with 2005.

Financial Guarantees and Sureties

- This business line focuses on sureties (medium and long-term loans to individuals and small businesses) via subsidiary Saccef and financial guarantees (individual home builders, real estate agents, developers, property management companies etc.) via subsidiaries Cegi and Socamab.

  Despite mortgage reforms in France, which forced Saccef to cut its tariffs by 30% as of July 1, 2006, in loans for individuals, as well as intense competition in the corporate market, premium income increased by 5% in 2006, with growth of 3% in the individual loans market.

  Meanwhile, premiums earned increased by €12.7 million or 14% over the year as a result of inventory effects (these premiums are spread out over the duration of loans in Saccef's financial statements).
- Net banking income fell by €11.6 million or 12% to €84.1 million.

  Excluding the provision booked in 2006 to cover an exceptional risk of €24.2 million, net banking income increased by €12.6 million year-on-year.

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Consumer loans

- This new business unit was formed from the merging of NovaCredit and CEFI. It covers two main areas:
  - revolving credit, distributed by both NovaCredit and CEFI through two products - the first characterized by the availability of reserve funds and the "Aurore" card, and the second with a Visa card,
  - personal loans managed exclusively by CEFI.

This business line generated net banking income of €72 million, an increase of €16.6m or 30%. This growth was fueled primarily by "Teoz" loans, as a result of:

- a favorable business trend in 2006, despite a downturn in the second half of the year as a result of the mobilization of the network's sales teams for the launch of Natixis: Teoz loan outstandings totaled €733 million, an increase of 17%;
- the anticipated increase in refinancing;
- and growth in insurance products due to favorable profit-sharing.

Employee Benefits Planning

- 2006 was an eventful year, with the gradual implementation of the Employee Benefits Planning concept, the launch of the "Chèque Emploi Services Universel" (CESU) scheme - vouchers used by households to pay domestic employees - the partnership with Banque Postale for the launch of the "Chèque Cadeau" scheme and the introduction of the French development of employee participation and shareholding act, as published in the Official Journal of December 30, 2006.
- Overall, the Employee Benefits Planning business performed well in 2006 in both employee savings plans and service vouchers. Net banking income increased by €10.5 million or 14% year-on-year to €84.6 million.
  - Natixis is market leader in employee savings plans, which saw strong growth:
    - assets under management from Banque Populaire customers increased by €3.2 billion to €17 billion as a result of net investment of €1.7 billion (EDF, Sanofi-Aventis, Bayer) and the favorable performance of market indices (increase of €1.5 billion), while assets under management from Banque Populaire customers, which represent a small proportion (around 12%), increased by 27%;
    - the number of employee accounts managed rose by 8% to 2,808,961 and the number of companies increased by 17% to 30,189.
  - "Fructilibre" personal loans attached to employee savings plans also saw further growth, with 4,137 new loans granted over the year, generating growth in outstandings of €24 million to €30.1 million at end-2006.
  - The service vouchers business also performed well, with a 12% increase in the number of vouchers issued to 53 million.

Payments

- 2006 was marked by the creation of Partecis, a joint venture between BNP Paribas and Natixis for the implementation of a shared electronic banking platform and the launch of new marketing campaigns such as the "football card".
- The Payments business had a good year in 2006, with net banking income climbing 15% to €161.5 million:
  - the Electronic Banking business saw robust growth over the year among the Banque Populaire regional banks and direct customers:
    - the number of cards in circulation increased by 4% to 3.9 million;
    - the number of cards produced increased by 3% to 2.2 million;
    - the number of clearing transactions increased by 5%;
    - server authorizations increased by 86% due to the transfer of Banque Populaire authorizations to the national platform.
  - The Checks and Payment Systems business delivered a contrasting performance, as a result of:
    - weaker business momentum, with a further downturn in check activities: national check collection down 1% and services down 17%;
  - meanwhile, the Payment Systems business also saw growth of 6% in high-volume transactions using the French Interbank Teleclearing System and a 10% increase in international payments:
    - tariff revisions for the Banque Populaire banks, which sustained a €3.6 million fall in income;
    - gradual use of the new international payments system (STEP 2/TIPA), which generates lower margins.

Securities

- 2006 saw the ramp-up of this business line. With the consolidation of Gestitres, CACEIS (proportionally consolidated at 50%) and Natixis Investor Servicing alongside the Financial Services business, the Securities business line now offers a broad range of custody and account management services for retail banking customers and institutional clients.

  The end of the year was marked by the successful open price offer of Natixis shares, as well as the general meeting resulting in the creation of Natixis. Natixis' Financial Services teams and Gestitres worked alongside the IT teams to handle the unprecedented transaction volumes.
- The Securities business - which now accounts for over 44% of the Services division's net banking income - generated net banking income of €503 million in 2006, an increase of 7% or €34 million compared with 2005.
  - CACEIS, market leader in institutional custody services, achieved significant growth in assets in custody, which totaled €1,787 billion at end-December 2006, an increase

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of €240 million or 15.5% compared with end-December 2005, including €1,626 billion (up 18%) in France. Assets under administration increased by 15% year-on-year or €112.5 billion.

An increase of 13.5% or €79 billion was seen in France, while the strongest growth outside France related to Fastnet Luxembourg (24%) and Fastnet Netherlands (20%).

- Financial Services activities were robust in 2006:
  - assets in custody increased by €84 billion or 20% to €513 billion as a result of the creation of Natixis, accompanying the development of the institutional client base and including negotiable debt securities held in custody using Arpson, representing around €10 billion;
  - the number of stock market orders in France totaled 3,010,000, an increase of just over 22%;
  - meanwhile, volumes on foreign stock markets (250,000 orders executed) fell by 12% year-on-year, while the number of portfolios in custody remained stable at 1,332,000.
- Gestitres' assets in custody remained more or less stable, totaling €105 billion as at December 31.

  Other indicators for the subsidiary also showed significant improvement, with:
  - a slight increase in the number of securities accounts;
  - a 26% increase in the number of stock market orders in France (3.6 million);
  - a 2% increase in the number of mutual fund orders (13.3 million).

Asset Management

Natixis' Asset Management division underwent major expansion in 2005 in all business lines in both Europe and the United States, with total growth in assets under management of €67.3 billion or 13% at constant exchange rates. Assets under management stood at €583 billion at the end of the year.

(in € millions)	Proforma 2005	Actual 2006 pf	Act. 2006 / Pf 2005 amount	%
Average allocated capital	234	269	+35	+15%
Average equity	1,607	1,555	(52)	(3)%
Net banking income	**1,222.4**	**1,497.4**	**+275.0**	**+23%**
Operating expenses	**(908.6)**	**(1,111.6)**	**(203.0)**	**+22%**
Gross operating income	**313.8**	**385.8**	**+72.0**	**+23%**
Loan loss provisions	(2.4)	0.5	+2.9	
Earnings before tax	**320.1**	**396.6**	**+76.5**	**+24%**
Net income (Group share)	**191.9**	**266.3**	**+74.4**	**+39%**
ROE	81.9%	98.9%		
Cost/income ratio	74%	74%		

- Assets under management increased by €67.3 billion at constant exchange rates but just €49.2 billion (or 9%) in real terms, due to the combination of three factors:
  - net new money of €29.9 billion in 2006, up 19% compared with 2005 at constant exchange rates;
  - a record market effect of €37.4 billion, up 14% at constant exchange rates;
  - the fall in the dollar (year-end exchange rate), creating a negative currency impact of €18.1 billion.

(in € billions)	Europe	%	US	%	Asia	%	Total	%
Outstandings end of period	393.9	9%	187.7	22%	1.7	22%	583.3	13%
Net inflows	11.7	na	18.1	88%	0.1	ns	29.9	19%
Market effect	21.5	na	15.7	160%	0.2	(49)%	37.4	14%

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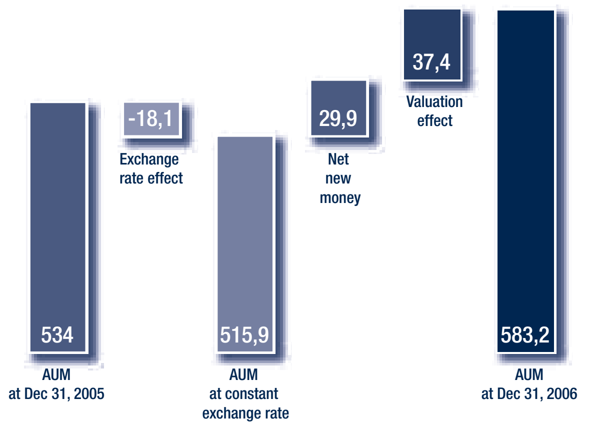
ASSETS UNDER MANAGEMENT AT END-2006
IN € BILLIONS



Natixis' Asset Management division continued to pursue its international strategy in 2006:

- the Asset Management division confirmed its "Franco-American" positioning, with record net new money of €29.9 billion - €11.7 billion in Europe and €18.1 billion in the United States. The Group developed its cross-border business, which represented net new money of €6 billion, coming from France, the United Kingdom, Japan and Australia and going primarily to US bond specialist Loomis Sayles;
- in the predominantly closed-architecture French market, Natixis' Asset Management division benefited from the strong business momentum of its shareholders' networks. Both networks benefited from strong growth in financial savings in 2006 and in life insurance in particular, which represented net new money of €6.3 billion out of a total of €11.7 billion in Europe;
- in the open-architecture US market, thanks to its multi-specialist and federal structure (Ixis AM Global Associates), the bank was able to meet market expectations. Net new money increased by 90% to €18.1 billion, over 44% of which came from Ixis Advisors;
- the Group continued to diversify into higher-margin products, developing its alternative investment and structured product activities, which saw a total increase in assets under management of €5.1 billion;
- Natixis is recognized for the quality of its asset management, receiving distinctions across the range. In the United States, Morningstar won the award for International Equity Fund Manager of the Year. David Herro of Harris Associates and Dan Fuss/Kathleen Gaffney came second in the bond fund category;
- Ixis Advisors' fund families were ranked top by Barron's for their five-year performance and No. 2 for their one-year performance. Also in the United States, the mutual funds range delivered a very satisfying performance: 99% of bond funds were in the top quartile in 2006 and on a medium-term horizon, 52% of all non-money market funds were in the top quartile.

- This remarkable performance enabled Natixis' Asset Management division to generate net banking income of €1.5 billion, an increase of €274 million or 23%.

  Operating expenses increased by 22% to €1.1 billion in 2006.

  - Natixis' Asset Management division achieved further organic growth in 2006, with over 120 new hires including 80 in the United States. The number of employees increased by 5% to 2,595, including over 1,400 in the United States. Payroll costs excluding variable compensation and long-term employee incentive plans rose by 3%;
  - In order to keep up with its expansion, the Group has built up its IT, back office and compliance functions and developed new activities. Operating expenses excluding payroll costs rose by 15%;
  - Variable compensation increased significantly in 2006 as a result of the Group's strong performance and the sharp rise in performance-related commission.

Operating income moved up 23% to €386 million, with an increase of 13% in average assets under management. The cost/income ratio remained stable at 74%.

Europe

- Assets under management in Europe totaled €393.9 billion at end-2006, an increase of 9% or €33.3 billion compared with end-2005.
  - Life insurance premium income was again the main growth driver in France, rising by €14.2 billion, of which €6.3 billion related to new money and €7.9 billion to the market effect.
  - Multi-manager investment (IPCM and NAS) generated net new money of €1.8 billion.
  - Ecureuil Gestion launched six new guaranteed funds in 2006 (Al dente 3 to 8), which more than offset the maturing of three funds. These high added value structured products generated net new money of €0.8 billion in 2006.

United States

- 2006 was a remarkable year in the United States. Assets under management totaled $247.1 billion, an increase of $44.4 billion or 22%;
  - net new money came to $23.8 billion, up from $12.6 billion in 2005, an increase of 88%. As in 2005, Loomis Sayles' range of bond products was the main driver, representing net new money of nearly $19 billion.

    The Group continued its ramp-up in alternative products in the United States, with new money of $2.9 billion compared with $1.8 billion in 2005 (up 61%) via Harris Alternatives and Caspian funds;
  - the market effect represented a record $20.6 billion, driven by strong growth in the equity indices (S&P up 13.6%; Russell 2000 up 23.5%).

Average assets under management rose by $27.8 billion to $206.5 billion at end-2006, an increase of 15.6%, of which 9.4% relates to net new money and 6.2% to the market effect.

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Private Equity and Private Banking

(in € millions)	Pro forma 2005	Actual 2006 pf	Act. 2006 / pf 2005 amount	%
Average allocated capital	175	240	+64	+37%
Average equity	774	767	(7)	(1)%
Net banking income	**275.8**	**449.1**	**+173.3**	**+63%**
Operating expenses	**(124.4)**	**(147.1)**	**(22.7)**	**+18%**
Gross operating income	**151.4**	**302.0**	**+150.5**	**+99%**
Loan loss provisions	(2.3)	(6.6)	(4.3)	+187%
Earnings before tax	**153.5**	**296.6**	**+143.1**	**+93%**
Net income (Group share)	**109.3**	**229.0**	**+119.7**	**+109%**
ROE	62.4%	95.6%		
Cost/income ratio	45%	33%		

Performance of the Private Equity and Private Banking division

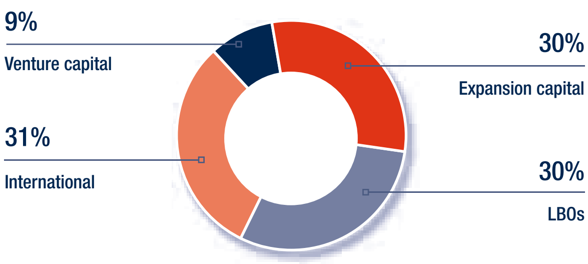
- The Private Equity and Private Banking division achieved an excellent performance in 2006, with net banking income rising €173.3 million or 63% to €449.1 million, relating mainly to the Private Equity business. Fueled by a highly favorable economic climate in France and international expansion, Natixis Private Equity (NPE) reported an exceptional level of capital gains (gross capital gains of over €400 million in 2006).
- The division's operating expenses totaled €147.1 million, an increase of 18% or €22.7 million compared with 2005. This relates primarily to Compagnie 1818, which is undergoing expansion, as well as fees concerning Natixis Private Equity.

Net income (Group share) came to €229 million, an improvement of over 100% in relation to 2005.

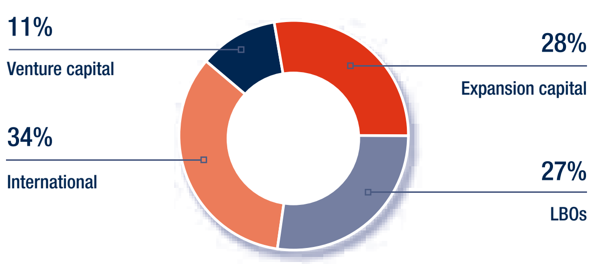
Private Equity

- Total capital managed by the Private Equity business amounted to €3.2 billion, including funds raised but not yet invested and unrealized capital gains, up 29% or €724 million compared with 2005.
- Private Equity produced net banking income of €354.2 million, a rise of €151 million or 74% compared with 2005.
- Natixis Private Equity's investments totaled €603.3 million, an increase of 63% compared with 2005. Disposals came to €855.7 million, more than double the level of 2005 (€373.6 million) due to extremely favorable economic conditions. The most significant disposals concerned securities listed in Asia and Brazil, as well as LBO and Expansion capital activities. This allowed for gross capital gains of over €400 million. Despite the significant disposals made over the year, unrealized capital gains (valued at the year-end euro/dollar exchange rate) fell by just €46 million from €226 million to €180 million due to the revaluation of items still in the portfolio as at December 31[1].

INVESTMENTS BY ACTIVITY IN 2006



NPE DISPOSALS BY ACTIVITY IN 2006



(1) Under IFRS, changes in the stock of unrealised capital gains are recorded in the income statement.

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Private Banking

- At the end of 2006, assets under management for the entire Private Banking business stood at €15.5 billion.
- Private Banking produced net banking income of €94.9 million in 2006, up €22.2 million or 31% compared with 2005.

Compagnie 1818

- Assets under management increased by €2 billion or 26% year-on-year to nearly €10 billion, half of which related to net new money.
- Net banking income (€51.2 million) rose by €18.7 million or 57% compared with 2005. This was the first full year of operation for the structure created in June 2005. Net banking income reflects a sharp increase in income net of interest, solid commission income and a high level of trading commissions.

Banque Privée Saint Dominique

- Assets under management totaled €3.2 billion at end-December 2006, up 11%. Of this growth, €189 million relates to the market effect and €109 million to net new money, well above the level of 2005, thanks to the bank's new business momentum.
- Net banking income (€32 million) rose by €10.2 million or 47% compared with 2005. This was the result of the pro-active "products" policy in place since 2004, with the regular placement of EMTNs, development of credit activities, the revision of custodian fees and an increase in management fees for the Soprane mutual fund range.

Natixis Private Banking Luxembourg

- Assets under management decreased over the year to €2.3 billion due to a significant technical outflow relating mainly to Group and non-Group capital not generating margins (€300 million) and efforts to reduce the number of small accounts (€10 million).
- Net banking income came to €19.4 million in 2006, €1.7 million below the level achieved in 2005.

Receivables Management

(in € millions)	Pro forma 2005	Actual 2006 pf	Act. 2006 / pf 2005 amount	%
Average allocated capital	835	958	+123	+15%
Average equity	796	847	+51	+6%
Net banking income	**785.1**	**839.7**	**+54.6**	**+7%**
Operating expenses	**(564.4)**	**(604.4)**	**(40.0)**	**+7%**
Gross operating income	**220.7**	**235.3**	**+14.6**	**+7%**
Loan loss provisions	(7.2)	(10.6)	(3.3)	+46%
Earnings before tax	**213.0**	**228.8**	**+15.8**	**+7%**
Net income (Group share)	**133.9**	**144.5**	**+10.6**	**+8%**
ROE	16.0%	15.1%		
Cost/income ratio	72%	72%		

- The Receivables Management division produced net banking income of €840 million, an increase of €55 million or 7% year-on-year. The division benefited from the 10.5% increase in revenues (€1,465 billion), particularly in credit insurance and factoring, but was penalized by weaker financial income. Credit insurance accounted for 73% of the division's revenues and 55% of net banking income. The division generated 59% of revenues and 56% of net banking income outside France, including 20% in Germany.
- Expenses rose by 7% to €604.4 million, part of which related to the acquisitions by Coface of BDI and Newton, with 92 and 250 full-time equivalent employees respectively, and the remainder to the business's growth.

Gross operating income was €235 million, an increase of €15 million or 7% compared with 2005. The division's cost/income ratio was 72%, in line with that of 2005. Net income (Group share) increased by 8% to €144.5 million, 10% ahead of the target of €13 million.

Coface

- In addition to the creation of Coface Services, 2006 was marked by the further development of Coface's offering with the acquisitions of Israeli business information company BDI and US debt collecting firm Newton, as well as the acquisition of a stake in Italian business information company Cerved

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and the roll-out of four business lines on each regional platform.

- Net banking income rose by 6% to €718 million thanks to an increase in overall revenues both on the basis of current activities (up 10.2%) and like-for-like (up 9.8%).
  - In Insurance, net banking income remained stable year-on-year despite a 10% increase in premium income, as the result of an aggressive marketing strategy with greater price flexibility and a reasonable increase in the risk acceptance level. The loss ratio (on premiums earned) was in line with 2005 at 49%.
  - In Services, net banking income moved up 14%, including 40% relating to factoring activities, mainly in Germany.

Factoring

- Total factored receivables came to around €13.9 billion, an increase of nearly 16%, with potential revenues from new factoring contracts rising by 12% to a total of over €4.4 billion. The bank networks generated 78% of the business line's revenues.
- Thanks to continuing sales and marketing efforts, factoring net banking income increased by 15% to €121.5 million in the still highly competitive French market, which is continuing to grow.

Natixis Factor and VR Factorem

- Factored revenues rose by 16% to a total of €13.6 billion in 2006 thanks to the development of the Banque Populaire regional bank network in the corporate market and sales and marketing efforts in the large companies segment, with 17 syndications and four transfers of balances.

  Potential revenues from new factoring contracts came to €4 billion, up 12% compared with 2005.
- Net banking income increased by 11% to €118.3 million, driven by strong revenue growth and despite a fall in average commissions.

  VRF generated net banking income of €5.2 million, an increase of 40% over the year.

GCE Affacturage

Created at the end of 2005, GCE Affacturage, which targets primarily the Caisse d'Epargne network and Banque Palatine, achieved breakeven in 2006. All transactions carried out concern the provision of general factoring services combining management and recovery, invoice financing and guarantees against unpaid invoices.

The subsidiary had an encouraging first full year, with nearly 100 contracts signed generating potential full-year revenues of €440 million. Total factored receivables came to €263 million in 2006, of which 34% relates to CEP, 19% to Banque Palatine and 47% to others.

Factoring commissions came to €2.4 million, with net financial income of €1.1 million, contributing to net banking income of €3.5 million.

CIFG

The CIFG Group achieved further organic growth in 2006, with net guaranteed outstandings of $74.6 billion, an increase of 75%.

- The number of transactions underwritten nearly doubled to 625 in 2006 compared with 367 in 2005, with production of $36.1 billion, an increase of 70%.
- CIFG's portfolio has is now of a significant size, demonstrating its position as a key player in the financial guarantee market delivering tangible growth. The successful diversification of its portfolio to cover all asset classes, both in the US municipal sector and in projects and local authorities, as well as credit enhancement for securitization vehicles (structured finance) have helped to consolidate its market position. The average rating of the portfolio is AA.

Net premiums written for the year totaled $232.3 million, up 43%.

Net premiums earned, recognized as net banking income, came to €56.5 million, an increase of 49%.

- Total net banking income was €78.7 million, an increase of 54%.

Gross operating expenses increased by 21% in 2006 to €50.6 million. In keeping with the deferral of premiums written, 38% of costs incurred in 2006 were deferred. Expenses net of deferred acquisition costs, which impacted the 2006 income statement, came to €41.6 million, an increase of 52%.

Gross operating income rose by 55% or €13.2 million to €37.1 million with improvement in the cost/income ratio of 2 percentage points to 53%.

CIFG generated net income of €22.2 million, up 39% or €4.3 million.

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CIFG

(in € millions)	Pro forma 2005	Actual 2006 pf	Act. 2006 / pf 2005 amount	%
Average allocated capital	468	467	(1)	0%
Average equity	468	467	(1)	0%
Net banking income	**51.2**	**78.7**	**+27.5**	**+54%**
Operating expenses	**(27.3)**	**(41.6)**	**(14.3)**	**+52%**
Gross operating income	**23.9**	**37.1**	**+13.2**	**+55%**
Loan loss provisions	0.0	0.0	0.0	
Earnings before tax	**23.9**	**37.1**	**+13.2**	**+55%**
Net income (Group share)	**17.9**	**22.2**	**+4.3**	**+24%**
ROE	3.8%	4.7%		
Cost/income ratio	53%	53%		

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Retail banking

The Banque Populaire and Caisse d'Epargne networks made a contribution of €487 million to Natixis' net income in 2006, an increase of 18% compared with €413 million in 2005.

ROE after tax from retail banking activities was 19.1%, an increase of more than 1 percentage point compared with 2005.

(in € millions)	Actual 2006 pro forma	Actual 2005 pro forma	% change	Difference vs. 2006 budget
Share of income of associates	**652**	**571**	**+14%**	**(12)**
Banque Populaire network	295	269	+9%	
Caisses d'Épargne network	358	302	+19%	
Restatements net of tax	**(165)**	**(158)**		
Net income (Group share)	**487**	**413**	**+18%**	**(11)**

■ Banques Populaires

The aggregate financial statements of the Banque Populaire regional banks comprise the financial statements of the Banque Populaire regional banks, their direct subsidiaries and mutual guarantee companies, after adjustments for consolidation purposes under IFRS and without eliminating transactions with Banque Fédérale des Banques Populaires.

The results of the Banque Populaire regional banks are presented in accordance with IFRS including IAS 32 and 39 and IFRS 4 (EU IFRS). They are pro forma financial statements intended to enable comparison between 2005 and 2006, taking account of structural effects relating to the creation of Natixis. Compared with the real aggregate financial statements, the only pro forma restatements concern the recognition of cash generated from the placement of cooperative investment certificates issued, representing €66 million in 2005 and €70 million in 2006.

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PRO FORMA CONSOLIDATED STATEMENT OF INCOME

Pro forma (in € millions)	2005	2006	% change incl. PEL / CEL	% change excl. PEL / CEL
Net banking income	**5,257**	**5,578**	**+6%**	**+5%**
General operating expenses	(3,321)	(3,531)	+6%	+6%
Gross operating income	**1,936**	**2,047**	**+6%**	**+4%**
Loan loss provisions	(350)	(280)	(20)%	
Operating income	**1,587**	**1,767**	**+11%**	
Gains and losses on asset sales	30	5		
Earnings before tax	**1,617**	**1,772**	**+10%**	
Income taxes	(520)	(573)	+10%	
NET INCOME (GROUP SHARE)	**1,095**	**1,199**	**+10%**	

Net banking income

The Banque Populaire regional banks generated aggregate net banking income of €5,578 million, an increase of 6.1%. This was impacted by the reversal of a provision for home purchase savings plans booked in accordance with IAS 39 of €36 million, compared with a provision charge of €6 million in 2005. Excluding the change in this provision, net banking income rose by 5.3%.

Excluding the home purchase savings plans provision, the interest margin rose by 3% as a result of the positive effect of the increase in credit outstandings in an increasingly difficult competitive climate, despite unfavorable exchange rates, marked by the flattening of the rate curve and a higher refinancing cost. In the second half of the year, the Banque Populaire regional banks nevertheless achieved slight improvement in interest margin.

Commission income remained the main growth driver, with an increase of 11%, representing 35.4% of net banking income in 2005 compared with 33.9% in 2005. Growth in commission income was fueled by a 19% increase in commission from financial savings products (life insurance and mutual funds), while growth in commission on banking transactions slowed down sharply to 5%.

Provisions for home purchase savings risks were subject to a reversal of €36 million due to the favorable development of interest rates, bringing the provision to €270 million. Coverage of home purchase savings deposits declined slightly from 1.90% at end-December 2005 to 1.76%.

Customer loans

In 2006, customer loans increased by over 12% to €108.7 billion. The sharpest rise was in home loans, with growth of more than 16% over the period.

Loans to companies and small businesses increased by 10% and loans to individuals by nearly 14%, representing 54% of total customer loans.

Customer deposits

Year-end customer deposits increased by 8.2%, with a 7% increase in average customer deposits. Demand deposits accounted for nearly 40% of total deposits, up 7.8% in terms of average deposits.

Deposits in special savings schemes increased by 2.2% (average deposits up 2.6%), despite an outflow of €757 million or 4.7% in home purchase savings deposits, representing 43% of total customer deposits.

Customer savings

Customer savings saw robust growth of over 9%, driven by the life insurance business, with assets under management up 13.7% and premium income up 28%, outperforming the bancassurance market (20%).

In mutual funds, SICAV unit trusts and non-money market mutual funds saw an increase of over 12%, representing over 37% of total assets under management at end-2006.

Operating expenses and cost/income ratio

Operating expenses rose by 6% to €3,531 million, with payroll costs representing 57%, an increase of 6%, and other operating expenses representing 43%, also up 6%.

General operating expenses were impacted by exceptional charges relating in particular to the merger process and IT migration projects, which are now close to completion. Excluding exceptional items, general operating expenses increased by 4.7%, also evenly divided between payroll costs and other expenses.

This increase reflects continuing heavy investment in the network (77 net branch openings in 2006) and in IT equipment intended to improve the quality of customer relations (in particular CRM tools). However, the ratio of operational IT expenditure to net banking income decreased in 2006 thanks to the performance of the i-BP platform.

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Meanwhile, payroll costs increased by 4.6% excluding exceptional items, due to the combined effect of new hires relating to the expansion of the network and the bank's employee incentive and loyalty policy, allowing employees to participate in the performance of the Banque Populaire regional banks through employee profit-sharing schemes.

Gross operating income and cost/income ratio

The cost/income ratio was 63.1% (63.7% excluding home purchase savings), one of the highest levels for French retail banks. Gross operating income was over €2 billion, an increase of nearly 6% (3.5% excluding home purchase savings).

Impairment charges and other credit provisions and operating income

Consolidated impairment charges and other credit provisions came to €280 million, representing 25 basis points of risk-weighted assets, reflecting the low cost of risk over the period. Including collective provisions of €362 million, the coverage ratio of non-performing loans was close to 75%, thereby confirming the Banque Populaire banks' policy of caution.

Operating income was €1,767 million, an increase of 11% compared with 2005.

Net income

The tax charge rose by 10% to €573 million, relating to mainly to earnings growth.

After net profit sharing with minority interests of €8 million, net income (Group share) came to €1,199 million, up 10%.

After consolidation under the equity method at 20% and accretion profit of €55 million, the aggregate contribution from the Banque Populaire regional banks was €295 million, an increase of 9.4%.

■ Caisses d'Epargne

PRO FORMA CONSOLIDATED STATEMENT OF INCOME

Pro forma *(in € millions)*	2005	2006	% change amounts	%
Net banking income	**5,820**	**6,221**	**401**	**+6.9%**
General operating expenses	(4,116)	(4,180)	(64)	+1.5%
Gross operating income	**1,703**	**2,041**	**337**	**+19.8%**
Loan loss provisions	(126)	(142)	(16)	+12.7%
Operating income	**1,577**	**1,899**	**322**	**+20.4%**
Gains and losses on asset sales	(2)	142	144	n/a
Earnings before tax	**1,575**	**2,041**	**466**	**+29.6%**
Income taxes	(431)	(499)	(69)	+15.9%
NET INCOME (GROUP SHARE)	**1,144**	**1,542**	**398**	**+34.8%**

The Caisse d'Epargne banks generated net income of €6,221 million aggregated under IFRS. This constitutes an increase of 6.9% compared with 2005.

Interest and other income came to nearly €3.5 billion, up 11% compared with 2005. Adjusted for the CNCE dividend and changes in home purchase savings - reflecting a significant fall in old outstandings generating negative margins, mostly recycled as life insurance - the interest margin increased by 3.1%. This was driven primarily by a volume effect on outstandings, which offset the effects of a decline in margins:

- in a continuing buoyant market for home loans and with strong momentum in consumer loans, outstanding loans increased by 8% to €114 billion at end-2006;
- customer savings (excluding demand deposits) increased by 5% to nearly €270 billion. This includes significant outflows of home purchase savings deposits following the decision to tax interest earned on plans more than 10 years old, coupled with a sharp increase in life insurance investments (up 13%);
- demand deposits rose by nearly 7% to €24 billion, reflecting the continuing increase in the number of customers holding bank accounts and service packages earning interest on their current account balances.

Commission income came to €2,760 million, representing 44% of net banking income. This constitutes an increase of just 3% due to the full-year impact of the reduction in commission for "livret A" special savings accounts to 1% at the end of 2005. Excluding this effect, commission income rose by 6%, fueled mainly by commission received on life insurance products, provision of banking services and loan-related commission income.

Operating expenses totaled €4,180 million, up 1.5%, impacted by a provision for the IT convergence program.

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This program was launched in early 2006 and took a major step with the choice of the target platform in December, allowing for quantification of the investment required by type of cost and expected savings (15-20% of IT costs).

In 2005, expenses were impacted by a provision for the closed group pension fund (provisioning of additional contributions to the fund, which has to be converted into a prudential insurance institution).

Excluding these two exceptional events of 2005 and 2006, operating expenses increased by just 1.4%, reflecting the cost-controlling efforts of the Caisses d'Epargne, which also continued to invest in the Fréquence Client program.

The cost/income ratio decreased by 3.5 percentage points to 67.2%.

Excluding the provision for the IT convergence program, the cost/income ratio was 64.7%.

Gross operating income rose by nearly 20% to over €2 billion.

Impairment charges and other credit provisions remained low at less than €150 million. This represents less than 13 basis points of expenses relative to outstandings, with coverage of doubtful loans of over 70%.

Return on fixed assets includes the capital gain realized by CEP on the sale of CEFI shares to CNCE (in order for them to be transferred to Natexis).

Income before tax came to over €2 billion, up 30% compared with 2005.

Including tax, net income was €1,542 million, an increase of 35% compared with 2005.

Shareholders' equity excluding revaluation reserves increased by over 10% to €18.8 billion. Including revaluation reserves, shareholders' equity stood at €21.4 billion at end-December.

Income, used as a reference for determining the contribution of the Caisses d'Epargne to Natixis' pro forma income through the recognition under the equity method of cooperative investment certificates must be restated for the capital gain on the sale of CEFI shares. The restated amount is €1,424 million, up 24% compared with 2005.

Impairment charges and other credit provisions

BREAKDOWN OF SPECIFIC PROVISIONS BY CORE BUSINESS

(in € millions)	2006 IFRS-EU	2005 IFRS-EU
Corporate and Investment Banking	(20)	(26)
Asset Management	0	
Private Equity and Private Banking	(7)	(2)
Services	(12)	(4)
Receivables Management	(10)	(7)
Other	(2)	(5)
SPECIFIC PROVISIONS	**(51)**	**(44)**

CORPORATE AND INVESTMENT BANKING

(in € millions)	2006 IFRS-EU	2005 IFRS-EU
Corporate France	(23)	(33)
International	(9)	(5)
Commodities	5	3
Structured Finance	(14)	(9)
Capital Markets	21	18
TOTAL	**(20)**	**(26)**

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BREAKDOWN OF SPECIFIC PROVISIONS BY REGION

(in € millions)	2006 EU IFRS	2005 EU IFRS
Africa and Middle East	1	(8)
Central and Latin America	3	18
North America	(2)	(14)
Asia-Pacific	(7)	0
Eastern Europe	16	0
Western Europe	(62)	(40)
TOTAL	**(51)**	**(44)**

RISK MANAGEMENT

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General system and principles

General system and principles until November 17, 2006

Natixis' risk management system was implemented in accordance with French banking regulations and with the corporate governance principles of the Banque Populaire Group. There were three levels of control, which were coordinated by Executive Management. First-tier control comprised continuous self checks by employees as part of their normal daily duties. Second-tier control was provided by the Risk Management, Compliance and Internal Control departments, which reported to the General Secretariat, and the Information Systems Security department, which reported to Information Systems and Logistics. These departments were completely independent from the business lines. Third-tier control was provided by the Internal Audit department. Under regulations, the General Secretary, a member of the Executive Management Committee, was responsible for permanent controls.

The overarching committee created in 2003 coordinated the various departments involved. It was chaired by the Chief Executive Officer.

The credit risk management system was also structured around the Large Exposures Committee and the various risk committees. The Large Exposures Committee included the Chairman, the business line heads and representatives of the Risk Management, Internal Control and Internal Audit departments. It monitored and measured trends in the bank's major exposures and took preventive measures. It also assessed the quality of each core business's security systems and risk management tools. In 2006, its work covered the integration of the Basel II ratio into risk management procedures, validation of market risk models, operational risks and LBOs.

The risk committees established by each of the core businesses included business line heads and representatives of the Risk Management and Internal Audit departments. They included:

- Committees of Corporate and Institutional Banking and Markets and the subsidiaries that reported to it;
- two Country Risk Committees;
- Risk Committees of the Services business;
- Risk Committees and Investment Committees of the Private Equity and Wealth Management core business;
- Risk Committees of the Receivables Management core business (Coface and Natixis Factor);
- various limit violation committees;
- operational risks committees.

General system and principles as of November 17, 2006

Natixis' risk management system complies with regulatory requirements and is based on the implementation of an organizational structure combining the best practices of Natexis Banques Populaires and Ixis Corporate & Investment Bank.

The main guidelines are as follows:

- 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.

The joint control system implemented at the end of 2006 is structured around three permanent confederal committees that meet once a month. The main duty of the standards and methods committee is to decree joint standards or to validate

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standards in the event of delegation. These standards relate in particular to the general organization of risk management, risk assessment methods and reporting within the framework of consolidated monitoring. The information systems risk committee handles issues relating to the project management of information systems risks shared by the two shareholding groups and Natixis required for consolidated monitoring. The confederal risk committee approves the global risk limits proposed by Natixis, decides on commitments in excess of the unit limit for large risks assigned to Natixis and monitors Natixis' main risks.

The overall risk management system is governed by Natixis' Management Board and Supervisory Board, with the latter supported by the Risk Management Committee in carrying out its duties.

Within Natixis, permanent controls are carried out by the Risk Management, Internal Control and Compliance departments. These departments are completely independent from the business lines. An overarching committee meets once a month to ensure the consistency and effectiveness of procedures.

Permanent control is ensured by committees, including primarily:

- a general committee: Group Risk Management Committee, which sets out the main tenets of the Group's risk policy;
- Natixis credit committee;
- market risk committee;
- operational risks committee;
- new products or new activities committees;
- sensitive cases and provisions committee;
- assets and liabilities management committee.

Natixis' risk management system will continue to evolve and adapt in 2007 in terms of its organizational structure, tools and risk measurement, in accordance with the commitments made in the document filed with the AMF (Document E, Appendix B).

Natixis' Risk Management department

The Risk Management department is based on a unified organizational structure in terms of resources, methodologies and tools, capitalizing on pre-existing best practices at Ixis Corporate & Investment Bank and Natexis Banques Populaires. Since November 17, 2006, a Risk Management Director has been appointed for both Natixis and Ixis Corporate & Investment Bank, who reports directly to the Chief Executive Officer.

The Risk Management department covers all of the bank's activities and is organized by type of risk:

- counterparty/country risk;
- market risk;
- operational risk.

It also has a risk analytics division in charge of devising risk methods and tools and the implementation thereof. It has cross-functional structures that ensure the coordination of its efforts. The Risk Management department has been set up in accordance with the global business unit principle. In 2007, it will focus on creating strong hierarchical functional ties between Natixis and its subsidiaries and branches. These functional ties will ensure the consistency of the risk management policy implemented throughout the Natixis Group.

The Risk Management department proposes a risk policy to the Management Board for validation, drawn up in accordance with the policies of the two shareholding groups.

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.

Implementation of the new capital accord

Natixis has actively prepared for the Basel II reforms, ensuring consistency with the work of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne. As of January 1, 2008, Natixis intends to use the IRB Foundation Approach to calculate capital requirements for most of its risk portfolio, subject to approval by the French Banking Commission.

Within Natixis, the project has been headed up by a cross-functional team involving the Risk Management, Finance and IT departments, organized into sub-projects (ratings, defaults, management of guarantees received, information, deployment, ratio calculation). At Ixis Corporate & Investment Bank, the Risk Management and Finance departments play a driving role in these efforts. The day after November 17, 2006, the project was reconfigured to address the challenges relating to the merger, approval of Natixis and the initiation of works to allow for the transition to the advanced internal ratings-based approach.

Its achievements in 2006 include:

- continuation and completion of the deployment of the operational risk management system in all areas of the bank, including its branches and subsidiaries;
- extension of the coverage of ratings tools implemented gradually by the project;
- back-testing and improvement in ratings models;
- implementation of ratings methods for sectors not yet covered, including rating of sovereign risks;
- ensuring the reliability of information concerning guarantees and maintaining a valuation of guarantees on an almost exhaustive basis throughout France;

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- extension of the identification and management of defaults to all market activities;
- entering data into the national credit loss database of the Banque Populaire Group and the Pan-European Credit Data Consortium (PECDC);
- continuing efforts concerning the calculation of risk-weighted assets.

All of the efforts relating to the Basel II project since its launch both at Natixis and its subsidiaries form an integral part of the permanent risk control system.

Credit risk

Credit risk measurement and management

The credit risk measurement and management system in place prior to November 17, 2006, at the former Natexis Banques Populaires and within Ixis Corporate & Investment Bank and then at Natixis is based on:

- centralized delegation systems, managed by decision-making committees;
- the independent analysis of the Risk Management department in reviewing applications;
- ratings systems to assess the probability of default in one year;
- information systems providing a general overview of outstandings and limits.

At November 17, 2006, measures were taken to ensure effective control of risk-taking and the monitoring of credit risks, including in particular:

- a unified decision-making process between Natixis concerning its corporate and investment banking operations and Ixis Corporate & Investment Bank;
- consolidation of loan outstandings and limits within Natixis' risk consolidation tool, using a merged third-party reference framework;
- standardized assessment of the quality of counterparty risks. The rating methods used were decided with the central bodies, as well as the role of the different parties involved in ratings. Correspondence tables have been compiled in anticipation of the complete re-rating of the Group's credit exposure.

Average client exposure (on and off-balance sheet) in 2006, management data

(in € billion)	
Corporate and Investment Banking	**99.1**
O/w Ixis CIB	*8.0*
Corporate and Institutional Relations	45.3
International activities	17.4
Structured Finance and Natural Resources	34.3
Other	2.0
Factoring (excluding Coface)	**2.7**

Breakdown of exposure by internal rating at December 31, 2006*

Internal rating category	%
Investment grade	76.1%
Non-investment grade and defaults	17.8%
Not rated	6.1%
TOTAL	**100.0%**

The quality of the Group's credit exposure remains good, thanks to continuing favorable economic conditions coupled with a policy of selectivity in the distribution of credit facilities.

** All credit exposure, excluding minor subsidiaries and equity.*

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Breakdown of exposure at December 31, 2006

■ **Breakdown of exposure by industry (Total exposure excluding minor subsidiaries and equity)**

Industry	%
Finance and insurance	39.4%
Holding companies and conglomerates	14.2%
Real estate	6.3%
Services	5.7%
Government	5.3%
Energy	4.2%
Mechanical and electrical engineering	3.3%
Media	2.9%
Construction	2.8%
Retailing	2.8%
Basic industries	2.2%
Technology	2.0%
Food	1.9%
Pharmaceuticals, healthcare	1.8%
International trading, commodities	1.7%
Consumer goods	1.1%
Utilities	1.1%
Tourism, hotels and leisure	1.0%
Other	0.3%
TOTAL	**100.0%**

Natixis is inevitably exposed to the banking sector because of its business activities and presents secure sector diversification.

■ **Breakdown of exposure by region (Total exposure excluding minor subsidiaries and equity)**

Region	%
France	48.1%
Rest of European Economic Area	26.4%
Other European countries	3.9%
North America	14.4%
Latin America	1.5%
Africa/Middle East	2.6%
Japan	0.2%
Asia-Pacific	2.1%
Unallocated	0.6%
TOTAL	**100%**

With just 7% of exposure outside Europe and North America, Natixis presents a satisfactory geographical risk profile.

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■ **Breakdown of exposure by McDonough counterparty category (Total exposure, excluding minor subsidiaries and equity)**

McDonough category	%	% of top 10
Corporate	52.7%	5.8%
Banks	32.4%	25.3%
Securitization	9.2%	30.8%
Sovereign	4.9%	63.3%
Retail	0.7%	6.9%
Unallocated	0.1%	9.9%
TOTAL	**100.0%**	

Breakdown of loan loss provisions by region at December 31, 2006

(in € millions)	Industry risks	Country risks	Specific risks	Total
Africa	14.5	8.7	0.7	24.0
Central and Latin America	5.2	(14.6)	3.0	(6.4)
North America	(21.7)		(2.1)	(23.9)
Asia	(4.5)	2.4	(2.0)	(4.1)
Eastern Europe	(3.5)	(0.1)	15.6	12.0
Western Europe	(54.8)		(2.4)	(57.2)
France	98.5		(59.1)	39.4
Middle East	(8.0)	(20.9)	0.7	(28.2)
Asia-Pacific	0.3	(0.5)	(5.3)	(5.5)
TOTAL	**26.0**	**(25.0)**	**(50.8)**	**(49.8)**

Breakdown of risks and provisions at December 31, 2006

Region *(in € millions)*	Specific risks	Country risks	Industry risks	Total risks	Provisions for specific risks	Provisions for country risks	Provisions for industry risks	Total provisions
France	952	-	6,930	7,882	577	-	150	727
Other Western Europe	152	-	4,948	5,100	123	-	161	284
Eastern Europe	14	75	899	988	3	1	7	11
North America	72	-	2,359	2,431	31	-	159	190
Central and Latin America	29	1,519	582	2,130	11	49	5	65
Africa and Middle-East	11	1,580	157	1,748	8	101	18	127
Asia-Pacific	46	685	364	1,095	17	9	8	34
RISKS AND HEDGES	**1,276**	**3,859**	**16,239**	**21,374**	**770**	**160**	**508**	**1,438**

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Market risk

Market risk organization and management

Natixis’ market risk organization and management

On the creation of Natixis, the market activities of the former Natexis Banques Populaires and Ixis Corporate & Investment Bank were juxtaposed. They were combined within the Corporate and Investment Banking division as part of the Capital Markets business. The principles of the market risk organization in place within Ixis Corporate & Investment Bank and Natixis have therefore been maintained, while a reconciliation process has also been initiated in order to implement the system described below. The overall consistency of procedures and the development thereof are ensured by the centralization of key decisions.

The Market Risk department 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 as such has full decision-making powers for relevant matters. It meets once a month. However, exceptional meetings may be organized as needed. It is chaired by a member of the Management Board. All decisions are made by the Chairman after being debated by the parties involved. The Chairman may be represented if he is not available.

The market risk policy determined by the market risk committee comprises the following:

- determining and reviewing VaR limits and operational 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 about the validation of market risk methods and validation of models, on a case by case basis within the framework of ad hoc committees.

Natixis’ 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.

Market risk management system at Natixis (former Natexis Banques Populaires)

Within the former Natexis Banques Populaires, the market risk department, which is fully independent of the business lines, is in charge of second-tier controls. Its key duties are:

- validating the proposals made by the middle office, ensuring their consistency throughout the Group and making recommendations where necessary;
- monitoring market risks at the various consolidation levels and particularly at Group level;
- ensuring internal and external reporting on market risks;
- validating internally-developed models and software models used to value products;
- validating the various delegated authorities and limits requested by the Capital Markets arm of the Corporate and Investment Banking division and proposed by the middle office;
- making recommendations on the risk management system.

First-tier controls are carried out by the middle office, which plays an operational role through the applications it manages and uses daily. Its key duties are:

- producing and analyzing results and risks on a daily basis;
- producing and analyzing provisions on a monthly basis;
- ensuring the reliability of market parameters used to calculate results and risks;
- proposing methods to calculate reserves while ensuring that they are exhaustive and correspond to the nature of risks;
- developing the system of delegated limits and method of calculating risk, in conjunction with Risk Management;
- monitoring and reporting any limit violations.

Finally, Internal Audit is responsible for the operational component of second-tier controls:

- ensuring that adequate procedures are in place and periodically assessing their appropriateness, particularly with regard to business activities and regulations;
- ensuring that procedures are properly and correctly followed;
- making recommendations on the risk management system;
- more generally, ensuring that procedures governing the management and monitoring of market risks are respected.

This structure is divided into the following committees:

- a market risks committee, which meets monthly and comprises the heads of the various control levels together with front office managers. It is chaired by the head of capital markets activities. The committee validates new limits, proposes changes to limits and reviews any identified limit violations;

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- a risk monitoring and supervision committee, which meets quarterly, comprising front office and middle office managers, the Risk Management department and the Internal Audit department to present new methods for measuring risks and divide up developments for their implementation;
- a new products committee, enabling capital markets activities to launch new products safely, after identifying and analyzing the different risk factors that may impact the value of the product. The new products committee meets approximately every six weeks and is completed by working parties that meet every week. The committee examines the different risks inherent to a new product, in particular market, counterparty, legal, accounting, tax and non-conformity risks.

Until November 17, 2006, the bank's board of directors validated overall risk limits for all entities. In addition, the Internal Audit departments of the former Natexis Banques Populaires and Banque Fédérale des Banques Populaires periodically conducted specific audit assignments.

Market risk management system at Ixis Corporate & Investment Bank

Ixis Corporate & Investment Bank's market risk department, which is fully independent of the business lines, defines principles for the measurement of market risks, instructs on risk limits and monitors these limits.

Market risk management is based on a complex risk measurement system, specific procedures and close supervision. The entire system is overseen by the market risk committee, chaired by the Chairman of the Executive Board. Its role is:

- to examine market risks;
- to establish the different limits and associated allocations to individual operators;
- to validate risk measurement methods and monitoring procedures;
- to ensure market risk procedures are respected.

The market risk committee meets once a month.

Ixis Corporate & Investment Bank's market risk control is provided by the Market Risks division, which forms part of the Risk Management department. This division has full independence in establishing risk measurement principles and develops the corresponding tools autonomously. The team in charge of market risk control comprises four units corresponding to Ixis Corporate & Investment Bank's main front office business lines: credit, fixed income, equities and equity derivatives, financial engineering and project finance. Responsible for the monitoring of activities in the broad sense, these teams draw on the complementarity of risk analysis and results. They represent the division in its relations with each front office and internally play the role of clients and users of risk and results systems.

They are therefore responsible for:

- the analysis and control of market risks and corresponding reporting;
- regular monitoring of positions and results;
- second-tier validation of results produced by the results unit;
- validating pricing models;
- determining provisioning policies and deductions for liquidity risks, statistical risks, model risks, parameters that cannot be covered by the system and other items;
- monitoring of new products committees.

They are also responsible for determining suitable risk measurement policies. Controls are evidenced in daily and weekly management reports examined by the Management Board and the Executive Committee. In addition, reports are submitted to the Chairman of the Management Board on a weekly basis and to the Market Risk Committee on a monthly basis analyzing actual market risks and changes since the last report. Since 1997, Ixis Corporate & Investment Bank has been authorized to use the Scénarisk internal risk monitoring model to track general interest rate, equity and currency risks and specific equity risks. In February 2006, authorization was extended by the French Banking Commission to include specific interest rate risks and convexity risk.

Market risk measurement

Market risk measurement at Natixis

On the creation of Natixis, market risk measurement and monitoring procedures were harmonized with the use of a single calculation tool - Scénarisk - already in place at Ixis Corporate & Investment Bank. In order to monitor compliance with the VaR limit set by the regulator, Natixis' Risk Management department produces Natixis' VaR by consolidating portfolios included in the former Natexis Banques Populaires (trading and investment) with those of Ixis Corporate & Investment Bank and Ixis Capital Markets NA. Capital market transactions concerning the former Natexis Banques Populaires are consolidated on the basis of sensitivity analysis provided by front office management systems. After choosing target front office management systems, the VaR calculation is refined to take account of the convexity of positions taken on the former Natexis Banques Populaires.

Since the creation of Natixis, VaR has been calculated taking account of the effects of offsetting positions where possible and by adding VaR when this is not the case. As at December 29, 2006, VaR calculations concerned the trading activities of the former Natexis Banques Populaires (excluding subsidiaries) and the Paris investment portfolio. At this date, one-day parametric VaR with 99% confidence was €4.25 million. For Natixis Négociation, which comprises the trading activities of Ixis Corporate & Investment Bank Europe Asia and the former Natexis Banques Populaires as mentioned above, one-day parametric VaR with 99% confidence was €11.55 million. In 2007, Natixis' consolidated Monte Carlo VaR will benefit from the effects of offsetting positions with the integration of the capital market operations of the former Natexis Banques Populaires into Scénarisk with the inputting of positions by the server.

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A review of all of Natixis' stress tests has been carried out. At the date of the creation of Natixis, stress tests were calculated using the VaR calculation tool selected, Scénarisk:

- adverse stress tests consist of "shocking" the different market parameters presenting major sensitivities. Tests are carried out one by one - or by group of parameters - in order to assess potential P&L changes, activity by activity. The risk scenarios defined by Ixis Corporate & Investment Bank (over 250 in total) will be extended to all of Natixis' operations;
- historic stress tests consist of reproducing sets of changes in market parameters observed during past crises over a short-term horizon 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 scenario. There were no historic stress scenarios in production at Ixis Corporate & Investment Bank as at November 17, 2006. The stress scenarios already in place at the former Natexis Banques Populaires will be applied to all of the Group's operations, including additional tests for credit activities;
- theoretical stress tests, still known as "global 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. Four global stress tests currently in place at Ixis Corporate & Investment Bank will be extended to all of Natixis' operations, once enhanced to include tests relating to forex activities.

Market risk measurement at the former Natexis Banques Populaires

Methods

The market risk management system for the former Natexis Banques Populaires is based on a risk metrics model that measures the risk run by each Natexis Banques Populaires entity. The current model consists of a number of standard metrics and VaR. As part of the creation of Natixis, Ixis Corporate & Investment Bank's internal model, based on a VaR measurement, will be applied to the portfolios of the former Natexis Banque Populaires (see above).

The key standard metrics used are:

- sensitivity to a +/- 1% change in interest rates (overall and by maturity);
- yield curve exposure expressed as the potential loss;
- currency exposure;
- equity exposure;
- sensitivity to a +/- 1% change in implied volatilities in the equity, foreign exchange and fixed income markets (overall, by maturity and by strike);
- sensitivity to a change in delta of an underlying (equities, fixed income and currency);
- sensitivity to dividend levels;
- sensitivity to change in swap spreads;
- sensitivity to change in issuer spreads;
- sensitivity to change in correlations;
- monthly and annual loss alerts.

In addition to these standard metrics, the former Natexis Banques Populaires also used VaR calculations until November 17, 2006 (see Natixis' system for VaR calculations since November 17, 2006). It used Riskmanager software developed by Riskmetrics to perform historical VaR calculations to quantify the risk of losses from capital markets activities using conservative assumptions. VaR calculations were based on:

- one year's historical data;
- a one-date potential loss horizon;
- a 99% confidence level.

The scope of VaR calculations was as follows:

- trading and investment portfolios of the former Corporate and Institutional Banking and Markets core business, excluding the "structured equities" and treasury portfolios;
- trading portfolios of Natexis Bleichroeder SA (until the end of June 2006);
- trading portfolios of Natexis Commodity Markets;
- the investment portfolio of the Finance department.

For the former Corporate and Institutional Banking and Markets core business, VaR calculations were conducted daily by the middle office and monthly by the Risk Management department. Natexis Commodity Markets' VaR calculations were conducted daily using local Riskmanager software and monthly by the Risk Management department.

Data was inputted into Riskmanager primarily using automatic interfaces developed between the front office/middle office systems and the software. These interfaces supply the characteristics of an operation, enabling the software to understand the various operations. Market data are provided by Riskmetrics on the basis of information from Reuters and are subject to a data management process by Riskmetrics.

Main limits

The main limits for the former Natexis Banques Populaires are as follows:

- maximum sensitivity of interest rate maturity schedules to a +/-1% shift in the yield curve of €125 million at December 31, 2006;
- the currency risk limit is €3 million expressed in terms of a one-day potential loss and a 99% confidence level;
- maximum sensitivity to a change in issuer spreads in the secondary bond market trading book is €11.5 million, expressed in terms of a one-day potential loss and a 99% confidence level;
- volatility limits for interest rate, currency and equity options are:
  - €4.5 million for a 1% change in interest rate volatility;
  - €3 million for a 1% change in equity volatility;

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- €0.731 million to €0.975 million per currency for a 1% change in foreign exchange volatility.

These overall metrics are supported by more precise measurements by underlying, maturity and strike price.

Several changes occurred in 2006 in continuation of works initiated previously. New models were developed and studies carried out to quantify the model risk and improve the different valuation models taking market changes into account.

The limits set for the former Natexis Banques Populaires were revised as follows:

- a further increase in assets authorized for negotiable debt instruments, with an adjustment of the limit relating to spread risk measurement metric (Xsi) for this portfolio (Xsi is a metric of the former Natexis Banques Populaires measuring issuer spread risk, an idiosyncratic risk);
- increase in Alpha/Delta limits and outstandings following the development of this activity;
- increase in delta limits for hybrid interest rate, exotic and equity finance products. Since January 1, 2006, limits for Natixis Arbitrage have been applied to Natixis' portfolios;
- increase in market risk limits for Natexis Bleichroeder Inc. (NBI), in particular the global VaR limit;
- increase in global interest rate sensitivity for capital market activities (including treasury desks);
- increase in sensitivity to yields on short-term and long-term treasury instruments and reduction in the treasury strategies desk's sensitivity to yields;
- completion of the deployment of the curve risk metric at the former Natexis Banques Populaires;
- 2006 saw the implementation of specific metrics in dollars at the former Natexis Banques Populaires following the development of dollar rate options products relating to new types of risk (correlations, vega and smile);
- in addition, new risk metrics were implemented for the monitoring of Natexis Commodity Markets' energy activities:
  - "Effective Barrel": net position on underlying energy assets expressed as the number of barrels;
  - increase in the global VaR limit following the development of energy activities.

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Calculations

HISTORIC VAR CONSUMPTION FOR THE FORMER NATEXIS BANQUES POPULAIRES

(in € millions)
Total VaR
Global Debt & Derivatives Markets
Equity Group
Natural Resources & Related Industries
Finance department

Confidence level: 99% - Horizon: 1 day. History: 1 year non-weighted.

Date	Total VaR	Interest rate VaR	Forex VaR	Equities VaR	Commodities VaR
Jan-06	4.97	4.44	0.45	2.01	0.36
Feb-06	4.22	4.06	0.50	2.15	0.50
Mar-06	6.09	5.91	0.66	2.27	0.40
Apr-06	5.54	5.37	1.33	2.26	0.53
May-06	5.17	4.34	1.39	3.85	0.35
Jun-06	7.03	6.51	1.55	3.20	0.34
Jul-06	5.69	4.10	1.36	2.78	0.32
Aug-06	6.09	4.77	1.74	2.69	0.58
Sep-06	4.67	3.21	1.36	2.55	0.75
Oct-06	7.37	6.78	1.95	1.94	1.23
Nov-06	8.55	7.55	1.58	3.01	0.71
Dec-06	12.61	11.64	0.81	3.57	0.83

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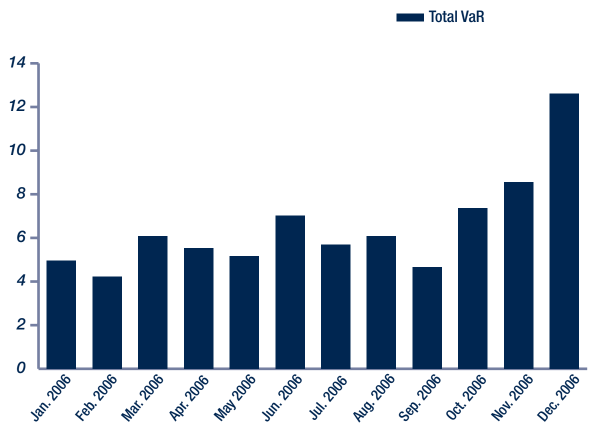
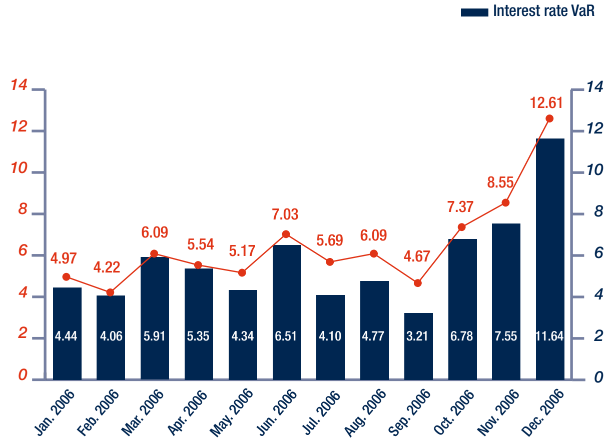
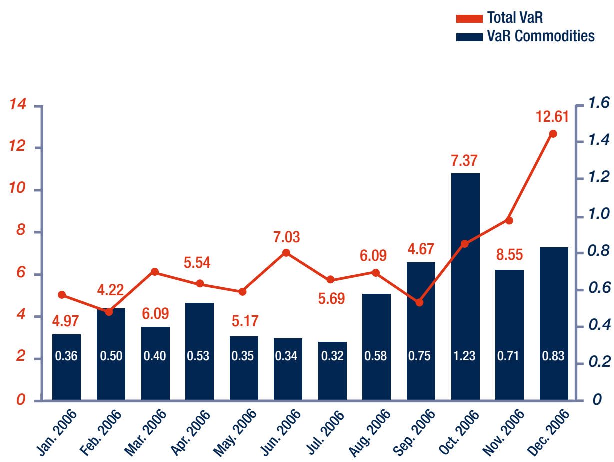
TOTAL VaR IN 2006



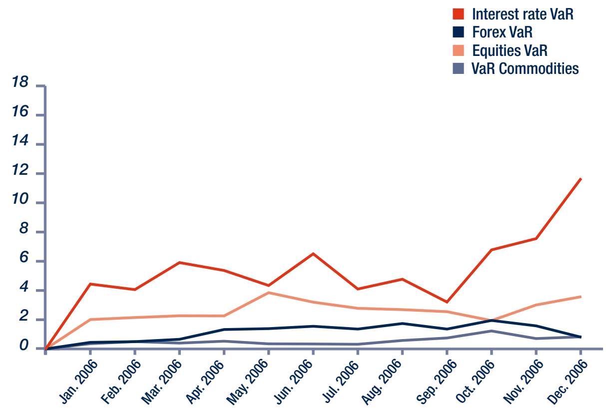
INTEREST RATE VaR



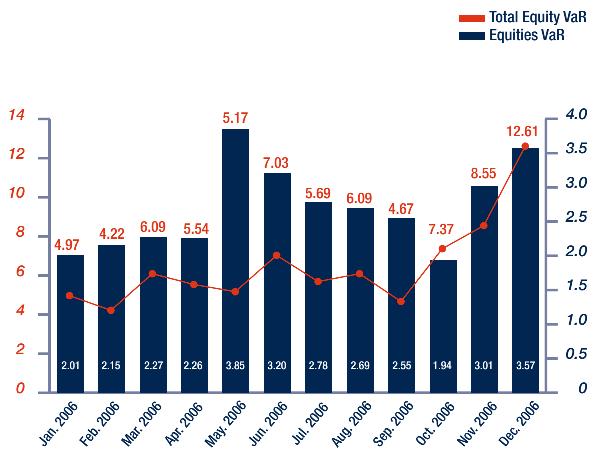
COMMODITIES VaR



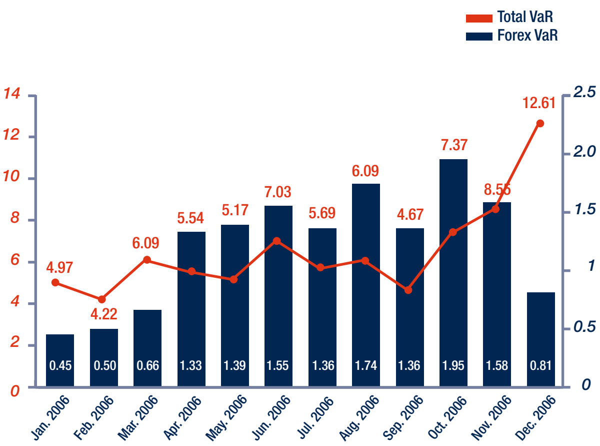
TOTAL VaR IN 2006 BY RISK



EQUITIES VaR



FOREX VaR



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The increase in interest rate VaR between the end of November and end of December 2006 related to more limited offsetting of positions between the simple derivatives desk and the structured derivatives desk.

US subsidiary ABM LLC, which operates in the securitized mortgage loans market, is subject to specific monitoring with one-day VaR with 99% confidence of $3.5 million at December 29, 2006.

Market risk measurement at Ixis Corporate & Investment Bank

Methods

Market risks are assessed using a variety of methods:

- synthetic VaR calculations that 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 365 calendar days. Over 3,500 risk factors are currently modeled and used by the Scénarisk software.

  Since the end of November 2004, Ixis Corporate & Investment Bank has been calculating 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;

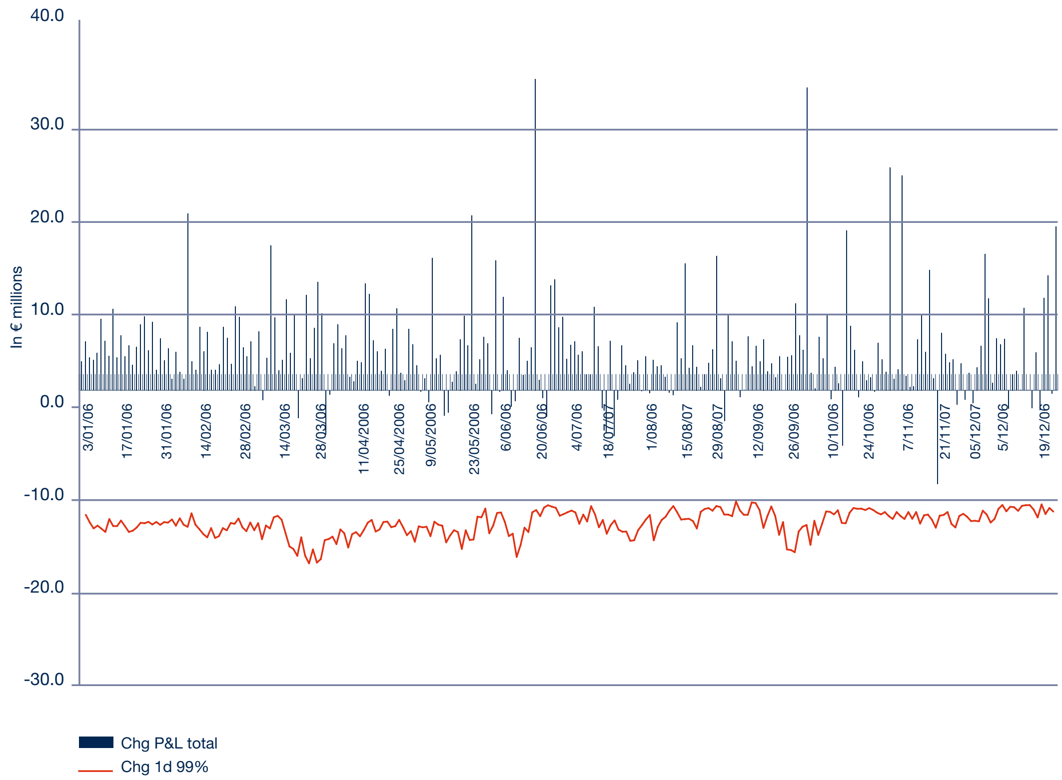
- stress testing, which consists of measuring potential losses on portfolios based on extreme market configurations. These configurations are developed from scenarios based on historical data (economic scenarios) and hypothetical scenarios which are specific to each portfolio;

- operational indicators that set limits for all capital markets activities and/or for groups of comparable activities, based on directly observable figures such as nominal amounts, sensitivities, stop-loss limits, diversification indicators and market share indicators. The exposure limits determined from these operational indicators are applied alongside the VaR and stress test limits. All three limits are determined on a consistent basis, particularly when they correspond to front office exposures. This is the case in particular for stop-loss limits, which trigger warnings about loss-making strategies and are set for each individual trader. Stop-loss limits are constantly monitored and if any overrun is detected, management is required to make a decision as to whether to close, hedge or maintain the position.

Calculations

Since January 1, 2006, one-day VaR with 99% confidence for Ixis Corporate & Investment Bank's trading portfolios averaged at €11.7 million, with a high of €17.5 million. This was below the average limit of €20 million and the absolute limit of €25 million set by the Group.

Ixis CIB - Trading portfolio



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

The chart above shows the results of this exercise.

It can be used to check that daily results (shown in the inverse scale) exceeded potential losses (as defined by the VaR indicator) on no more occasions than that permitted by the statistical limit (in this case, no more than four excursions beyond this limit are permitted for 250 data items).

At December 31, 2006, the breakdown of one-day VaR with 99% confidence by class of risk was as follows (in € millions):

1-day 99% VaR *(in € millions)*	VaR 31/12/06	Average 1 yr. rolling
Interest rate risk	7.5	6
Equity risk	6.7	6.3
Equity specific risk	3.2	2.4
Interest rate specific risk	5.8	7.5
Currency risk	0.7	1.8
Netting effect	(12.9)	(11.6)
CONSOLIDATED VAR	**11**	**12.4**

The results of the stress tests performed on positions at December 29, 2006, were as follows (earnings impact in absolute value):

Change in interest rates	€75.9 million
(EUR +40 bps, GBP +80 bps, USD +60 bps, other currencies +60 bps)	
Change in rate volatility	€147.5 million
(Homothety +50%)	
Change in paper/swap spreads	€172.3 million
(Uniform change of +45 bps)	
Uniform translation of credit spreads	-€290.4 million
(Uniform increase in all credit spreads of +30 bps)	
Change in indices/equities and indices/equity volatilities	-€243.3 million
(25% decline in indices, homothety of +20% short term and 10% long term)	

Credit derivatives

The credit derivatives portfolio of the former Natexis Banques Populaires at December 31, 2006, represented a total of €14.29 billion, comprising credit default swaps and credit linked notes. This breaks down as €10.2 billion of credit risk bought and €4 billion of credit risk sold. These instruments generate a market risk - corresponding to the spread risk on the underlying assets - which is taken into account in the Xsi risk metric.

Specific deductions are made from credit derivative positions to adjust the effects of uncertainties concerning the level of certain parameters which are not liquid or cannot easily be covered, particularly recovery rates.

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Position / regulatory portfolio type (in € million)			Strategy			
Buy/Sell	Ccy	Maturity	Micro-hedge	Isolated open position	Trading	Total
Buy	EUR	<= 1 year	398.39	15.00	723.00	1,136.39
		> 5 years	1,645.61	3.00	2,203.67	3,852.28
		1-5 years	1,492.07	215.30	3,515.56	5,222.94
	TOTAL EUR		3,536.07	233.30	6,442.40	10,211.61
Sell	EUR	<= 1 year		3.80	255.00	258.80
		> 5 years			884.20	884.21
		1-5 years		68.80	2,871.79	2,940.60
	TOTAL EUR			72.61	4,011.00	4,083.61
						14,295.22

At Ixis Corporate & Investment Bank, the credit derivatives portfolio at December 31, 2006, represented a total notional amount of €400.4 billion comprising credit default swaps, credit linked notes and credit indexed loans. This breaks down as €200.6 billion of credit risk bought and €199.8 billion of credit risk sold.

Notional amounts of credit derivatives at December 31, 2006 (excluding intra-group transactions):

Position / regulatory portfolio type (in € millions)	Banking	Trading	Total
Credit risk bought	**892.53**	**199,759.95**	**200,652.49**
■ up to 1 year	835.53	6,883.53	7,719.07
■ 1 to 5 years	-	138,157.95	138,157.95
■ over 5 years	57.00	54,718.47	54,775.47
Credit risk sold	**5,310.98**	**194,461.39**	**199,772.37**
■ up to 1 year	969.74	7,132.75	8,102.49
■ 1 to 5 years	2,420.81	126,702.23	129,123.04
■ over 5 years	1,920.43	60,626.41	62,546.84
Overall position	**6,203.51**	**394,221.34**	**400,424.85**
■ up to 1 year	1,805.27	14,016.28	15,821.55
■ 1 to 5 years	2,420.81	264,860.19	267,280.99
■ over 5 years	1,977.43	115,344.88	117,322.31

These instruments generate a market risk - corresponding to the spread risk on the underlying assets - which is taken into account in routine VaR calculations. Issuer credit risk (default risk) is measured using AMeRisC, an internally developed credit risk measurement system which nets positions on credit derivatives and on securities with similar characteristics in terms of the intended and actual holding period, maturity and other parameters, where appropriate. It also measures credit derivative counterparty risk (off-balance sheet risk).

Specific deductions are made from credit derivative positions to adjust the effects of uncertainties concerning the level of certain parameters which are not liquid or cannot easily be covered, particularly recovery rates. The standard deductions for counterparty risk are also applied (deductions for the expected loss based on statistical risk data).

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Structural interest rate risk, currency and liquidity risk

Organization of structural interest rate risk, currency and liquidity risk management

In keeping with the systems in place at the former Natexis Banques Populaires and Ixis Corporate & Investment Banking, the Asset & Liability Committee (ALM Committee) is responsible for setting out the broad guidelines in terms of managing structural balance sheet risk. Chaired by a member of the Management Board and comprising representatives of Corporate and Investment Banking, the Finance department and the Risk Management department, the Committee meets quarterly. Its main duties are:

- monitoring of balance sheet and off-balance sheet commitments;
- analysis of non-operational liquidity, structural interest rate and currency risk;
- validation of internal refinancing rules (TCI);
- validation of the Group's market refinancing policy;
- validation of limits associated to balance sheet risk calculations for presentation and approval by the Group's risk management committees.

Procedures for monitoring and managing structural balance sheet risk at Natixis will be standardized further in 2007 in accordance with the commitments made in the context of risk convergence and the ALM plan of action.

Structural interest rate risk, currency and liquidity risk at the former Natexis Banques Populaires

Since 2000, transformation into structural interest rate risk and liquidity risk has been centralized using internal contracts within the Treasury division of the former Corporate and Institutional Banking and Markets core business. This department is responsible for operational management by delegation of the ALM Committee. Subsidiaries are refinanced by the Treasury department. They benefit from autonomous management of liquidity and structural interest rate risk by delegation of the ALM Committee and have their own Treasury or ALM committee for the management of rules and limits validated by the Group ALM Committee.

Structural interest rate risk

As a corporate and investment bank, Natixis has few interest rate positions relating to accounts without a set maturity; nearly all transformation into structural interest rate risk concerns operations with a contractual maturity, centralized by the Treasury department. Furthermore, nearly all structural interest rate risks in this area are linear in nature.

The ALM Committee validated the principles of expressing sensitivity limits of the economic value of maturities for refinancing books as a percentage of regulatory capital. For sensitivity to a 200 bp change in interest rates(12), the Committee set an overall limit of 2.5% of regulatory capital. The risk limits currently allocated by the Chief Executive Officer are as follows:

(in € millions)	ST treasury	LT treasury	Natixis Lease	Natixis Factor	Total
Change in economic value for a shock of ± 200 bp	100	80	16	8	204

For Treasury department operations, sensitivity measurements are produced on a daily basis. Measurements are made monthly for the subsidiaries concerned.

In 2006, a curve risk indicator calculated daily was deployed in the bank's Treasury portfolios(13) and is subject to the following limits:

- short-term treasury (Paris): €1.5 million;
- short-term treasury (Singapore): €0.5 million;
- long-term treasury: €3.6 million.

Finally, sensitivity measurements of net interest income for different scenarios are carried out periodically without being restricted by limits.

Liquidity risk

As a corporate and investment bank, Natixis has few liquidity positions relating to accounts without a set maturity; nearly all transformation into liquidity risk concerns operations with a contractual maturity.

Global short, medium and long-term refinancing requirements in a wide variety of currencies are centralized within the Treasury department, allowing for continuing optimization of liquidity cost for the benefit of the entire Group. This also facilities an issuing policy based on the continuing aim of maximum diversification of the investment of Natixis' debt in terms of both types of investment and regions.

Management of transformation into liquidity risk carried out by the Treasury department is subject to minimum transformation ratios (ratio of remaining assets due to liabilities remaining due by maturity category), validated by the ALM committee. These ratios were not subject to any changes in 2006.

(12) "Shock" proposed by the banking regulator in the second pillar of the Basel II accord published in June 2004.

(13) The indicator and its limit for short-term treasury activities in New York is currently being deployed.

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Minimum liquidity gap coverage ratios are as follows:

Class	Ratio
10 days	85%
1 month	80%
2 months	75%
3 months	70%
4 months	65%
5 months	60%
6 months	55%
7 months	55%
8 months	55%
9 months	55%
10 months	55%
11 months	55%
1 year	55%
2 years	45%
3 years	35%
4 years	30%
5 years	25%
6 years	25%
7 years	20%
8 years	15%
9 years	10%
10 years	5%

Finally, in order to enhance the Group's liquidity risk monitoring, liquidity stress scenarios are being developed.

Structural currency risk

The structural currency risk of the former Natexis Banques Populaires is predominantly in US dollars. This comprises risks relating to:

- investments in subsidiaries, charges by branches and earnings held in reserve not denominated in euros;
- income and expenses denominated in currencies other than the euro.

For the first component, the ALM committee has favored the purchasing of the currency and refinancing in euros for long-term investments (acquisition of equity investments, charges etc.). This policy helps to immunize the bank's capital adequacy ratio, of which a proportion of risks are denominated in currencies other than the euro. This policy could change if immunization of the capital adequacy ratio exceeds 100%.

For the second component, the ALM Committee has approved coverage of risk denominated in US dollars, as set out in the budgetary procedure, be it on the basis of anticipated sales in dollars against euros, gradually bought back with the formation of margin in dollars.

Structural interest rate, currency and liquidity risk at Ixis Corporate & Investment Bank

The ALM Committee of Ixis Corporate & Investment Bank is responsible for management of structural assets and liabilities, interest rate, currency and liquidity risk. This committee, which comprises representatives of the Finance and Risk Management departments, is chaired by a member of the management board.

Structural interest rate risk

Structural interest rate risk benefits from a VaR limit (10 days at 99%) of €18 million. The amount used of this limit is calculated daily by the Risk Management department, with the Finance department responsible for monitoring and managing risk.

In addition, the ALM committee uses monthly indicators concerning the structural interest rate position on banking book activities, in particular the static gap by maturity category, as well as sensitivity analysis of the net asset value on the basis of several yield curve scenarios (increases of decreases, steepening, flattening, development of factors in a multi-factor model).

Liquidity risk

Short-term liquidity requirements are monitored on the basis of three factors:

- the liquidity ratio, with a target ratio of at least 120%; This is estimated daily by the Finance department on a company basis and monthly on a consolidated basis;
- current account limits: these limits are managed by the financing committee, which comprises representatives of the main users, as well as the Treasury and Risk Management departments;
- stress scenarios: scenarios are updated once a month and presented to the ALM committee.

Medium to long-term liquidity requirements are monitored on a monthly basis by the ALM committee.

Structural currency risk

Ixis Corporate & Investment Bank has chosen to finance its liabilities in foreign currencies by borrowing in the currency. Structural currency risk falls within the scope of the ALM committee. Currency risk relating to revenues in foreign currencies is subject to specific management.

Management of market risks and hedging

As stated previously, the objectives of the strategy for the management of financial risks - namely interest rate and liquidity risks - at Natixis (for the former Natexis Banques Populaires) and Ixis Corporate & Investment Banking are based on the centralization of these risks within the treasury department. Natixis entities benefiting from autonomy in the operational management of their interest rate and liquidity

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risks by delegation of the ALM committee work through a decentralized ALM/Treasury committee. The interest rate risk of Natixis and its main subsidiaries is subject to maximum exposure limits, which are defined and validated yearly by the ALM committee. Within the framework of its structural interest rate risk management, Natixis uses primarily vanilla interest rate swaps as hedging instruments.

As regards overall management of Natixis' interest rate and liquidity risks in respect of IFRS, Natixis uses two types of hedge accounting.

Cash flow hedges

Cash flow hedging is used by Natixis primarily for the interest rate risk of the parent company.

- Hedging of variable rate borrowings and issues:
  - Natixis uses vanilla interest rate borrower swaps at fixed rates to fix future variable-rate borrowing costs and private or public issues.
- Hedging of variable-rate loans:
  - Natixis uses vanilla interest rate lender swaps at fixed rates to fix future variable-rate borrowing costs (commercial loans, interbank loans, loans to subsidiaries and branches).
  - For cash flow hedge management, Natixis uses mainly derivative financial instruments to hedge income or expenses relating to variable-rate assets/liabilities.
  - Given the specific nature of Natixis' balance sheet (no behavioral option, no need to recognize potential early redemptions as financial compensation is paid), the use of this type of hedging is justified by the implementation of variable-rate future repayment schedules as represented by all transactions with a set maturity.
- Prospective test:

  The prospective test entails the establishment of (by index type and currency):

  - a schedule of cumulative variable-rate borrowings and fixed-rate borrower swaps by maturity;
  - a schedule of cumulative variable-rate loans and fixed-rate lender swaps by maturity.

The prospective test is used to verify that the scope of derivatives is admissible in a macro-hedging relationship. Hedging is established if for each maturity group, the nominal amount of items to be hedged is larger than the notional amount of hedging derivatives. By default, derivative instruments may not justified in a hedging relationship of this kind.

- Retrospective test:

  The retrospective test is used to ensure whether or not the hedging implemented at different accounting dates is effective.

  At each accounting date, changes in the fair value excluding accrued interest of hedging instruments 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%. Outside these limits, the hedging ratio would no longer be justified under IFRS.

- Impacts on equity and consolidated income:

  Changes in the marked-to-market of derivative financial instruments are taken to equity and only the ineffective portion of the hedge impacts the income statement at each accounting date.

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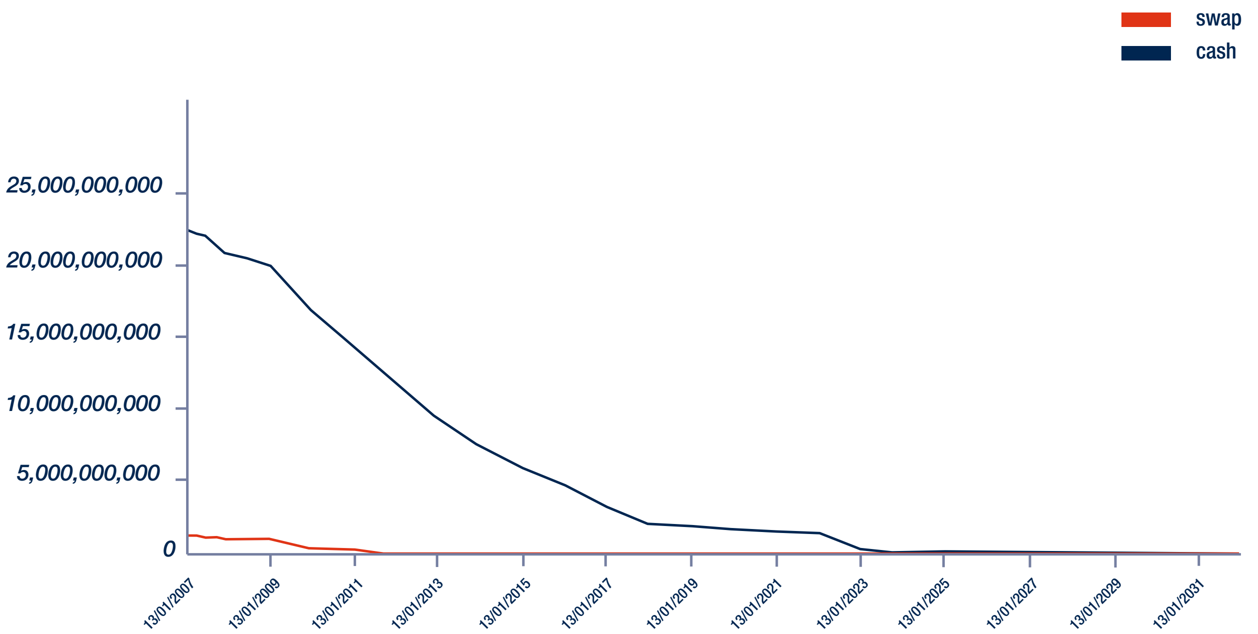
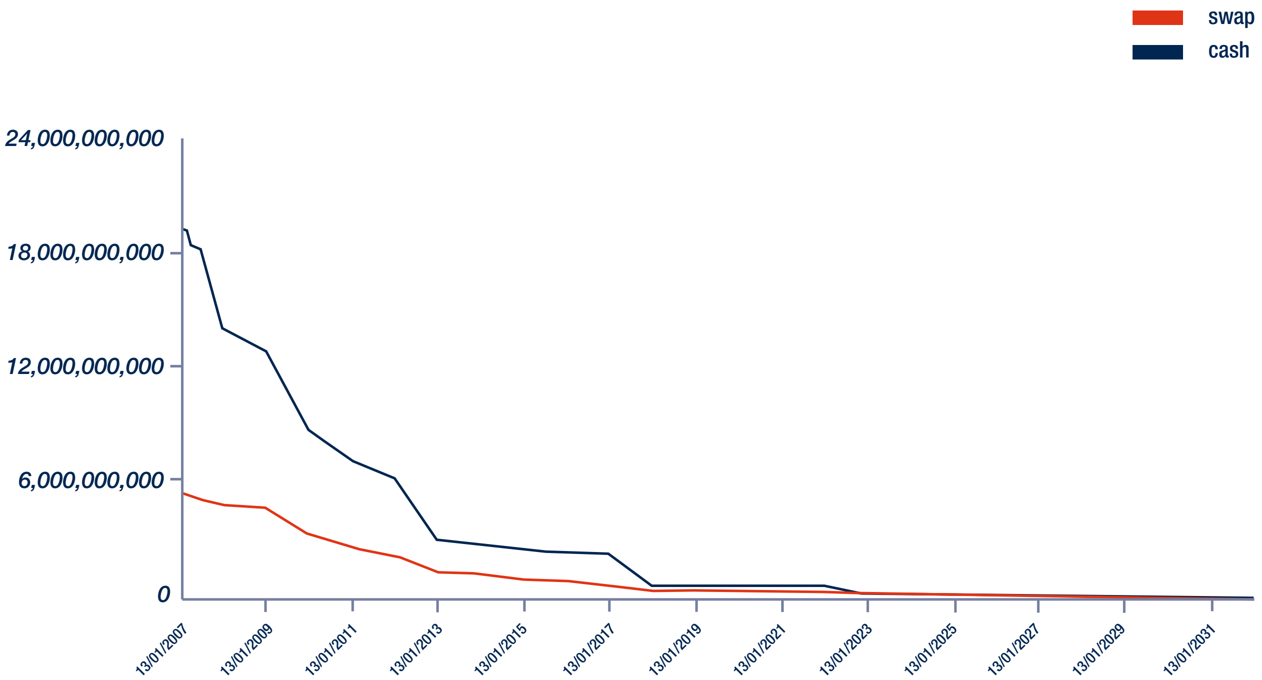
PERIODS FOR WHICH CASH FLOW HEDGING IS JUSTIFIED (ALL CURRENCIES VERSUS VALUED IN EUROS)

CASH FLOW HEDGES OF VARIABLE RATE LOANS



CASH FLOW HEDGES OF VARIABLE RATE BORROWINGS



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Fair value hedges

- Hedging of fixed-rate borrowings and issues:

  Natixis uses vanilla interest rate lender swaps at fixed rates to protect itself against unfavorable changes in interest rates.

- Hedging of loans and securities held for sale:

  Natixis uses vanilla interest rate borrower swaps at fixed rates to protect itself against unfavorable changes in interest rates.

- Prospective test:

  The prospective test is used to check that the financial characteristics of the hedged item and the hedging instrument are the same.

- Retrospective test:

  The retrospective test is used to ensure whether or not the hedging implemented at different accounting dates is effective.

At each accounting date, changes in the fair value excluding accrued interest of hedging instruments 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%.

Outside these limits, the hedging ratio would no longer be justified under IFRS.

Impact on consolidated income:

Changes in the marked-to-market value of derivative instruments are recorded in the income statement (effective and ineffective portion). At the same time, changes in the marked-to-market value of "hypothetical" assets and liabilities are also recorded in the income statement.

Operational risks

Operational risk is defined as the risk of loss due to inadequacies or deficiencies in processes, people and systems, or to external events. Operational risk management is based primarily on the principle of the responsibility of business line management for first-tier risk and an internal control system applicable to all activities. This system is overseen by the Operational Risks committee.

On its creation, Natixis had an operational risk management system for all of its operations, comprising risk mapping, loss and incident reporting procedures and monitoring of operational risks. Initially, Natixis' Risk Management department endeavored to take appropriate conservative measures to maintain the systems in place. The operational risk management committees were therefore maintained, meeting with the same frequency in all of the Group's entities during the start-up period. These committees will continue to meet until Natixis' entities are effectively merged. The Operational Risk Management department has also rapidly implemented a reporting procedure for serious incidents. Management has therefore been kept up to date about incidents of this kind several times since mid-November. Finally, a detailed study of existing risk mapping and the different incident databases enabled the department to produce consolidated pro forma reporting for all of Natixis at the end of 2006.

The division has set three targets for 2007 relating to organization, method and quantification:

- organization: this concerns developing the organization in place in order to comply with that announced to the CECEI: second-tier controls have to report to Natixis' Risk Management department or have a strong functional and hierarchical tie;
- method: Natixis is looking to implement a system to measure operational risk using a standardized method, allowing for consolidation of all activities through mapping, indicators and plans of action;
- quantification of economic capital, giving all levels of management a decision-making tool in order to help in choices relating to the many actions on the agenda in terms of covering operational risk (organizational procedures, logistics resources, IT developments, insurance, business recovery plans) and to calculate a capital requirement that better reflects actual risk.

At the former Natexis Banques Populaires, the operational risk management committee met four times in 2006. Its efforts concerned primarily:

- the former Natexis Banques Populaires' business recovery plan (BRP): decision-making crisis unit, monitoring of tests, progress in the business recovery plans of the various business lines and international offices, crisis management system, presentation of the BRP audit, reporting on incidents;
- monitoring of the progress of the business line operational risk management project *(see below)*;
- various issues such as the implementation and supervision of the charter governing use of information, technological and digital resources and logical security management.

At Ixis Corporate & Investment Bank, the operational risk management committee, chaired by a member of the management board, meets every two months. Its role is to analyze and validate proposed plans of action identified following serious incidents and during the mapping of operational risks, to discuss cross-functional projects relating to operational risks and to monitor progress in the deployment of procedures.

Insurable risks

The General Secretariat and the Insurance department are responsible for analyzing insurable operational risks, seeking adequate cover and/or purchasing it on the market.

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The 2006 insurance program for general risks and risks specific to the business of the former Natexis Banques Populaires and its subsidiaries (excluding Coface) included the following:

1. buildings used in the business in France and their contents (excluding IT equipment) are insured against the usual risks (fire, explosion, terrorism, flooding etc.) at reconstruction or replacement value. Buildings outside France are insured locally;
2. IT equipment and consequential loss of banking business is covered under a blanket group policy taken out by Banque Fédérale des Banques Populaires. Capital insured varies depending on the geographical sites insured (maximum of €175 million);
3. risk of theft and fraud are also covered by two blanket group policies taken out by Banque Fédérale des Banques Populaires for the entire Banque Populaire Group;
4. liability is covered by several policies for different amounts depending on their nature and, in some cases, legal requirements (operations, motor, professional liability worldwide excluding the US and Canada, Directors' liability, specific business line liability etc.).

All cover has been taken out with leading international insurers that are recognized for their claims-paying ability.

All policies include deductions or retentions determined in relation to the financial capacity of the Banque Populaire Group and/or Natexis Banques Populaires. Total insurance premiums paid for the risks described above amounted to just over €4.7 million in 2006.

As a result of the transformation of Natexis Banques Populaires into Natixis and the sharing of ownership of its share capital between the Banque Populaire Group and the Caisse d'Epargne Group, insurance programs were amended as of January 1, 2007 (removal of the Banque Populaire Group's main insurance programs and primarily increasing certain levels of coverage).

LEGAL RISKS

Dependency

Natixis is not dependent on any patents, licenses or industrial, commercial or financial sourcing agreements.

Legal and arbitration proceedings

Proceedings relating to the distribution of the Livret A regulated savings account. In a letter dated June 7, 2006, the European Commission informed French authorities of its decision to open an inquiry under Article 86, Paragraph 3 of the EC treaty concerning the special rights granted to La Poste (the French postal service), the Caisses d'Epargne and Crédit Mutuel to distribute the Livret A and Livret Bleu regulated savings accounts. The European Commission considers that the special rights in question could infringe on the right to free exercise of a trade and the freedom to provide services, protected by Articles 43 and 49 of the EC treaty. CNCE filed a response with the European Commission on October 3, 2006. Its response aims to demonstrate that the special distribution right for Livret A passbook accounts is consistent with right to free exercise of a trade and the freedom to provide services, and that regardless of circumstances, the special right is justified in furthering the public interest. After a preliminary examination of CNCE's observations, the European Commission asked CNCE to provide clarification on a number of additional matters, which was done in a letter dated November 3, 2006. Following the meeting with the European Commission on November 8, 2006, an additional letter was sent on December 13, 2006.

In parallel, the Fédération Nationale du Crédit Agricole, BNP Paribas, BFBP, Société Générale and ING Direct France are contesting under French law the special right of La Banque Postale to distribute Livret A passbook accounts, as well as La Banque Postale's commission payment rate, before the Administrative Tribunal of Paris. These banks filed complaints between February 17 and June 29, 2006 to have the administrative decisions of the Minister of the Economy, Finance and Industry that rejected their respective requests to be authorized to distribute or to assure the distribution of Livret A passbook accounts overturned. These complaints were based on allegations of violation of the right to free exercise of a trade, of absence of notification of state aid, and automatic abuse of dominant position, and seek to have open the distribution of the Livret A to other banks.

These banks, as well as Crédit Agricole S.A., also filed complaints with the Conseil d'Etat between February 17 and July 4, 2006 in order to have overturned the administrative decision of the Prime Minister that rejected their respective requests to suspend the provisions of Articles R. 221-1 to R. 221-27, D. 221-28 to D. 221-31 and R. 518-46 to R. 518-55 of the French Monetary and Financial Code, relating to the Livret A, including the article setting the mechanism for compensation of the Caisses d'Epargne for distributing the Livret A. CNCE submitted its observations on these complaints to the Conseil d'Etat on January 10, 2007. Its observations show in particular that the special right to distribute the Livret A savings account is in accordance with the freedom of establishment, does not entail any government aid and does not allow for automatic abuse of a dominant market position.

Harris Associates L.P. - Jerry Jones, *et al.* 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 Ixis Asset Management Group, 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 have filed a motion for summary judgment. 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. At present, no provisions have been set aside in relation to these proceedings.

AMF notifications relating to the issuance and marketing of redeemable subordinated notes by the Caisse

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d'Epargne Group. On September 10, 2004, the Autorité des Marchés Financiers (the «AMF») opened an inquiry concerning the issuance by CNCE and the marketing by the Caisses d'Epargne of redeemable subordinated notes («TSRs») since June 2002. The AMF sent complaint letters to CNCE and to ten Caisses d'Epargne on September 11, 2006. These letters are based on a report of the French Market Supervision and Inquiry Service (Service d'Enquêtes et de la Surveillance des Marchés), which was issued based on a unilateral inquiry and not in an adversarial process. In its letters to the ten Caisses d'Epargne, the AMF criticized the Caisses d'Epargne for: (i) having customers subscribe TSRs issued by CNCE on the primary market when customers could have purchased them or purchased other, essentially identical TSRs on the secondary market under more favorable conditions, and (ii) not respecting a number of regulatory prohibitions in marketing TSRs, especially with respect to the subscribers' right to information and to specific advice. In its letter to CNCE, the AMF indicated that CNCE may be liable for two categories of infractions: (i) in structuring the offering, listing and placement of TSRs, furnishing partially inaccurate information concerning subscription dates and the underwriting of the TSRs by the Caisses d'Epargne; and (ii) neglecting its responsibilities in the compliance monitoring of the Caisses d'Epargne and its responsibilities to protect public savings (relating to the allegations against the Caisses d'Epargne). CNCE and the Caisses d'Epargne filed a response to these allegations on December 1, 2006. The designated reporter of the Sanctions Commission of the AMF has taken notice of these responses in defense and is preparing a report which itself may be subject to further comments by the parties. The Sanctions Commission will then conduct an adversarial proceeding to decide if the allegations amount to infractions, and, if applicable, to decide on a monetary sanction.

There are no other administrative, legal or arbitration proceedings pending likely to have a material impact on the financial statements of Natixis.

FINANCIAL STRUCTURE AND REGULATORY RATIOS

Analysis of the consolidated balance sheet

Assets

(in € billions)	12/31/2006	12/31/2005
Financial assets at fair value through profit or loss and hedging instruments	177.5	26.0
Available-for-sale financial assets	31.1	22.2
Due from banks	32.7	18.8
Customer loans	72.0	43.9
Securities held under resale agreements	103.9	42.8
Held-to-maturity financial assets	7.0	7.1
Other assets	34.4	7.3
TOTAL ASSETS	**458.6**	**168.1**

Liabilities

(in € billions)	12/31/2006	12/31/2005
Financial liabilities at fair value through profit or loss and hedging instruments	133.8	5.5
Due to banks	76.4	21.1
Customer deposits	30.2	9.5
Securities delivered under repurchase agreements	85.6	48.6
Debt securities in issue	54.3	37.8
Other liabilities and provisions	20.2	9.4
Insurance companies' technical reserves	31.1	26.2
Subordinated debt	8.8	4.3
Shareholders' equity	18.2	5.7
TOTAL LIABILITIES	**458.6**	**168.1**

Total consolidated assets amounted to €458.6 billion at December 31, 2006, compared with €168.1 billion the previous year, an increase of €290.5 billion or 173%. This increase relates to transferred subsidiaries, representing €267.2 billion, and growth of €23.3 billion for the former Natexis Banques Populaires.

Assets

Financial assets at fair value through profit or loss and hedging instruments came to €177.5 billion compared with €26.0 billion at December 31, 2005, an increase of €151.5 billion, relating primarily to transferred subsidiaries representing €138.2 billion. These financial assets at fair value through profit or loss comprise trading instruments (€97.7 billion, including €76.0 billion from transferred subsidiaries) and instruments designated as at fair value (€79.2 billion).

The increase of €8.9 billion in available-for-sale financial assets relates primarily to transferred subsidiaries, representing €7.7 billion.

Outstanding customer loans - including lease financing - amounted to €72.0 billion, an increase of €28.1 billion compared with December 31, 2005, relating mainly to outstandings from transferred subsidiaries (€19.1 billion) and growth in the lending business (€9.0 billion) at the former Natexis Banques Populaires, particularly at its foreign branches.

Securities held under resale agreements totaled €103.9 billion at December 31, 2006, with transferred subsidiaries representing €79.1 billion or 76%. These assets are financed by securities delivered under repurchase agreements, recorded under liabilities.

Liabilities

Refinancing of activities excluding securities delivered under repurchase agreements was mainly via debt securities in issue, which - including issues of CDs designated as at fair value - totaled €100.6 billion at December 31, 2006, as well as bank debt, representing €75.8 billion.

Shareholders' equity and capital adequacy

Capital stock

Capital stock increased in 2006 by 1,103,281 shares as a result of the payment of dividends in shares and by 93,284 shares following the exercise of stock options in the context of existing employee stock ownership plans. At September 30, capital stock therefore amounted to €803,072,720, divided into 50,192,045 shares each with a par value of €16.

The transfer of shares by CNCE and SNC Champion on November 17, 2006, increased capital stock by 73,131,476 shares to €1,973,176,336, comprising 123,323,521 shares each with a par value of €16. This was followed by a six-for-one share split, bringing capital stock to 1,233,235,210 shares with a par value of €1.6.

The cancellation of treasury stock and the exercise of stock options decreased the number of shares by 13,370,990 shares, bringing total capital stock at December 31, 2006, to €1,951,782,928, comprising 1,219,864,330 shares with a par value of €1.6.

Regulatory capital and capital adequacy ratio

At December 31, 2006, Natixis' consolidated regulatory capital amounted to €13.2 billion compared with €8.6 billion for Natexis Banques Populaires at December 31, 2005.

Tier One capital amounted to €13.1 billion at December 31, 2006, compared with €5.7 billion at December 31, 2005, an increase of €7.4 billion. This was mainly due to the increase in capital stock and other paid-in capital as payment for shares transferred (€11.1 billion), other Tier One capital in the form of hybrid securities transferred, minority interests (€1 billion) and the issue of super-subordinated notes in dollars (€0.2 billion).

These increases were partly offset by the increase in deduction of goodwill on the balance sheet (€2 billion), as well as the negative development of prudential filters, exchange differences and other factors (€0.5 billion). Tier Two capital was insufficient to cover the increase in the deduction relating to the holding of cooperative investment certificates issued by the two networks, resulting in a reduction of €2.4 billion.

Risk-weighted assets totaled €125.1 billion at December 31, 2006, compared with €69.3 billion at December 31, 2005. Transferred entities represented risk-weighted assets of €46.7 billion at end-2006.

As a result of these trends, the international capital adequacy ratio stood at 10.6% compared with 12.5% at December 31, 2005, with a Tier One ratio of 10.5% compared with 8.3% at December 31, 2005.

■ Development of Tier One ratio compared with December 31, 2005 pro forma

Tier One capital remained stable in relation to December 31, 2005, pro forma at €13.1 billion. The €2.3 billion increase in Tier One capital was offset by deductions of €2.4 billion not covered by Tier Two capital.

Risk-weighted assets totaled €125.1 billion at December 31, 2006, compared with €116 billion pro forma at December 31, 2005, an increase of 8% relating to credit risks (up €12 billion), while market risks decreased by €3 billion as a result of the combined effect of extension of Ixis CIB's internal model and methodological advances in Natixis' portfolios.

After early application of new rules for deductions as set out in the adaptation of the Capital Requirements Directive (CRD) to French law, the Tier One ratio was 8.9% compared with 8.5% pro forma at December 31, 2005, representing improvement in Natixis' financial structure despite the robust growth in its business.

Other regulatory ratios

The liquidity ratio is designed to ensure that liquid assets with a maturity of less than one month are at least equal to liabilities falling due within the same period.

The ratio of liquid assets to liabilities falling due within one month must be higher than 100%. It stood at 145% at December 31, 2006, for the former Natexis Banques Populaires and at 181% for Ixis CIB.

Natixis complies with the prudential rules governing large exposures.

In line with banking regulations, no single exposure may exceed 25% of regulatory capital and the cumulative total of individual exposures in excess of 10% of regulatory capital may not exceed eight times regulatory capital.

REFINANCING

In 2006, Natixis (activities of the former Natexis Banques Populaires and Ixis Corporate & Investment Bank) benefited from a high level of liquidity on the bond market. In issues, spread conditions offered by investors were particularly attractive at the start of the year and then again at the end of the year following a short period of tension during the spring.

Former Natexis Banques Populaires

Natixis managed to focus its offers on the euro market during the most favorable periods and continued to diversify its investor base through transactions on the US market, as well as in Switzerland and the United Kingdom. Over the last few months of the year, Natixis (former Natexis Banques Populaires) carried out two subordinated benchmark notes issues, one for €1 billion in September and the second for €500 million in December. In the senior debt market, the most significant transactions were a €1.5 billion five-year public bond issue in January and a $2 billion extendible notes issue in October. However, like last year, the majority of Natixis' medium and long-term requirements were covered by the private placement of a number of EMTN issues.

Ixis Corporate & Investment Bank

Traditional banking activities (interbank deposits, issues of certificates of deposit and euro commercial papers) developed thanks to increased diversification of refinancing sources, particularly in terms of counterparties.

Medium and long-term financing transactions were carried out through a number of medium term note programs. New specific programs were opened to target specific customers: Ixis Special Products (EMTN), Ixis Financial Instruments (EMTN) and Ixis Financial Products (USMTN).

CUMULATIVE ISSUES IN 2006 FOR NATIXIS (FORMER NATEXIS BANQUES POPULAIRES AND IXIS CORPORATE & INVESTMENT BANK) (EXPRESSED IN € MILLIONS EQUIVALENT EXCEPT FOR EXTENDIBLE NOTES, EXPRESSED IN $ MILLIONS)

Natixis (former Natexis Banques Populaires + Ixis CIB)	EMTN	BMTN	UMTN	Bonds*	Extendible notes
Issues	12,842	882	386	1,627	2,000
Outstanding at December 31, 2006	33,315	2,613	308	13,051	3,000
Outstanding at December 31, 2005	26,395	2,455	77	14,672	1,000

** Only bond issues excluding EMTN program.*

Senior debt (former Natexis Banques Populaires)

(i) Issuance programs:

The EMTN program contains a standard negative pledge. There are no financial or rating-related covenants. There is a cross-default clause restricted to the issuer, with a €30 million trigger.

USCP programs (papers issued by NBP U.S. Finance Company LLC with a Natixis guarantee) the Natixis ECP program, the French commercial paper (TCN) program and the extendible notes program do not contain any covenants.

(ii) Non-program issuance:

Bonds issued in the French domestic market contain a negative pledge similar to the EMTN program.

International bond issues contain a negative pledge and a cross-default clause, which is the same as that contained in the EMTN program.

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Subordinated debt (former Natexis Banques Populaires)

(i) Redeemable **subordinated notes** do not contain any covenants.

(ii) Super-subordinated notes (issued on June 30, 2006 – $250 million – three-month Libor) contain certain covenants, notably:

- non-payment of interest at the due date under certain circumstances;
- reduction in the amount of accrued interest and the nominal amount of the issue in the case of certain events affecting the issuer's financial situation or certain ratios.

The subordination clause, as validated by the French Banking Commission, is as follows:

- status of the Notes:

  The principal and interest on the Notes (which constitute obligations under French law) are direct, unconditional, unsecured and deeply subordinated obligations of the Issuer and rank and will rank pari passu among themselves and with all other present and future Support Agreement Claims and Deeply Subordinated Obligations but shall be subordinated to the present and future prêts participatifs granted to the Issuer and present and future titres participatifs, Ordinarily Subordinated Obligations and Unsubordinated Obligations of the Issuer.

  In the event of liquidation of the Issuer, the Notes shall rank in priority to any payments to holders of any classes of share capital and of any other equity securities issued by the Issuer.

Finally, the issue prospectus provides an early redemption option as of June 30, 2016, and at each subsequent interest payment date.

MERGING OF OPERATIONS

The merging of the operations of the entities making up Natixis is one of the management board's priorities. Integration projects are based on three main objectives that comply with procedures for reporting and consulting employee representative bodies:

- ensuring, from the creation of Natixis on November 17, 2006, the conditions for continuity of operations and management;
- anticipating and facilitating the merging of activities and implementation of operations at Natixis;
- defining and rolling out a durable organizational structure.

Ensuring, from the creation of Natixis, the conditions for continuity of operations and management

In addition to information about counterparties and customers, as well as the commercial coordination of all of Natixis' business relations, this first objective has concerned primarily Natixis' central functions. They first of all oversaw the implementation of management and control functions in order to obtain a centralized overview of Natixis' commitments and performance. At the end of 2006, Natixis had the necessary tools to manage its operational risk. The main measures in this area related to:

- Natixis' general organizational structure, with:
  - activating the executive bodies, centered around the management board and the executive committee, bringing together heads of Natixis' business divisions and representatives of support functions (Finance, Human Resources, Risk Management); these bodies have met once a week since mid-November. Meanwhile, the supervisory board held its first meetings in December and determined its schedule for 2007,
  - the effective appointment of business line heads from the end of December 2006, in particular for the Corporate and Investment Banking and Asset Management divisions;
- the implementation of priority measures in terms of IT systems: interconnection and infrastructures; implementation of and inputting of data into consolidation and risk monitoring systems, as well as accounting systems; synchronization and enhancement of third-party reference systems;
- the roll-out of the Risk Management function, with:
  - the implementation of a unified procedure for the granting of loans for the Corporate and Investment Banking division, with the setting up of risk management committees at Group level and specialist committees; this system is enhanced by rules for delegation,
  - the choice of targeted tools depending on best practices within the new Group, in particular consolidation of all credit risks using the Fermat system,
  - developing calculations for major regulatory risks;
- the implementation of accounts consolidation procedures with a view to the preparation of the 2006 accounts and regulatory statements;
- coverage of priority requirements at the level of human resources, with:
  - the launch of information and consultation procedures for emergency measures, in particular for control and coverage functions, as well as transitional measures (corporate and investment banking, asset management);
  - coordinated management of recruitment and mobility throughout Natixis.

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Anticipating and facilitating the merging of activities and implementation of operations at Natixis

This second objective is closely tied to the Group's desire to carry out integration in accordance with a tight schedule. Legal formalities will be carried as rapidly as possible subject to any constraints, relating in particular to regulatory, legal, tax and operational matters.

A tight schedule

For the Asset Management division, only operations in France are concerned; the target date for the merging of the Group's asset management entities in France is the end of the first half of 2007. The merging of equity brokerage companies should follow the same schedule. The merger of Ixis CIB and Natixis will take place in the second half of 2007. Finally, in Securities activities, preparatory studies with a view to defining the final organization of the Group have already begun and working parties have been set up to look at each specific area. As regards activities subject to significant operational constraints, merger procedures will not begin until early 2008. Finally, other operations - factoring, lease financing etc. - will be merged as the merging of teams progresses.

Rapid implementation

The conditions are already in place for the rapid execution of these efforts, thanks to:

- a high level of support in terms of human resources:
  - launch of legal information and consultation procedures, which should allow for groupings by region if necessary before the legal merging of activities. For the Corporate and Investment Banking division, implementation should take place gradually between now and the end of the third quarter of 2007. For the Asset Management division, implementation will begin in the second quarter of 2007. Groupings within the Services division will be carried out in stages as of mid-2007, except for Securities activities, the schedule for which is the same as that for the merging of legal entities,
  - creation - with the agreement of all trade union organizations - of a contractual negotiations body,
  - creation of a Group Committee,
  - implementation of a communications policy for the different stages of the merger;
- mobilization of all employees under the aegis of the management board. The system is based on a conventional project structure, with a central steering committee in charge of communications, monitoring the progress of projects and arbitrage. Three business line committees and seven cross-functional committees are responsible for implementing the efforts of sixty specialist working parties;
- efforts to set up a streamlined real estate structure before the end of 2007. In a favorable market, buildings in Rue Saint Dominique have been put up for sale and should allow the Group to realize the optimum value of its real estate assets. The majority of employees will be based in offices around Gare d'Austerlitz and the Gare de Lyon-Bercy complex. Two buildings of 20,000 m² are in the process of being developed on Avenue Pierre Mendès-France and in the Bercy-Expo district - one for the management board and cross-functional departments and the other for the back office and IT systems teams of the corporate and investment banking division. The space freed up by these relocations will allow for the asset management entities and front office teams of the corporate and investment banking division to be brought together in the same location. Similar moves are planned for outside France, initially in Europe and the United States, in order to make the most of opportunities for the sharing of premises.

An operational system for the monitoring of synergies

At the same time, management and monitoring of the realization of the synergies identified as part of the Natixis project have been factored into a dedicated system to confirm the target synergies to be achieved by 2010. All plans of action and synergies identified shall be the responsibility of management and staff designated by the management board to ensure that the Group's objectives are met. The progress of each of these efforts is monitored through a reporting system, under the leadership of the Finance department.

Merging of operations in all of Natixis' business lines and functions

Progress made in the integration process can be analyzed by business line and for the main cross-functional departments.

Corporate and Investment Banking

In parallel with measures carried out with a view to carrying out the merger of Ixis CIB and Natixis before the end of 2007, the priorities of the Corporate and Investment Banking division have comprised:

- implementing structures and organizations to help realize synergies:
  - sales and marketing organization focusing on cross-selling, thanks in particular to improved coverage,
  - creation of global business lines, facilitating the pooling of development resources,
  - identifying means of sharing operating costs in France and abroad;
- gradual designation of the key business line managers: appointment of eight area managers in early December 200 and 50 main line managers on December 22, 2006, with the aim of having all French employees in position by the end of April after the legal information and consultation process; the appointment of heads of the various offices outside France is progressing according to the same schedule. In

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anticipation of the legal formalities relating to the merger, a single management committee was created for the entire Corporate and Investment Banking division at the end of 2006;

- mapping out target systems for the processing and steering of the Corporate and Investment Banking division, with the implementation of front-to-back units. Depending on how they are adapted to Natixis' new organizational structure, the units selected come from both Ixis CIB (e.g. equities and derivatives or securitization activities) and Natexis Banques Populaires (in particular payment flows, forex and trade finance activities).

Asset Management

The integration of the Asset Management division complies with the business line development model, based on the confederal organization of all asset management companies in charge of marketing their own products to their established clients with the support of distribution platforms, particularly for international sales or enlarging the target customer base.

Against this backdrop, the division has aligned the management committees of the French business entities in order to favor coordination of the new Group and appointed managers of the various functions in the target organization. The legal formalities should take place before June 30, 2007. The realization of synergies is supported by efforts to streamline product ranges and optimize the distributor network support and operational structure. As regards the latter, the project developed aims to use a shared interface and maintain the teams and operating methods of each network.

Services

Since the creation of Natixis, the Services division has overseen the implementation of an organizational structure ensuring the smooth operating of central functions and the business lines, as well as initiating advance measures, particularly for Securities activities. At the same time, studies have been carried out to allow for the roll-out of complementary services in the networks. As a result, employee benefits planning services will be offered by the Caisse d'Epargne Group before the end of 2007 and the first Banque Populaire regional banks will sell revolving consumer loans from autumn 2007.

Other business lines

Synergies and integration are not as significant within the Receivables Management and Private Equity and Private Banking business lines. Efforts relating to the merging of business units (factoring) and the realization of the planned revenue synergies (roll-out of international private banking services, development of Receivables Management within the Caisse d'Epargne network) began in early 2007.

IT systems

The creation of Natixis led to the convergence of IT systems in order to capitalize on existing systems and to accompany the business lines and support functions. The Information Systems and Shared Systems division is responsible for coordinating efforts and ensures that choices made are consistent.

The Group's IT projects consist of three phases with the aim of accompanying the merging of teams while ensuring control of operational risk and gradual development towards the target structure:

- creation: launch of activities under the new identity;
- transition: ensuring business continuity;
- target: long-term operation.

Three priorities have been determined to initiate convergence of the Group's IT systems:

- the choice of long-term target solutions;
- harmonizing standards;
- defining a pragmatic integration schedule.

As of November 17, 2007, the creation phase will focus on regulatory requirements, in particular for accounting production, risks and compliance functions.

The objectives of the next two phases are:

- to ensure business continuity in Natixis' operations and the production of consolidated statements in accordance with regulatory requirements;
- to define and validate a target structure for each business line and for support functions;
- to determine the process and the main milestones;
- to initiate measures to achieve the target structure;
- to monitor synergies.

These phases are based on projects to align the IT systems of the business lines and cross-functional projects.

During the transitional phase, governance of IT systems shall be based on a reduced number of functional areas, to allow for synergies and optimization between the different business lines. Overall consistency is ensured by the central IT department, which defines the shared standards and procedures for the running of the Group's IT systems.

The target organizational structural shall be based on a cross-functional IT department and an IT department in certain business lines, in particular for the Corporate and Investment Banking and Asset Management divisions. This responds to the objective of taking the specific characteristics of the various business lines into account while also attempting to pool resources as soon as this is possible.

Finally, studies into the harmonization and pooling of infrastructures have been initiated in accordance with the specific characteristics of each business line. These concern problems relating to the network (sharing of physical infrastructures, identifying synergies between different external services), as well as shared administration of telecoms, e-mail and workstations (industrialization, shared systems, synergies between different external services). A strategy for streamlining production, servers and processing centers is also being studied.

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Risk Management

The implementation of the Group Risk Management department has been finalized. The new Risk Management department covers the entire Natixis Group and forms part of the shared control systems of the two central bodies: Banque Fédérale de Banques Populaires and Caisse Nationale des Caisses d'Epargne. Procedures have been implemented for the monitoring of all risks, ensuring close ties with the Group's foreign subsidiaries and units. Systems have also been improved for the management of market risks and the duties of the various operational risk officers have been defined. Finally, the department is responsible for Group committees.

The organizational structure of Risk Management is based on the creation of global units in order to ensure overall consistency, as well as the roll-out of risk management within the various business lines, with close hierarchical or functional ties with the central functions. Management of standards and overseeing risk management in general are still the responsibility of the central Risk Management department.

Measures have been undertaken to harmonize methods and risk measurement instruments in order to ensure a consolidated overview of Natixis' risks, notably its credit risks. This has comprised in particular:

- the implementation of new procedures for the granting of loans, introducing business line delegations and specialized work flow;
- defining a single rating method for each asset class;
- choosing a single VaR calculation tool for Market risks (Scénarisk);
- the gradual mapping of operational risks and ensuring the reporting and centralization of incidents.

Finance

In the context of the new Group, the Finance department has implemented procedures to allow Natixis to respect its regulatory requirements and have the appropriate tools for its business activities. It has been responsible for:

- the preparation of accounting documents, financial statements and the budget procedure; first-time application concerned the 2006 financial statements and the 2007 budget;
- consolidating financial information;
- preparing regulatory statements.

It has also defined reporting and management standards and deployed monitoring tools both on a consolidated level and for Natixis' various activities.

SUBSEQUENT EVENTS

- On January 9, 2007, Natixis issued a press release stating the following:

  "Asset Management: Peter Voss to retire, Pierre Servant to take over in the first quarter of 2007.

  Peter Voss, after 15 years as the head of Ixis Asset Management Group (IAMG), has announced his decision to retire. Pierre Servant will succeed him as global CEO in the first quarter of 2007. At the request of the Group, Mr Voss will continue to assist Natixis as a consultant in corporate development with a focus on mergers and acquisitions and will remain on the board of the Oakmark funds in the US.

  Pierre Servant is a member of the Executive Committee of Natixis, with oversight responsibility for its asset management businesses. He has been a member of the Board of IAMG since 2000 and services as Chairman of IAMG's Audit Committee."
- In accordance with Article 9.3 of Commission Regulation (EC) 2273/2003 of December 22, 2003, on January 12, 2007, Merrill Lynch International, acting as stabilization manager for the disposal by Caisse Nationale des Caisses d'Epargne and SNC Champion (a 99.99%-owned subsidiary of Banque Fédérale des Banques Populaires) of Natixis shares on Eurolist by Euronext Paris, reported that no stabilization operations were carried out during the stabilization period lasting from December 7, 2006, to January 5, 2007, inclusive.
- On March 1, 2007, Euronext's Expert Commission (Indices Committee) decided to include Natixis in the CAC Next20 index. This decision took effect from the trading session of March 19, 2007.
- In accordance with the European Commission's regulation n° 809/2004 implementing the Prospectus Directive, no material changes in Natixis' financial or commercial situation have been seen since the end of the last financial year for which audited financial statements have been published.

INFORMATION ON THE PARENT COMPANY AND PROPOSED DISTRIBUTION OF NET INCOME

Information on the Natixis parent company

Net banking income rose by 29% or €422 million in 2006, including a €177 million or 23% increase in net interest income, an €106 million or 27% increase in net commission income and a €139 million or 47% increase in income from variable income securities.

Operating expenses rose by 33% compared with the previous year.

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Gross operating income amounted to €638 million, an increase of 22% over 2005. The cost/income ratio stood at 65.8%.

Provisions for loan losses increased by 85% to €141 million compared with €76 million in 2005.

Gains on fixed assets came to €73 million.

Net income came to €744 million compared with €459 million in 2005 as a result of the reversal of general banking reserves representing €234 million.

At December 31, 2006, total assets stood at €148,435 million versus €127,425 million one year earlier.

Proposed distribution of parent company net income

Natixis parent company reported net income of €744,399,468.97 for the year ended December 31, 2006.

The third resolution to be put to the annual general meeting on May 24, 2007, proposes to add to net income the balance held on the retained earnings account, being €16,584,314.50, and to transfer the sum of €37,219,973.45 to the legal reserve, leaving the sum of €723,763,810.02 available for distribution.

Shareholders will be asked to approve the deduction from the general banking reserve of €325,320,000.00, which, added to €723,763,810.02 available for distribution, allows for the payment of a dividend of €1,049,083,323.80 and the transfer of the balance to retained earnings, in the sum of €486.22.

FACTORS THAT MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

BFBP's and CNCE's joint control of Natixis and the terms of the shareholders' agreement between the two shareholders prevent any takeover of Natixis by means of a public offer.

BFBP and CNCE each own 34.44% of Natixis's share capital and voting rights and exercise joint control of Natixis.

Pursuant to the shareholders' agreement of November 17, 2006, BFBP and CNCE have also made a commitment to maintain strictly equal stakes in Natixis's share capital for a stability period of 10 years, which may be extended for successive periods of five years, as well as to maintain the percentage held of Natixis's share capital at a minimum of 34% for this period. However, should a public offer for all of Natixis's shares be declared admissible by the Autorité des Marchés Financiers, Natixis's Supervisory Board, notwithstanding the existence of an agreement not to sell the shares, subject to the double majority of members present and represented and members representing each of the parties bound by the agreement, shall express an opinion on the recommendation to shareholders whether or not to tender their shares to their offer. If necessary, BFBP and CNCE may decide, on the recommendation of Natixis's Supervisory Board subject to the double majority rule described above, to amend the terms of the shareholders' agreement with a view to tendering all Natixis shares to the offer jointly.

At the end of the stability period, there shall be a reciprocal right of preemption between BFBP and CNCE for their respective interests in Natixis's share capital. This right of preemption is applicable even in the event of a public offer.

Finally, BFBP and CNCE have agreed, under the terms of the shareholders' agreement, to act in concert to exercise the voting rights held in Natixis in respect of certain decisions, in particular concerning the appointment of Supervisory Board and Management Board members.

BFBP's and CNCE's joint control of Natixis, as well as the terms of the shareholders' agreement signed on November 17, 2006, prevent any takeover of Natixis by means of a public offer should BFBP and CNCE decide not to tender their shares to the offer jointly.

The takeover of Natixis by means of a public offer would result in the right to buy back cooperative investment certificates issued by the Banque Populaire and Caisse d'Epargne banks.

Under the terms of the protocol agreement between Natixis and the Banque Populaire Group, if BFBP and CNCE cease to exercise joint control of Natixis, the Banque Populaire regional banks would be able to buy back the cooperative investment certificates held by Natixis representing 20% of their share capital.

Similarly, under the terms of the protocol agreement between Natixis and the Caisse d'Epargne Group, if BFBP and CNCE cease to exercise joint control of Natixis, CNCE or the Caisses d'Epargne would be able to buy back the cooperative investment certificates held by Natixis representing 20% of their share capital.

If these cooperative investment certificates are bought back, Natixis would lose its equity interest in the Banque Populaire and Caisse d'Epargne networks and its share of income corresponding to these interests, which is consolidated under the equity method. The risk of a buyback of cooperative investment certificates in the event of a takeover of Natixis could therefore discourage an offer for the Natixis shares.

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Supervisory Board's comments on the Management Board's report and the 2006 financial statements

Ladies and Gentlemen,

The Board has regularly obtained information about the business and activities of the Company and the Group in accordance with legal and statutory requirements. As part of its supervisory role, it has carried out the checks and controls it deems necessary.

The Board has examined the 2006 financial statements presented to it by the Management Board and examined its report on the activities of the Company and the Group over the year, marked by the major event comprising, in November 2006, the contribution to the Company of 12 subsidiaries of Caisse Nationale des Caisses d'Epargne in the areas of corporate and investment banking and services, as well as the accompanying changes in the shareholding structure of the Company, of which Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne each own 34%, with the remaining share capital open to investors and individuals. This transformation was also accompanied by a change in the administration of the Company.

These transactions resulted in the creation of a top-ranking banking group, one of the market leaders in its areas of operation in Europe.

They represented a challenge that was met successfully by the Company's teams, under the aegis of the Management Board.

The Board has also been informed of the findings of the Audit Committee and the main options selected, the control procedures in place and the summary of internal audit assignments.

The Supervisory Board has taken note of the company and consolidated financial statements as presented in this report. The Board has also analyzed the information provided in the Management Board's report and has no particular comments to make regarding this information. Subject to the terms of the resolutions submitted for your approval, you are asked to approve the company and consolidated financial statements for 2006, as well as the allocation of income for the year.

In order to allow for a more meaningful approach than that based on the financial statements alone in the strict sense, pro forma financial statements have been prepared.

The Board has examined all of these financial statements, reports and resolutions and has no particular comments to make thereon.

We would like to thank the members of staff and the Management Board for their work throughout the year.

We ask you to approve the 2006 financial statements, the proposed allocation of income and the various resolutions presented to you.

On behalf of the Supervisory Board

Chairman,

Charles Milhaud

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Recent developments

- **On March 15, 2007, CACEIS and HypoVereinsbank issued the following press release:**

"HypoVereinsbank and CACEIS agree on strategic partnership in securities services.

HypoVereinsbank (HVB) is planning to transfer its securities processing and custodian activities to the French financial services provider CACEIS. Exclusive negotiations began today in Munich. The sale is to be concluded by the end of 2007, subject to proper regulatory approvals.

For HVB, the planned sale would represent another major step towards tangible and sustained cost savings on the operational front. At the same time, the sale would allow HVB to continue to focus on its core competencies.

For CACEIS, this operation is part of its strategy of focused acquisition growth. Germany stands for one of the major European markets for custody and clearing activities.

After the sale, HVB customers will continue to receive securities services in the accustomed quality and scope. They will, in addition, benefit from the size and product breadth of CACEIS. German operations of CACEIS will be based in Munich and CACEIS intends to rely on the existing HVB teams."

- **On April 2, 2007, the Banque Populaire and Caisse d'Epargne Groups issued the following press release:**

"Banque Populaire Group and Caisse d'Epargne Group affiliate Natixis.

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'Épargne, today 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, 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."

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Financial data

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED BALANCE SHEET – ASSETS

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Cash and balances with central banks and post offices		323	217	192
Financial assets at fair value through profit and loss	*8.1*	176,903	26,013	24,494
Hedging instruments	*8.2*	621	43	295
Available-for-sale financial assets	*8.3*	31,143	22,240	20,784
Loans and advances to banks	*8.4*	114,879	56,099	41,120
o/w institutional activities		*166*	*250*	*333*
Customer loans	*8.4*	93,369	49,200	40,695
o/w institutional activities		*400*	*697*	*1,133*
Revaluation differences on portfolios hedged against interest rate risk		0	0	0
Held-to-maturity financial assets	*8.5*	7,037	7,053	5,748
Current tax assets		262	0	0
Deferred income tax assets	*8.6*	523	248	231
Accrued income, prepaid expenses and other assets	*8.7*	20,314	4,766	4,089
Non-current assets held for sale		0	0	0
Investments in associates		8,833	50	130
Investment property	*8.8*	1,147	1,001	910
Property, plant & equipment	*8.8*	551	314	508
Intangible assets	*8.8*	295	142	109
Goodwill	*8.9*	2,433	733	729
TOTAL ASSETS		**458,633**	**168,119**	**140,034**

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CONSOLIDATED BALANCE SHEET – LIABILITIES

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Due to central banks and post offices		658	412	22
Financial liabilities at fair value through profit and loss	*8.1*	133,392	5,288	6,724
Hedging instruments	*8.2*	431	212	497
Deposits from banks	*8.10*	141,914	54,853	39,320
o/w institutional activities		*239*	*322*	*408*
Customer deposits	*8.10*	49,690	23,990	22,937
o/w institutional activities		*523*	*727*	*1,166*
Debt securities in issue	*8.11*	54,253	37,760	30,792
Revaluation differences on portfolios hedged against interest rate risk		34	0	0
Current tax liabilities		373	120	94
Deferred tax liabilities	*8.6*	501	414	346
Deferred income and accrued charges and other liabilities	*8.7*	18,836	8,490	7,412
o/w institutional activities		*81*	*95*	*100*
Liabilities associated with non-current assets held for sale		0	0	0
Insurance companies’ technical reserves	*8.12*	31,058	26,236	23,356
Provisions	*8.13*	479	382	346
Subordinated debt	*8.14*	8,770	4,293	3,498
Equity attributable to equity holders of the parent		17,477	5,357	4,590
- Share capital and reserves		*14,394*	*3,224*	*3,116*
- Retained earnings		*1,520*	*1,232*	*951*
- Unrealized or deferred gains or losses		*620*	*206*	*35*
- Net income		*943*	*695*	*488*
Minority interests		766	312	100
TOTAL LIABILITIES AND EQUITY		**458,633**	**168,119**	**140,034**

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CONSOLIDATED INCOME STATEMENT

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Interest and similar income	9.1	7,753	5,791	4,896
Interest and similar expenses	9.1	(6,638)	(4,305)	(3,493)
Fee and commission income	9.2	1,951	1,255	1,156
Fee and commission expense	9.2	(853)	(675)	(574)
Net gains or losses on financial instruments at fair value through profit and loss	9.3	865	555	156
Net gains or losses on available-for-sale financial assets	9.4	247	345	123
Income from other activities	9.5	6,012	4,927	3,946
Expenses from other activities	9.5	(5,099)	(4,802)	(3,503)
Net banking income		**4,238**	**3,091**	**2,707**
Operating expenses	9.6	(2,773	(1,983)	(1,788)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets		(97)	(74)	(77)
Gross operating income		1,368	1,034	842
Impairment charges and other credit provisions	9.7	(74)	(81)	(101)
Net operating income		**1,294**	**953**	**741**
Share of income of associates	9.8	64	14	11
Gains or losses on other assets	9.9	11	98	(1)
Change in value of goodwill	9.1	(1)	2	(7)
Income before tax		**1,368**	**1,067**	**744**
Income tax	9.11	(369)	(342)	(239)
Net income for the period		**999**	**725**	**505**
Including:				
- attributable to equity holders of the parent		943	695	488
- attributable to minority interests		56	30	17
Earnings per share		*1.7*	*14.9*	*10.5*
Consolidated net income - attributable to equity holders of the parent - per share, calculated on the basis of the average number of shares over the period excluding treasury shares				
Diluted earnings per share		*1.6*	*14.8*	*10.4*
Consolidated net income - attributable to equity holders of the parent - per share, calculated on the basis of the average number of shares over the period excluding treasury shares and including potential shares arising from the exercise of stock options				

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and reserves related		
(In € millions)	Share capital	Reserves related to the share capital[1]	Elimination of shares held in treasury
Equity at December 31, 2004, before appropriation - 2004 IFRS	**772**	**2,342**	**(4)**
Impact of adopting EU IFRS			(156)
Appropriation of 2004 income		37	
Equity at January 1, 2005 - EU IFRS	**772**	**2,379**	**(160)**
Capital increase	12	60	
Elimination of treasury shares			(6)
Equity component share-based payment plans			
2004 dividend paid in 2005			
Total movements related to relations with shareholders	**12**	**60**	**(6)**
Change in fair value of financial instruments through equity			
2005 net income - EU IFRS			
Impact of acquisitions and disposals on minority interests			
Change of accounting method			
Change in exchange differences			
Equity at December 31, 2005, before appropriation - EU IFRS	**784**	**2,439**	**(166)**
Impact of adopting EU IFRS			
Appropriation of 2005 income		125	
Equity at January 1, 2006 - EU IFRS	**784**	**2,564**	**(166)**
Capital increase	1,193	13,330	
Elimination of treasury shares[3]	(25)	(289)	166
Equity component share-based payment plans			
2005 dividend paid in 2006			
Total movements related to relations with shareholders	***1,168***	***13,041***	***166***
Change in fair value of financial instruments through equity[4]			
Net income at December 31, 2006 - EU IFRS			
Impact of acquisitions and disposals[5]		(3,170)	
Change in exchange differences			
Change of accounting method and errors correction			
Proposed dividend			
Equity at December 31, 2006 - EU IFRS after dividends	**1,952**	**12,435**	**0**

(1) Share premiums, statutory reserve, contractual reserves, long-term capital gains reserve and other reserves

(2) Includes the equity component of share-based payment plans

(3) Treasury shares were eliminated through a reduction in share capital

(4) Includes changes in fair value of derivative financial instruments designated as cash flow hedges

Consolidated reserves	Unrealized or deferred gains & losses (net of tax)						
	Related to exchange differences	Changes in the fair value of financial instruments					
Consolidated reserves[2]		assets available for sale	hedging instruments	Net income equity holders of the parent	Equity attributable equity holders of the parent	Equity attributable minority interests interests	Total consolidated equity
983	**(41)**			**488**	**4,540**	**778**	**5,318**
129		146	(70)		49	(678)	(629)
451				(488)			0
1,563	**(41)**	**146**	**(70)**	**0**	**4,589**	**100**	**4,689**
					72		72
					(6)		(6)
3					3		3
(154)					(154)	(28)	(182)
(151)					**(85)**	**(28)**	**(113)**
		53	6		59	3	62
				695	695	31	726
						(10)	(10)
(14)		10	4		0	215	215
	99				99	1	100
1,398	**58**	**209**	**(60)**	**695**	**5,357**	**312**	**5,669**
				0	0		0
570				(695)	0		0
1,968	**58**	**209**	**(60)**	**0**	**5,357**	**312**	**5,669**
					14,523		14,523
167					19		19
5					5		5
(237)					(237)	(10)	(247)
(65)					***14,310***	***(10)***	***14,300***
		18	116		134	(5)	129
				943	943	55	998
(368)	11	357			(3,170)	416	(2,754)
	(97)				(97)	(2)	(99)
(8)		9	(1)		0		0
(1,049)					(1,049)		(1,049)
478	**(28)**	**593**	**55**	**943**	**16,428**	**766**	**17,194**

(5) The asset contribution of November 17, 2006 had the following effects:

- since the transaction went ahead at net carrying amount, the portion of these companies' unrealized gains and losses (€368 million) attributable to equity holders of the parent was recognized with a corresponding entry in consolidated reserves. In addition, goodwill was set off against the parent company's share premium;

- goodwill and minority interests break down as follows:

	Ixis CIB	Ixis AM	Natexis garanties	CEFI	BP CCIS	CACEIS	Cie 1818	GCE Affacturage	GCE Bail	Foncier assurance	Gestitres	CIFG	Novacrédit	
Goodwill	833	1,862	150	132	111	78	45	2	1	1	(5)	(39)		3,170
Minority interests	83	273	4	23	-	6	15	-	-	22	-		4	430

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CONSOLIDATED CASH FLOW STATEMENT

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Income before tax	**1,368**	**1,067**	**744**
+/- Net charge to depreciation and amortization of property, plant & equipment and intangible assets	97	74	74
+/- Impairment of goodwill and other non-current assets	(56)	(10)	5
+/- Net charge to other provisions (including insurance reserves)	3,246	2,507	1,492
+/- Share of income of associates	(64)	(14)	(10)
+/- Net loss/(gain) on investing activities	(416)	(308)	(143)
+/- Net loss/(gain) on financing activities	0	0	0
+/- Other movements	552	(278)	337
= Total non-cash items included in income before tax and other adjustments	***3,359***	***1,972***	***1,755***
+/- Decrease/(increase) in interbank and money market items	6,954	405	5,526
+/- Decrease/(increase) in customer items	(12,472)	(7,274)	(9,173)
+/- Decrease/(increase) in other financial assets or liabilities	6,434	454	522
+/- Decrease/(increase) in non-financial assets or liabilities	(300	3,196	3,830
- Income taxes paid	(363)	(309)	(188)
= Net decrease/(increase) in operating assets and liabilities	***252***	***(3,528)***	***517***
Total net cash provided/(used) by operating activities (A)	**4,978**	**(490)**	**3,015**
+/- Decrease/(increase) in financial assets and investments in associates	(18,799)	(2,747)	506
+/- Decrease/(increase) in investment property	(219)	(143)	35
+/- Decrease/(increase) in property, plant & equipment and intangible assets	(160)	105	(95)
Total net cash provided/(used) by investing activities (B)	**(19,178)**	**(2,786)**	**446**
+/- Cash received from/(paid to) shareholders	(220)	(116)	(157)
+/- Other cash provided/(used) by financing activities	(84)	1,520	(1,721)
Total net cash provided/(used) by financing activities (C)	**(305)**	**1,404**	**(1,878)**
Effect of exchange rate changes on cash and cash equivalents (D)	**(109)**	**98**	**(29)**
Net increase/(decrease) in cash & cash equivalents (A + B + C + D)	**(14,618)**	**(1,773)**	**1,554**
Net cash provided/(used) by operating activities (A)	4,973	(490)	3,015
Net cash provided/(used) by investing activities (B)	(19,178)	(2,786)	446
Net cash provided/(used) by financing activities (C)	(305)	1,404	(1,878)
Effect of exchange rate changes on cash and cash equivalents (D)	(109)	98	(29)
Opening cash & cash equivalents	**(6,508)**	**(4,735)**	**(6,289)**
Cash, central banks, post offices (assets & liabilities)	(193)	170	124
Interbank balances	(6,315)	(4,906)	(6,413)
Closing cash & cash equivalents	**(21,126)**	**(6,508)**	**(4,735)**
Cash, central banks, post offices (assets & liabilities)	(335)	(193)	170
Interbank balances	(20,791)	(6,315)	(4,906)
CHANGE IN CASH & CASH EQUIVALENTS	**(14,618)**	**(1,773)**	**1,554**

NOTES TO THE CONSOLIDATED STATEMENTS

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NOTE 1 SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

The key event of the 2006 financial year was the contribution on November 17, 2006 of the Caisse d'Epargne group's corporate and investment banking and service subsidiaries to Natexis Banque Populaire, which then changed its name to Natixis, a *société anonyme* with a Management and Supervisory Board.

Natixis was formed through the following corporate transactions:

- Caisse Nationale des Caisses d'Epargne (CNCE) contributed some of its corporate and investment banking and service subsidiaries and associates, as well as some of the cooperative certificates of investment (hereinafter the "Caisse d'Epargne CCIs") issued since 2004 by each Caisse d'Epargne et de Prévoyance (except for Caisse de Martinique and Caisse de Nouvelle Calédonie), representing 20% of their share capital;
- SNC Champion, a vehicle formed by the Banque Fédérale des Banques Populaires (BFBP) and the Banque Populaire banks from the remainder of the Caisses d'Epargne CCIs not contributed by CNCE and that SNC Champion had acquired in advance from CNCE, 1.23% of the share capital of IXIS CIB and 4.63% of the share capital of IXIS AMG, acquired in advance from San Paolo IMI (SPIMI).

  Consideration for these asset contributions was provided in the form of specially issued Natixis shares;
- Natixis subscribed 20% of each of Banque Populaire banks' capital in the form of a reserved issue of cooperative certificates of investment (the "Banques Populaires CCIs") financed by debt; and
- acquired 66% of the share capital of Novacrédit (consumer finance) held by the Banque Populaire banks.

Upon completion of the transactions described above, CNCE and BFBP (through SNC Champion) conducted a placement on the market of some of the Natixis shares received in consideration for the aforementioned asset contributions, leading to an increase in Natixis' free float, while strictly maintaining equality between the respective ownership interests held by BFBP (direct and indirect) and CNCE in the entity. At the balance sheet date of December 31, 2006, Natixis' free float stood at 31% of the share capital, with the remainder split equally between BFBP and CNCE.

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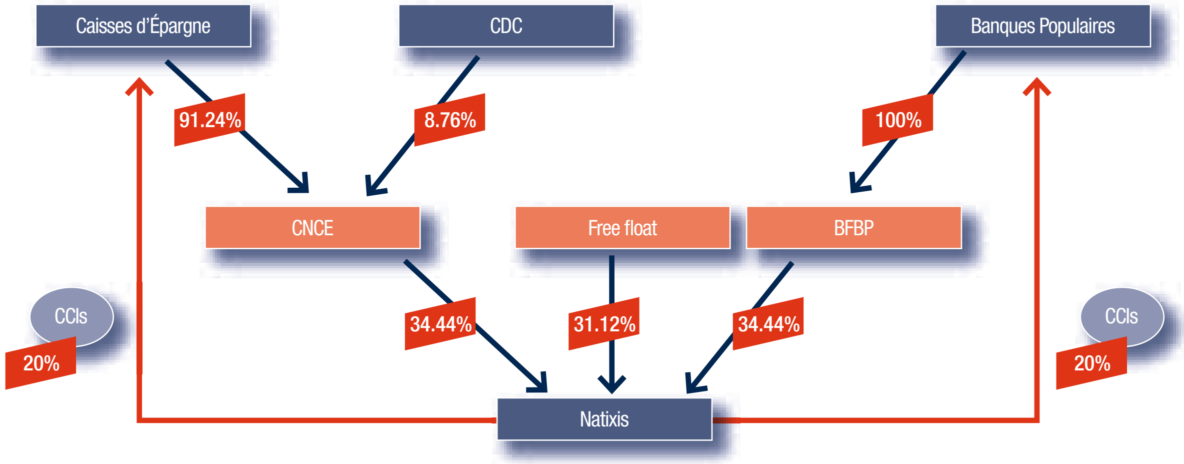
The following organization **(at December 31, 2006, before the withdrawal of Caisse des Dépôts et Consignations)** chart illustrates Natixis' ownership structure upon completion of all the corporate transactions:



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In connection with the business combination, BFBP and CNCE entered into a Shareholders' Agreement (described in paragraph II.2.8 of Document E no. 06-162 dated October 16, 2006) for ten years, the primary purpose of which is to maintain equivalent ownership interests between the two groups and to support the principal shareholders with the development of the combined entity.

The new business will be organized around six types of service:

- corporate and investment banking;
- asset management;
- private equity and private asset management;
- services;
- receivables management; and
- retail banking through ownership of the Banques Populaires CCIs and the Caisses d'Epargne CCIs.

NOTE 2 BASIS OF PRESENTATION

2.1 - IFRSs and IFRIC interpretations applied by the Group

As required by European regulation 1606/2002 of July 19, 2002, concerning the application of international accounting standards, Natixis has prepared its consolidated financial statements for the year ended December 31, 2006, **using the International Financial Reporting Standards (IFRSs) as adopted in the European Union and applicable on that date**. These standards include IAS 1 to 41, IFRS 1 to 6 and their interpretations adopted by the European Union as at December 31, 2006.

Natixis' consolidated financial statements include a balance sheet, income statement, statements of changes in equity, cash flow statement and notes to the financial statements.

The financial statements presented by way of comparison are those published by Natixis in the 2005 registration document:

- the consolidated financial statements for the year ended December 31, 2005 were prepared in accordance with IFRSs and their interpretations adopted by the European Union at the same date;
- the balance sheet at January 1, 2005 was prepared on the same basis.

The income statement for the year ended December 31, 2004 was prepared using IFRSs and their interpretations adopted by the European Union and applied from January 1, 2004, with the exception of IAS 32, IAS 39 and IFRS 4. As permitted by IFRS 1, Natixis elected not to adopt IAS 32, IAS 39 and IFRS 4 for its opening balance sheet at January 1, 2004. These standards were adopted for the first time as of January 1, 2005. The 2004 comparative data affected by these standards are therefore based on the French GAAP previously used by Natixis in accordance with standards CRC 99-07 and 2000-04 of the *Comité de la Réglementation Comptable*.

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The standards and interpretations applicable for the first time for the first time as of January 1, 2006 and applied retrospectively did not have any impact on Natixis' financial statements:

- the modest revision of IAS 19 "Employee benefits" on actuarial gains and losses, group plans and disclosures, has introduced a new option allowing all the actuarial gains and losses deriving from defined benefit plans to be recognized in equity. Since Natixis has not elected to use this option, the introduction of this amendment has not had any impact on its financial statements;
- the amendment of IAS 39 "Financial instruments: recognition and measurement" and IFRS 4 "Insurance contracts" concerning financial guarantees states the treatment for the financial guarantee contracts given and allows companies to decide freely whether to account for insurance contracts qualifying as financial guarantees in line with the requirements of IAS 39 or in line with IFRS 4; Natixis has elected to account for these contracts using IFRS 4, which does not represent any change on the accounting principles used for the consolidated financial statements for the year ended December 31, 2005;
- the amendment to IAS 39 "Financial instruments: recognition and measurement" concerning the "cash flow hedges for future intra-group transactions" allows, subject to certain conditions, the currency risk on a highly probably future intra-group transaction to qualify as a hedged item in the financial statements. This extension in the scope of items that may be hedged did not have any impact on Natixis' consolidated financial statements;
- the amendment to IAS 21 "Effects of changes in foreign exchange rates" clarifies how to account for net investments in a foreign operation. Implementation of this amendment did not have any impact on Natixis' consolidated financial statements;
- IFRIC 4 provides commentaries making it possible to determine whether an agreement that does not have the legal form of a lease, but confers a right to use an asset in consideration for payments contains a lease to be recognized in accordance with IAS 17 "Leases". This interpretation did not have any impact on Natixis' consolidated financial statements.

The standards and interpretations IFRS 6 "Exploration for and evaluation of mineral resources", IFRIC 5 "Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds" and IFRIC 6 "Liabilities arising from participating in a specific market—waste electrical and electronic equipment" do not apply to Natixis' activities and thUS do not have any impact on its financial statements.

Natixis has not elected for early adoption of the following documents:

- IFRS 7 "Financial instruments: disclosures" will replace as of January 1, 2007 IAS 30 "Disclosures in the financial statements of banks and similar financial institutions" and the disclosures section of IAS 32 "Financial instruments: disclosure and presentation". This standard applies exclusively to the presentation of financial instruments and thUS will not have any impact on the level of Natixis' earnings or equity when it comes into force in 2007;
- the amendment to IAS 1 "Presentation of Financial Statements" adds further share capital-related disclosures. Its introduction as of January 1, 2007, Natixis will also have no impact on the level of Natixis' earnings and equity;
- interpretation IFRIC 7 states the practical arrangements for restating financial statements in line with IAS 29 "Financial reporting in hyperinflationary economies" and applies to entities that identify for the first time the existence of hyperinflation in respect of an accounting period. No material impact on the Group's consolidated financial statements is anticipated from the introduction of this interpretation;
- interpretation IFRIC 8 covers the grant of stock options for no consideration. Since this case has not arisen, no impact is anticipated;
- IFRIC 9 states that the embedded derivative must be measured at the inception of the contract, except where the terms of the contract undergo a substantial change. Natixis' practice is consistent with this interpretation, and so application of these standards should not have any impact on the Group's consolidated financial statements.

The 2004 financial statements provided by way of comparison have been prepared in accordance with IFRS excluding IAS 32, IAS 39 and IFRS 4, applied in accordance with the option provided by IFRS 1 as of January 1, 2005.

All the effects of transition to IFRSs on equity, capital, the balance sheet and income statement were published in the 2005 registration document.

The following terminology has been used for all of the financial documents provided:

- 2004 IFRS: IFRS excluding IAS 32, IAS 39 and IFRS 4;
- EU IFRS: IFRS as adopted by a series of EU regulations, comprising IAS 1 to 41, IFRS 1 to 6 and their interpretations as adopted by the European Union as at December 31, 2006.

2.2 - Presentation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the measurement and presentation principles described in Notes 3 to 7 below.

Note 6 to the consolidated financial statements presents:

- the contributions to the 2006 balance sheet and income statement for publication;
- the contributions to the 2005 pro forma balance sheet and income statement. These consolidated financial statements include those of the entities contributed as if the contribution had taken place at January 1, 2005;

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- the contributions to the 2006 pro forma income statements, which include the earnings posted by entities contributed since January 1, 2006.

The principles behind the preparation of the pro forma financial statements are described in Note 5.

2.3 - Year-end

The consolidated financial statements are based on the individual financial statements of Group companies as of December 31, 2006.

The income statement includes the earnings posted since November 17, 2006 by the entities contributed or acquired as part of the business combination described in Note 1 “Significant events of the financial year”.

2.4 - Notes to the financial statements

Unless otherwise stated, the figures shown in the notes to the financial statements are expressed in millions of euros.

NOTE 3 CONSOLIDATION METHODS AND PRINCIPLES

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3.1 - Scope of consolidation

The consolidated financial statements of Natixis include the separate financial statements of Natixis and its main subsidiaries. Only subsidiaries making a material contribution to the Group’s financial statements are consolidated. The materiality of a subsidiary is not assessed with respect to numerical thresholds but based on a qualitative appraisal of the relevance of its contribution to the consolidated financial statements.

The scope of consolidation includes all significant entities over which the consolidating entity exercises control or influences its management. As under French GAAP, three types of control are identified under IFRS: companies that are exclusively controlled, companies that are jointly controlled and companies over which the entity exercises significant influence. Analysis of the control of the consolidating entity is not restricted to identifying voting rights in subsidiaries but includes economic and legal analysis of relations between the consolidating entity and its subsidiaries.

Potential voting rights

Under IFRSs, Natixis is required to consider the existence and effect of potential voting rights currently exercisable or convertible when assessing whether it exercises control or significant influence. Potential voting rights include, for example, stock options and debt instruments that are convertible into ordinary shares. However, potential voting rights are not taken into account for the purpose of calculating the percentage ownership.

A review of potential voting rights held by Natixis did not lead to any changes in the scope of consolidation in 2006.

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 substantially by Natixis, 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:*** The SPE’s activities are substantially conducted on behalf of Natixis, which directly or indirectly created the SPE according to its specific business needs.
- ***decision-making:*** Natixis has the decision-making powers to control or to obtain control of the SPE or its assets, including certain decision-making powers coming into existence after the formation of the SPE. Such decision-making powers may have been delegated by establishing an “autopilot” mechanism.
- ***benefits:*** Natixis 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:*** Natixis substantially retains the majority of residual or ownership risks in order to obtain the economic benefits of the SPE’s activities.

3.2 - Consolidation methods

The following consolidation methods are applied:

Full consolidation

Companies controlled by Natixis are fully consolidated. Under IAS 27, control is presumed to exist when the parent has:

- ownership, directly or indirectly through subsidiaries, of more than half of the voting power of an entity;
- power to govern the financial and operating policies of the entity under a statute or an agreement;
- power to appoint or remove the majority of the members of the board of directors or an equivalent governing body;
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body.

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For entities that are 40-50% owned, IAS 27 requires control to be demonstrated for these entities to be fully consolidated.

Under IAS 27, majority interests held by private equity subsidiaries have not been consolidated as they do not meet materiality requirements.

Proportional consolidation

Companies jointly controlled by Natixis are proportionally consolidated. Joint control is the contractually agreed sharing of control over an economic activity between a limited number of shareholders or investors, and exists only when the strategic financial and operating decisions relating to the activity require the unanimoUS consent of the parties sharing control.

IAS 31 also permits jointly controlled companies (joint ventures) to be accounted for using the equity method. Natixis has not elected to apply this option.

Equity method

Companies over which Natixis exercises significant influence are accounted for using the equity method.

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 reporting entity directly or indirectly owns at least 20% of the voting rights.

IAS 28 and 31 recognize the specific nature of the private equity business. Private equity instruments 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. Natixis has opted for the latter method as it believes this provides investors with more relevant information.

As part of the formation of the new Natixis group, the subscription of the Banques Populaires CCIs and the contribution of the Caisses d'Epargne CCIs give Natixis significant influence over the Banque Populaire and Caisses d'Epargne banks. The financial statements of these entities are thUS accounted for under the equity method in Natixis' financial statements.

Since the Banques Populaires CCIs do not carry any voting rights, Natixis' significant influence over the Banque Populaire banks is characterized by (i) legally enforceable influence resulting from Natixis' participation in the operational and financial management of the Banques Populaires and Caisses d'Epargne networks, and (ii) by *de facto* influence deriving from operational and technical cooperation by the Banque Populaire and Caisses d'Epargne with Natixis.

Natixis' legally enforceable significant influence over the Banque Populaire and Caisses d'Epargne banks derives notably from the following requirements of the preliminary agreements concerning Natixis' involvement in the operational and financial management of the Banque Populaire and Caisses d'Epargne networks:

- Natixis' representation on the Banques Populaires' and Caisses d'Epargne's board of directors (Banque Populaires: federal delegate, Caisses d'Epargne: non-voting director);
- participation in the intra-group committees of the Banque Populaire group and Caisses d'Epargne group;
- Natixis' right in connection with certain decisions made within BFBP and CNCE (Natixis' opinion to be sought and the group to be consulted in its capacity as a non-voting director; Natixis' right to a second deliberation of certain matters);
- Natixis' right to receive information (information related to the CCIs; federal delegate and non-voting director reporting);
- Natixis' right to the audit of Banque Populaires and Caisses d'Epargne;
- delegation of powers concerning the risk management function (definition of standards and risk assessment methods);
- exchange of management personnel.

In addition, Natixis and the Banque Populaire banks agreed to maintain the existing industrial and commercial relationships for at least ten years from the subscription date of the Banques Populaires CCIs:

- provision of IT infrastructure;
- supply of services (custodial services, payment systems, operational management of foreign currency accounting);
- design and management of customer products on behalf of the Banque Populaire banks (asset management, insurance products, factoring, leasing, financial engineering, expansion capital, employee benefits planning, international engineering, credit insurance and business information).

Lastly, Natixis and the Caisses d'Epargne banks also agreed to maintain for at least 10 years from the date of the asset contributions their existing industrial and commercial relationship described below:

- custodial services;
- design and management of customer products (asset management, revolving credit facilities, guarantee insurance for borrowers, factoring and equipment lease financing, financial engineering and capital market products, local authority financing, debt management);
- securities and derivative products brokerage.

3.3 - Institutional activities

Assets, liabilities and commitments arising from the institutional activities managed by Natixis on behalf of the State are identified separately in the balance sheet under each line item concerned.

Article 116 of the amended finance law for 2005 (no. 2005-1720 of December 30, 2005) extended the mandate entrusted to Natixis or any companies that it controls to manage 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

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specific right over the assets and liabilities allocated to these institutional activities.

Insurance transactions managed by Coface on behalf of the State are not recognized in the financial statements. However, management fees received are recognized in the income statement under net fee and commission income.

The amount of fees received and financing outstanding in connection with institutional activities is not material. Accordingly, the financing outstanding has not been restated at amortized cost. 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.

3.4 - Foreign currency translation

The balance sheets of foreign subsidiaries and branches whose functional currency is not the euro are translated into euros at the closing rates, except for share capital, reserves and capital allocations, which are translated at historical rates. Exchange gains and losses are recognized directly in equity.

The income statements of foreign subsidiaries and branches whose functional currency is not the euro are translated at average rates for the year. The difference between net income translated at the average rate and the closing rate is also recognized directly in equity.

Natixis has elected to use the option available under IFRS 1 on first-time adoption to transfer all exchange gains and losses existing at January 1, 2004, to retained earnings. If a foreign entity is subsequently sold, the gain or loss on sale will include only those exchange gains or losses arising after January 1, 2004.

3.5 Business combinations 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. Adjustments may subsequently be made to these initial fair values for a period of twelve months form the acquisition date.

Business combinations that took place after January 1, 2004, have been restated in accordance with IFRS 3. Those prior to January 1, 2004, have not been restated retrospectively, as permitted by IFRS 1.

The excess of the cost of the business combination over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill, which is allocated on the acquisition date to one or more cash-generating units (CGUs) expected to benefit from the acquisition.

Goodwill is not amortized but tested for impairment at least once a year and whenever there is objective evidence that the goodwill might be impaired. Impairment testing consists of comparing the carrying amount of the CGU or group of CGUS (including goodwill) with its recoverable amount.

When the recoverable amount is lower than the carrying amount, an irreversible impairment loss is recognized in the income statement and charged first against the goodwill allocated to the CGU or group of CGUS and then against other identifiable assets belonging to the CGU or group of CGUs.

Negative goodwill is recognized immediately in the income statement under "Changes in value of goodwill".

Principles adopted for measuring contributions by the Caisse d'Epargne group to Natixis

The assets contributed by CNCE to Natixis fall into two categories of asset:

- shares in the corporate and investment banking and services subsidiaries;
- a portion of the cooperative certificates of investment (CCIs) conferring entitlement to the share capital of the Caisses d'Epargne.

For these two categories of assets, the contribution values used for consolidation purposes are the carrying amounts of these assets in CNCE's consolidated financial statements restated in accordance with IFRSs as adopted in the European Union.

While IFRS 3 recommends accounting for business combinations by applying the purchase method (*i.e.* at fair value), this does not cover the formation of joint ventures subject to joint control, since paragraph 3 of IFRS 3 states that: "This IFRS does not apply to a) business combinations in which separate entities or businesses are brought together to form a joint venture."

Furthermore, there are no other standards applicable to the type of transaction observed, given that neither the Banque Populaire group nor the Caisse d'Epargne group exercises majority control over Natixis' activities and there is a contractual agreement between these two groups that notably:

- sets out Natixis' corporate governance rules, by providing for equal representation of both groups on Natixis' governing bodies;
- structures Natixis' decision-making processes, thereby entailing the agreement of both groups with key decisions;
- defines the future relationships between both groups and Natixis;
- commits both parties to maintaining equivalent ownership interests in Natixis and providing funds in equal amounts to comply with the prudential rules.

Against this backdrop, the method that involves recognizing items at their carrying amount has two advantages:

- it maintains consistency in the basis of measurement used for the combined entity's assets, namely between the entities transferred by the Caisse d'Epargne group and those operating in the same business line and part of the pre-existing Natixis group, and thUS the accounting treatment is the same regardless of the origin of the relevant activities;

- it provides a fairer view of the economic substance of the transaction, which aims to allow each of the two founding groups to continue operating the pooled activities within the scope of the larger jointly controlled Natixis operation.

Basis of measurement adopted for other operations

In accordance with IFRS 3, the other structural transactions presented in Note I–contributions of the remaining Caisses d'Epargne CCIs, of 1.23% of Ixis CIB's share capital, of 4.63% of Ixis AMG's share capital, subscription of the Banques Populaires CCIs and the acquisition of Novacrédit–have been accounted for under the purchase method for consolidation purposes.

Goodwill arising in connection with the business combination

Goodwill on contributed entities

Since the assets contributed were recognized at their IFRS net carrying amount, no valuation differences arose on the first-time consolidation of the various assets and liabilities contributed.

In addition, the difference between the acquisition cost and the Group's interest in the net assets of the assets contributed does not represent goodwill within the meaning of IFRS 3, since the acquisition cost takes into account the real value of the shares, while the assets were recognized at their net carrying amount. Each of the differences observed were recognized in consolidated retained earnings.

Hence, an amount of €3,170 million was charged against the issue premium as follows: €1,862 million in respect of Ixis AMG, €833 million in respect of Ixis CIB, €150 million in respect of Natixis Garanties, €132 million in respect of CEFI, €111 million for the Caisses d'Epargne CCIs, €78 million for CACEIS, €45 million for La Cie 1818, €1 million for GCE Bail and €1 million for GCE Affacturage. Conversely, negative amounts of €39 million in respect of CIFG and €4 million in respect of Gestitres led to a corresponding increase in the issue premium.

Goodwill arising on other entities

Since the business combination took place at the end of the financial year, the fair values attributed to the identifiable assets and liabilities of the entities acquired and the amount of the goodwill arising were only of a provisional nature at December 31, 2006.

The goodwill arising as a result of the business combination came to €633 million on a provisional basis. This figure breaks down into: €229 million on Ixis AMG, €21 million on Ixis CIB and €8 million on Novacrédit, plus goodwill included under Investments in associates, i.e. €236 million on the Caisses d'Epargne CCIs and €139 million on the Banques Populaires CCIs.

Other goodwill

During the 2006 financial year, goodwill increased by a total amount of €1,700 million. Almost this entire amount (€1,681 million) was attributable to the goodwill already existing in the entities contributed by the Caisse d'Epargne group (GCE) upon the formation of Natixis.

All the goodwill is tested for impairment based on the value in use of the cash-generating units (CGUs) to which it is allocated. The formation of Natixis gave rise to three new CGUs: Asset Management (previously part of the Services CGU), Guarantees and Credit Enhancement, with both the latter linked to the autonomous new activities related to assets contributed by the Caisse d'Epargne group.

Value in use is determined principally(14) by discounting the expected future cash flows from the CGU on the basis of the medium-term business plans drawn by the Group for strategic planning purposes. These plans include the synergies deriving from the tight fit between the business activities of the former NBP group and those contributed by the Caisse d'Epargne group.

The assumptions underpinning these forecasts were as follows:

- expected future cash flows: forecast data for 3 years taken from the Group's medium-term business plan(15);
- perpetual growth rate: various rates ranging between 0% and 2%;
- discount rate: various rates ranging between 8.7% and 9.6%.

The discount rate applied is based on recent trading data. It represents the projected average rate of return on listed stocks in the sector concerned, based on their current share price, projected earnings for the coming years and extrapolation of these rates on the basis of a constant perpetual growth rate. This is obtained by adding together the risk-free rate (10–year OAT), the risk premium and the historical sector beta, both of which are calculated using a representative sample of listed companies in the sector.

These tests did not give rise to the recognition of any impairment. Likewise, an increase of one percent in the discount rates and a reduction of one percent in the perpetual growth rate did not lead to the recognition of any impairment.

(14) For certain businesses (asset management, securities, payments), value in use is calculated through combined use of the DCF model and a peer comparison. For the private equity business, value in use is calculated on the basis of net assets.

(15) For life insurance, a 10-year forecasting horizon was used.

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(In € millions)	Dec. 31, 2005	Increases (Acquisitions)	Decreases (Disposals)	Impairment losses during period	Dec. 31, 2006
Corporate and Investment Banking	12	58			70
Asset Management*	99	1,384			1,483
Services	137	226			363
Guarantees**		9			9
Receivables Management	441	19			460
Private Equity and Private Banking	24	3			27
Credit enhancement (CIFG)**		1			1
Real estate companies not allocated to the CGUs	20				20
NET CARRYING AMOUNT	**733**	**1,700**	**0**	**0**	**2,433**

* *Included in the Services CGU in 2005.*

** *New CGUs linked to the assets contributed by CNCE*

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3.6 - Dilutive/accretive impact generated by ownership of the CCIs

The dilution/accretion effect derives from the differences in the rights between holders of ownership shares (entitlement to receive dividends) and holders of the CCIs (entitlement to receive dividends at least equal to that of ownership shares and entitlement to the retained earnings accumulated).

The difference in dividend entitlements is recognized in the financial year in which it arises.

3.7 - Non-current assets held for sale

The assets and liabilities of subsidiaries which Natixis intends to sell within a maximum period of twelve months and for which it has actively initiated efforts to find a buyer are identified separately in the balance sheets as non-current assets held for sale and liabilities associated with non-current assets held for sale.

3.8 - Standardization of individual data and elimination of intra-group transactions

Prior to consolidation, the individual financial statements of companies included in the scope of consolidation are restated to bring them into line with the Group accounting policies described below. Intra-group balances and gains and losses arising on intra-group transactions are eliminated.

3.9 - Consolidation of insurance companies

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 of expense;
- balance sheet items are included under the corresponding line items of the financial statements presented in the banking format.

Insurance companies investments are classified in the balance sheet under the various categories of financial asset defined in IAS 39.

Contracts managed by the insurance subsidiaries of Coface and Natexis Assurances sub-groups meet the definition of insurance contracts or investment contracts with a discretionary participation feature provided for in IFRS 4. Accordingly, they give rise to the recognition of an insurance liability measured in accordance with French GAAP, pending publication of an IFRS standard concerning technical liabilities of insurance companies.

Mathematical reserves for savings contracts correspond to the buyback value of the contracts.

Technical reserves for personal risk insurance contracts are calculated using mortality tables and statutory discount rates, as well as BCAC tables for incapacity and disability risks.

Loss reserves for personal risk insurance contracts correspond to the estimated cost of loss claims and are not discounted.

In addition to these principles, a liability adequacy test is carried out in accordance with IFRS 4.

Investment contracts with a discretionary participation feature (life insurance) give rise to the recognition of a deferred participation liability to offset the difference in value between assets and liabilities, in accordance with IFRS 4 (shadow accounting). The deferred participation liability is equal to the portion of gains or losses on investments due to policyholders in respect of their insurance contracts. The amount is calculated on the basis of the average rate of distribution to policyholders (average contractual distribution rate for each product weighted by the value of investments on the calculation date). The change in the deferred participation liability is recognized in equity in respect of changes in the value of assets classified as "available for sale" and in income for changes in the value of assets held at "fair value through profit and loss", as well as for changes in the fair value of investment property held to cover insurance contracts.

The equalization reserve recognized by Coface (credit insurance business) and ABP IARD is a technical reserve permitted under French GAAP to protect insurance companies against catastrophic risks. IFRSs do not permit the recognition of reserves covering risk of a general nature. Accordingly, the equalization reserve has been reclassified in equity as of January 1, 2004. Charges to the equalization reserve made under French GAAP have therefore been eliminated in the IFRS financial statements.

3.10 - Use of estimates in the preparation of the financial statements

The preparation of Natixis' financial statements may entail in certain aspects assumptions to be made and estimates produced based on the available information that is likely 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.

The accounting estimates requiring assumptions to be made are used principally for the measurement of the following items:

Financial instruments recognized at fair value

Fair value of hybrid market instruments not traded on an active market is calculated using valuation techniques. As described in Note 7 on accounting principles and valuation methods, valuations produced by these models are adjusted to take into account the bid and offer price for the net position, the risks inherent in the models, counterparty risk and parameter risk as a function of the relevant instruments and corresponding risks.

Loan impairment

Natixis assesses at the balance sheet whether there is any objective evidence of impairment in loans and advances either on an individual or collective basis by category of risk. To detect any signs of impairment, Natixis analyzes trends in a number of objective criteria, but also relies on the judgement of its experts. Likewise, Natixis may use its expert judgement to establish the likely timing of future cash flow recovery (where the aim is to calculate the amount of individual impairment losses) or to adjust the expected losses under the McDonough framework, which underpins the amount of the collective impairment loss.

Valuation of unlisted equity instruments classified under available-for-sale assets

Unlisted equity instruments classified as available-or-sale assets primarily comprise investments in non-consolidated companies. The fair value of unlisted non-consolidated investments is obtained principally by using the P/E (price earnings ratio) and DCF (discounted cash flow) valuation methods. Use of these methods entails certain choices and assumptions to be made in advance, notably projections of the future cash flows expected and relevant discount rates.

Valuation of the CGUs

All goodwill is assigned to a CGU so that it may be tested for impairment. The tests conducted by Natixis consist in comparing the carrying amount of each CGU (including goodwill) with value in use. Value in use is calculated by discounting free annual cash flows out to infinity. The use of this method involves:

- estimating future cash flows. For the purpose of this estimate, Natixis has used the medium-term business plans prepared by the business lines;
- projecting out to infinity the cash flows from year three at a rate reflecting the expected annual growth rate;
- discounting the cash flows at an annual rate of return expected out to infinity from listed stocks in the relevant sector.

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. Natixis also used its expert judgement to refine this segmentation.

Employee benefits

Natixis 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 (e.g. yields on French government bonds for discount rates). When applied to long-term obligations, these rates imply a source of uncertainty in the valuation.

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's occurrence. Future cash flows are discounted where the impact is material.

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NOTE 4 SCOPE OF CONSOLIDATION

4.1 - First-time adoption of IFRS

First-time adoption of IFRS led Natixis to consolidate five non-trading real estate companies (SCIs) in 2004.

For Assurances Banque Populaire Vie, a life insurance subsidiary of Natexis Assurances, the SCIs were Fructifoncier, ABP Iéna, ABP Pompe and Neuilly Château. For the Coface sub-group, the relevant SCI was Cofimmo.

First-time adoption of EU IFRS led Natixis to consolidate in 2005 a number of dedicated mutual funds representing insurance company investments. For Natexis Assurances, the mutual funds consolidated are ASM Alternatif Garanti, ABP Actions, ABP Monétaire Plus, ABP Taux, ABP Croissance Rendement and ABP Midcap. For Coface, the mutual funds consolidated are Coface Europe, Cofaction 2, Cofobligations, AKCO Fund and MSL 1 Fund.

4.2 - Changes in the scope of consolidation during 2006

The main changes in the scope of consolidation in 2006 were as follows:

Additions

Company or group of companies	Percentage control	Percentage ownership	Method of consolidation
28 metropolitan Caisses d'Epargne (CCIs)	20%	20%	Equity method
IXIS Corporate and Investment Bank (sub-group)	100%	100%	Full consolidation
IXIS Asset Management Group (sub-group)	84.58%	84.58%	Full consolidation
La Cie 1818 (sub-group)	76.24%	73.40%	Full consolidation
CACEIS (sub-group)	50%	50%	Proportional consolidation
GCE Garanties (sub-group)	100%	100%	Full consolidation
CIFG (sub-group)	100%	100%	Full consolidation
Foncier Assurance (company)	60%	60%	Full consolidation
Gestitres (company)	100%	100%	Full consolidation
CEFI (company)	67%	67%	Full consolidation
GCE Bail (company)	100%	100%	Full consolidation
GCE Affacturage (company)	100%	100%	Full consolidation
Banques Populaires that have issued CCIs subscribed by Natixis	20%	20%	Equity method
Novacrédit	66%	66%	Full consolidation

Acquisition cost and components of this cost

The total acquisition cost of the entities referred to above came to €18.6 billion, which broke down into €14.3 million paid for through an issue of shares by Natixis and €4.3 billion paid in cash.

Consideration for the assets contributed

In consideration for the assets contributed (including the SPIMI shareholdings acquired jointly by CNCE and SNC Champion in Ixis CIB and Ixis AMG) by CNCE and SNC Champion to Natixis, Natixis issued 56,136,390 new shares to CNCE by means of an increase in its share capital amounting to €898,182,240 and 16,995,086 new shares to SNC Champion by means of an increase in its share capital of €271,921,376.

Accordingly, Natixis' share capital increased from €803,072,720 to €1,973,176,336, divided into 123,323,521 shares, each with a par value of €16, following a ten-for-one stock split.

The capital increase gave rise to a contribution premium of €13,128,041,797.

Natixis' valuation is underpinned by the business plan drawn up for the Group and by core business dated March 23, 2006. These business plans cover the 5-year period from 2006 until 2010. Natixis' valuation was conducted on a preliminary basis on May 5, 2006 and then updated on September 8, 2006. The reference number of shares used in the valuations was 48,590,150 Natixis shares (excluding treasury stock held by the parent company or subsidiaries).

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Methods used

The methods used aim to value Natixis without taking into account the impacts deriving from the combination between Natixis and the Contributed Assets, notably any synergies that may be harnessed.

Its value was determined using the following methods, which are traditionally used to value banks: (i) valuation based on the share price, (ii) the application of earnings multiples of comparable listed companies, (iii) the application of equity multiples resulting from a regression analysis of comparable listed companies, (iv) application of the Gordon theoretical approach (also known as warranted equity value), (v) discounting of free cash flows generated by Natixis, and (vi) a sum-of-the-parts approach encompassing the value of all the core businesses and/or companies making up Natixis.

Valuation adopted

Based on the work resulting from adoption of the methods described above, a valuation of Natixis (excluding the contributed entities) of €9,500 million was adopted as the basis for the calculation of exchange ratios. This represented €195.51 per Natixis share (before the ten-for-one stock split).

Activities of the entities joining the Group

Entities contributed by the Caisse d'Epargne group

- **Ixis Corporate and Investment Bank (Ixis CIB)**: activities focused on investment and financing services for public and private-sector customers, institutional investors, businesses and local authorities. They are organized into five business lines: fixed-income (trading and distribution of fixed-income and hybrid interest-rate and credit derivative products), equity (trading, arbitrage, securities borrowing/lending and equities and equity derivative product brokerage), financing and credit (corporate banking, structured finance, trading and hybrid credit products), corporate finance (advisory services and financial engineering, share issues and placements), alternative risks (expertise in arranging sophisticated made-to-measure products, such as structuring, managing, hosting and distributing alternative fund products);
- **Ixis Asset Management Group (IAMG)**: the leading institutional fund management group in France, Ixis AMG is a holding company with 17 subsidiaries specialized in investment management for institutional and private clients;
- **la Compagnie 1818 – Banquiers Privés:** the Caisse d'Epargne group's wealth management bank, this entity was formed from the merger of the Caisse d'Epargne group's portfolio and wealth management activities and entities. With its subsidiaries, La Compagnie 1818 – Banquiers Privés boasts the full spectrum of wealth management expertise, including: asset management, real estate services, financing and credit, premium banking services (payment services), and expert financial engineering services;
- **Crédit Agricole Caisse d'Epargne Investor Services (Caseis)**: a holding company jointly owned by Crédit Agricole SA and Caisse Nationale des Caisses d'Epargne. The activities of its subsidiaries are: mutual fund depositary bank activities and institutional custodial activities for mutual funds and institutional investors (insurance companies, asset management companies, non-resident banks, etc.), issuer services and fund administration;
- **Natixis Garantie**: the Natixis Garantie sub-group provides security deposits and legal and financial guarantees to businesses, small businesses, personal customers and associations;
- **CIFG Holding:** a holding company the principal activities of which relate to the management of the sub-group's investments. The activities performed by its subsidiaries consist in granting irrevocable and unconditional guarantees of payment on first demand of the principal and interest due, in line with the initial issuance schedule. Securities with a credit profile enhanced in this manner benefit from the same rating as the financial guarantor, which is a triple A rating in CIFG's case. CIFG provides issuers with the possibility of securing cheaper refinancing and offers investors credit enhanced products with new risk profiles;
- **Foncier Assurance:** this entity has two insurance activities, namely life and casualty insurance. The life insurance division distributes euro-denominated and unit-linked policies, which are intended to help customers build up savings. The casualty insurance division includes both death cover for borrowing agreements and occupational incapacity guarantees;
- **Gestitres**: this entity performs security custody activities and develops IT applications;
- **Caisse d'Epargne Financement (CEFI)**: an entity specialized in the marketing and active management of consumer loan solutions;
- **GCE Bail**: an entity whose principal business activity is granting finance leases. GCE Bail primarily uses three channels to reach its customers: a direct offering, an offering marketed via affiliated banking networks (currently Banque Palatine and the Caisses d'Epargne) and an offering marketed via partnerships with business providers (equipment suppliers, industrial leasing companies, financial intermediaries);
- **GCE Affacturage**: this entity's role is to handle either directly or through its subsidiaries all domestic and international factoring, notably including the invoicing, purchasing, sale, collection and recovery of all receivables, the grant in any form whatsoever of advances or guarantees for these receivables, and the requisite account keeping for these operations;
- **Caisses d'Epargne (contribution of the CCIs)**: the Caisses d'Epargne cooperative banks have strong positions in every region of France with personal and small business customers, for whom they have developed an extensive range of savings and financing products and services. They also contribute towards regional development by offering local authorities, the hospital sector, social housing organizations, participants in the social economy, small and larger businesses a complete range of solutions helping to

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finance their projects, streamline their management and maximize their investment returns.

Banques Populaires (CCIs)

The Banque Populaire cooperative banks cover all of metropolitan France, as well as overseas departments and territories, offering a broad range of products and services in three customer segments, namely personal customers, small businesses, including self-employed professionals, and businesses. They hold firmly entrenched positions among small and medium-sized enterprises and also the farming sector.

Other entities

- the addition of Novacrédit, which houses the revolving credit outstandings sold to personal customers by the Banque Populaire banks (notably via the Carte Aurore);
- the addition of Natexis ABM LCC, which acquired the activities of ABM Corp. in the United States;
- the addition of Natexis Funding USA, which refinances certain Group companies from the United States;
- the addition of Fructibail Invest, a SCI real estate company focused on the acquisition and rental of real estate assets;
- the addition of SCI Colomb Magellan, a subsidiary of Compagnie Foncière, which rents office properties in Paris;
- the addition of three new private equity investment companies: FNS 4, the Natexis Industrie II venture capital fund and Providente;
- the addition of Natinium, a securitization vehicle registered in Ireland;
- the addition of several subsidiaries from the Coface sub-group, notably including: Kompass Israël, Business Data Information, Coface Holding Israël and Coface do Brasil.

Withdrawals from the scope of consolidation

The main withdrawal from the scope of consolidation was Sopromec (Société de Promotion Economique), which belonged to the private equity business and was sold during the fourth quarter. This disposal did not give rise to any gains or losses because the sale price was identical to the subsidiary's consolidated value including the unrealized capital gains on the portfolio in line with the option chosen by Natixis of classifying investments held by these subsidiaries as assets at fair value through profit and loss.

Other subsidiaries were deconsolidated either because they were liquidated (e.g. the ABP Taux and ABP Monétaire plus mutual funds, Sogafi) or because their activities were discontinued (Interfinance, Invest Kappa, Natexis Bleichroeder UK).

Internal restructuring

All the corporate assets of Société Financière BFCE, Auxiliaire Antin and Sépia were transferred to their parent company Natixis during the year.

In addition, shares in consolidated subsidiaries Banque Privée Saint Dominique and Natexis Private Banking Luxembourg were pooled into holding company Natexis Private Banking.

Changes in percentage ownership

- 2% of the share capital of Natexis Coficiné was acquired, raising the Group's ownership to 94.4% and giving rise to €1 million in goodwill;
- 6% of the share capital of Coface Austria (formerly OKV Coface) was acquired, raising the Group's ownership of the Coface subsidiary to 100%, which gave rise to €2 million in goodwill.

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4.3 - Companies included in the scope of consolidation

	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Fully consolidated companies							
AEW Advisors, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW Capital Management, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW Capital Management, LP(27)	Asset Management	85	85	-	-	-	-
AEW Global Advisors (Europe) Ltd(27)	Asset Management	85	85	-	-	-	-
AEW II Corporation(27)	Asset Management	85	85	-	-	-	-
AEW Investment Group, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW Management And Advisors, LP(27)	Asset Management	85	85	-	-	-	-
AEW Partners III, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW Partners IV, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW Partners V, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW Real Estate Advisors, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW Securities Limited Partnership(27)	Distribution	85	85	-	-	-	-
AEW TSF, Inc.(27)	Asset Management	85	85	-	-	-	-
AEW VIF Investors, Inc.(27)	Asset Management	85	85	-	-	-	-
Akco Fund(1)	Mutual fund for insurance company investments	100	100	100	100	-	-
Anteis Epargne(27)	Insurance broker	37	37	-	-	-	-
Asm Alternatif Garanti 1(1)	Mutual fund for insurance company investments	99	99	99	99	-	-
Assurances Banque Populaire Actions(1)	Mutual fund for insurance company investments	99	99	99	99	-	-
Assurances Banque Populaire Croissance Rendement(1)	Mutual fund for insurance company investments	99	99	98	98	-	-
Assurances Banque Populaire Midcap(1)	Mutual fund for insurance company investments	100	100	100	100	-	-
Assurances Banque Populaire Monetaire PIUS(1) (25)	Mutual fund for insurance company investments	-	-	100	100	-	-
Assurances Banque Populaire Prevoyance	Personal risk insurance	100	100	100	100	100	100

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Assurances Banque Populaire Taux(1) (26)	Mutual fund for insurance company investments	-	-	99	99	-	-
Assurances Banque Populaire Vie	Life insurance	100	100	100	100	100	100
Auxiliaire Antin(30)	Real estate company	-	-	100	100	100	100
Axa Assurcredit* (Formerly Assurcredit)	Credit insurance and services	40	40	40	40	40	40
Bail Expansion	Lease financing	100	100	100	100	100	100
Bancassurance Popolari* (2)	Life insurance	-	-	-	-	51	51
Banque Privee St Dominique	Private asset management	100	100	100	100	100	100
Bedford Oliver Funding LLC(27)	Other financial company	100	100	-	-	-	-
Bloom Asset Holdings Fund PLC(27)	Other financial company	100	100	-	-	-	-
BP Développement** (3)	Venture capital	42	36	42	36	-	-
BPSD Gestion	Private asset management	100	100	100	100	100	100
Business Data Information(28)	Marketing and other services	61	61	-	-	-	-
CACEIS Bank* (27)	Institutional custody services - Mutual fund depositary bank	50	50	-	-	-	-
CACEIS Bank Luxembourg* (27)	Institutional custody services - Mutual fund depositary bank	50	50	-	-	-	-
CACEIS Corporate Trust* (27)	Issuer services	50	50	-	-	-	-
CACEIS Fastnet* (27)	Fund administration	35	35	-	-	-	-
CACEIS Fastnet Suisse* (27)	Fund administration	50	50	-	-	-	-
CACEIS SAS* (27)	Holding company	50	50	-	-	-	-
Caspian Capital Management, LLC(27)	Asset Management	43	43	-	-	-	-
CDC Holding Trust(27)	Secondary market financing	100	100	-	-	-	-
CEFI(27)	Consumer loans	67	67	-	-	-	-
CEGI(27)	Insurance	100	100	-	-	-	-
CEGI Courtage(27)	Insurance broker	100	100	-	-	-	-
Centre d'Études Financières (CEF)	Business information and solvency	100	100	100	100	100	100
Centre Europeen d'Assurance(27)	Life insurance broker	73	73	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Centre Francais du Patrimoine[27]	Relationships with business providers	73	73	-	-	-	-
Cia de Seguros de Creditos Coface Chile SA (Formerly COFACE CHILI SA)[21]	Credit insurance and services	84	84	84	84	-	-
CIFG Assurance North America[27]	Insurance	100	100	-	-	-	-
CIFG Europe[27]	Insurance	100	100	-	-	-	-
CIFG Guaranty[27]	Reinsurance company	100	100	-	-	-	-
CIFG Holding[27]	Holding company	100	100	-	-	-	-
CIFG Services[27]	Services	100	100	-	-	-	-
Cimco Systems Ltd.	Information and debt management services	100	100	100	100	100	100
Clea2[27]	Securitized debt fund	100	100	-	-	-	-
Co-Assur	Insurance broker	100	100	100	100	100	100
Coface	Credit insurance and services	100	100	100	100	100	100
Coface Assicurazioni Spa (Formerly Viscontea Coface)	Credit insurance and services	100	100	100	100	100	100
Coface Austria (Formerly Osterreichische Kreditversicherungs Coface (Okv Coface)[4] [5]	Credit insurance and services	100	100	94	94	94	94
Coface Belgium Services (N.V. Coface Euro DB)	Business information and solvency	100	100	100	100	100	100
Coface Bulgaria CMS (Formerly Coface Intercredit Bulgaria)	Information and debt management services	100	75	100	75	100	75
Coface Collection North America	Information and debt management services	100	100	100	100	100	100
Coface Credit Management North America (Formerly Coface Credit Management Services)	Information and debt management services	100	100	100	100	100	100
Coface Croatia CMS (Formerly Coface Intercredit Hratska (Croatia)	Information and debt management services	100	75	100	75	100	75
Coface Czech CMS (Formerly Coface Intercredit Czechia)	Information and debt management services	100	75	100	75	100	75
Coface Danmark Services[38]	Credit insurance and services	100	100	-	-	-	-
Coface Debitoren (Formerly Adg Coface Allgemeine Debitoren Gesellschaft)	Information and debt management services	100	100	100	100	75	75
Coface Debt Purchase	Information and debt management services	100	100	100	100	100	100

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Coface Deutschland (Formerly AK Coface Holding AG)	Holding company	100	100	100	100	100	100
Coface do Brasil Seguros de Credito[39]	Credit insurance and services	100	100	-	-	-	-
Coface Europe[1] [6]	Mutual fund for insurance company investments	-	-	100	100	-	-
Coface Expert	Training	100	100	100	100	100	100
Coface Factoring Italia Spa	Factoring	100	100	100	100	-	-
AK Coface Finanz (Formerly Allgemeine Kredit Finanz Service AKFS)	Factoring	100	100	100	100	100	100
Coface Holding America Latina	Business information	100	100	100	100	100	100
Coface Holding Israel[29]	Holding company	100	100	-	-	-	-
Coface Hungary CMS (Formerly Coface Intercredit Hungary)	Information and debt management services	100	75	100	75	100	75
Coface Italia	Holding company	100	100	100	100	100	100
Coface Kredit (Formerly Allgemeine Kredit Coface (AKC))	Credit insurance and services	100	100	100	100	100	100
Coface Kredit Informations (Formerly Allgemeine Kredit Coface Informations Gmbh (AKI)[41]	Information and debt management services	-	-	100	100	100	100
Coface Nederland Services (Formerly Coface Services Netherlands)	Information and debt management services	100	100	100	100	100	100
Coface North America	Credit insurance and services	100	100	100	100	100	100
Coface North America Holding Company	Holding company	100	100	100	100	100	100
Coface North America Insurance Company	Credit insurance and services	100	100	100	100	100	100
Coface O.R.T[7]	Business information and solvency	-	-	-	-	100	100
Coface Poland CMS (Formerly Coface Intercredit Poland)[8]	Information and debt management services	100	75	97	73	97	73
Coface Poland Insurance Services[37]	Credit insurance and services	100	100	-	-	-	-
Coface Receivable Finances (Formerly London Bridge Finance Ltd.)	Factoring	100	100	100	100	100	100
Coface Romania CMS (Formerly Coface Intercredit Romania)	Information and debt management services	100	75	100	75	100	75
Coface SCRL (Formerly Coface SCRL Participations)[7]	Information and debt management services	-	-	-	-	100	100

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Coface Service	Information and debt management services	100	100	100	100	-	-
Coface Service Spa	Information and debt management services	100	100	100	100	100	100
Coface Services Austria (Formerly Okv Kreditinformations Gmbh (OKI)(5)	Information and debt management services	100	100	100	94	100	94
Coface Services Colombia (Formerly Veritas Colombia)	Information and debt management services	100	100	100	100	100	100
Coface Services Ecuador (Formerly Veritas Andina)	Information and debt management services	100	100	100	100	100	100
Coface Services North America Group (Formerly Veritas South Group)	Holding company	100	100	100	100	100	100
Coface Services Peru (Formerly Veritas Peru)	Information and debt management services	100	100	100	100	100	100
Coface Services Venezuela (Formerly Veritas Venezuela)	Information and debt management services	100	100	100	100	100	100
Coface Servicios Argentina (Formerly Veritas Argentina)	Information and debt management services	100	100	100	100	100	100
Coface Servicios Chile (Formerly Veritas Chile)	Information and debt management services	100	100	100	100	100	100
Coface Servicios Costa Rica (Formerly Veritas De Centro America)	Information and debt management services	100	100	100	100	100	100
Coface Servicios do Brazil	Information and debt management services	100	100	100	100	100	100
Coface Servicios Espana S.L. (Formerly Cofacerating.Sp)	Information and debt management services	100	100	100	100	100	100
Coface Servicios Mexico SA DE CV (Formerly Informes Veritas)	Information and debt management services	100	100	100	100	100	100
Coface Servicios Panama	Information and debt management services	100	100	100	100	100	100
Coface Servicios Portugal (Formerly Coface Mope)	Information and debt management services	100	100	100	100	100	100
Coface Slovakia CMS (Formerly Coface Intercredit Slovakia)	Information and debt management services	100	75	100	75	100	75
Coface Slovenia CMS (Formerly Coface Intercredit Slovenia)	Information and debt management services	100	75	100	75	100	75

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Coface South Africa Services (Formerly Cual)(9)	Services - Business provider	100	100	100	100	-	-
Coface South African Insurance Company(10)	Credit insurance and services	100	100	100	100	-	-
Coface UK Holdings (Formerly London Bridge Finance Group)	Holding company	100	100	100	100	100	100
Coface UK Services Ltd. (Formerly Cofacerating.UK)	Information and debt management services	100	100	100	100	100	100
Cofacerating Holding	Information and debt management services	100	100	100	100	100	100
Cofacerating.ch	Information and debt management services	100	100	100	100	-	-
Cofacerating.com(11)	Information and debt management services	-	-	-	-	100	100
Cofacerating.de	Information and debt management services	100	100	100	100	100	100
Cofacerating.fr(12)	Information and debt management services	-	-	-	-	100	100
Cofacerating.it(12)	Information and debt management services	-	-	-	-	100	100
Cofacerating.mx(42)	Information and debt management services	-	-	-	-	-	-
Cofaction 2(1)	Mutual fund for insurance company investments	100	100	100	100	-	-
Cofinpar	Credit insurance and services	100	100	100	100	100	100
Cofobligations(1)	Mutual fund for insurance company investments	100	100	100	100	-	-
Cogeri	Information and debt management services	100	100	100	100	100	100
Cogim(27)	Asset Management	85	85	-	-	-	-
Collomb Magellan SCI(13)	Real estate investment	100	100	-	-	-	-
Compagnie Fonciere Natexis	Real estate investment	100	100	100	100	100	100
Crea Western Investors I, Inc.(27)	Asset Management	85	85	-	-	-	-
Credico Ltd. (Formerly Cimco Ltd.)	Information and debt management services	100	100	100	100	100	100

	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Credit Maritime Vie(43)	Life insurance	-	-	100	100	100	100
Creditors Group Holding Ltd.	Information and debt management services	100	100	100	100	100	100
Cristal Negociations(14)	Real estate agent	-	-	-	-	100	100
Curzon Global Advisory Ltd.(27)	Asset Management	85	85	-	-	-	-
Curzon Global CC Ltd.(27)	Asset Management	85	85	-	-	-	-
Curzon Global Ltd.(27)	Asset Management	85	85	-	-	-	-
Curzon Global Partners(27)	Asset Management	85	85	-	-	-	-
Curzon Global UK Ltd.(27)	Asset Management	85	85	-	-	-	-
Domimur	Rental of business premises	100	100	100	100	100	100
Dupont-Denant Contrepartie	Investment company	50	50	50	50	50	50
Ecrinvest 6	Real estate investment	100	100	100	100	100	100
Ecureuil Gestion(27)	Asset Management	80	80	-	-	-	-
Ecureuil Gestion Fonds Commun De Placement(27)	Asset Management	80	80	-	-	-	-
Edval C Investments Ltd.	Country risk defeasance structure	100	100	100	100	100	100
Energeco	Equipment lease financing	100	100	100	100	100	100
Fastnet Belgique* (27)	Fund administration	26	26	-	-	-	-
Fastnet Irlande* (27)	Fund administration	50	50	-	-	-	-
Fastnet Luxembourg* (27)	Fund administration	26	26	-	-	-	-
Fastnet Pays-Bas* (27)	Fund administration	26	26	-	-	-	-
FCPR Natexis Industrie**	Buy-in/buy-out financing	90	83	90	82	90	86
FCPR Natexis Industrie Ii** (34)	Buy-in/buy-out financing	100	100	-	-	-	-
Federal Street Management, Inc.(27)	Asset Management	85	85	-	-	-	-
Fili SA(27)	Investment company	100	100	-	-	-	-
Fimipar	Debt purchase	100	100	100	100	100	100
Financiere Cladel	Investment company	100	100	100	100	100	100
Financiere Natexis Singapour**	International investment fund	100	86	100	86	100	100
Finatem** (47)	International investment fund	100	86	90	84	90	90
FNS2**	Private equity	100	86	100	86	100	100

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
FNS3**	Private equity	100	86	100	86	-	-
FNS4** (33)	Private equity	100	86	-	-	-	-
Foncier Assurance(27)	Insurance	60	60	-	-	-	-
Fonciere Kupka	Real estate investment	100	100	100	100	100	100
Fructibail	Real estate lease financing	100	100	100	100	100	100
Fructibail Invest(31)	Real estate lease financing	100	100	-	-	-	-
Fructicomi	Real estate lease financing	100	100	100	100	100	100
GCE Affacturage(27)	Factoring	100	100	-	-	-	-
GCE Bail(27)	Lease financing	100	100	-	-	-	-
GCE Garantie(27)	Credit institution	100	100	-	-	-	-
Gestitres(27)	Custodial services	100	100	-	-	-	-
Groupe Coface Central Europe Holding (Formerly Coface Intercredit Holding AG)	Holding company	75	75	75	75	75	75
Guava Cdo Ltd.(27)	Other financial company	100	100	-	-	-	-
Harris Alternatives Holding Inc.(27)	Holding company	85	85	-	-	-	-
Harris Associates Investment Trust(27)	Asset Management	85	85	-	-	-	-
Harris Associates LP(27)	Asset Management	85	85	-	-	-	-
Harris Associates Securities, LP(27)	Distribution	85	85	-	-	-	-
Harris Associates, Inc.(27)	Asset Management	85	85	-	-	-	-
Harris Associates, LLC(27)	Asset Management	85	85	-	-	-	-
Immobiliere Natexis	Real estate investment	100	100	100	100	100	100
Initiative et Finance Investissement**	Buy-in/buy-out financing	92	74	92	76	92	73
Interfinance Natexis N.V(17)	International loan issues	-	-	100	100	100	100
Invest Kappa (Formerly Line Bourse)(17)	Online broker	-	-	100	100	100	100
Investima 6	Real estate holding company	100	100	100	100	100	100
Investor Services House* (27)	Real estate company	50	50	-	-	-	-
Ixis AEW Europe SA(27)	Asset Management	85	85	-	-	-	-
Ixis AEW Italia(27)	Asset Management	85	85	-	-	-	-
Ixis AEW Luxembourg(27)	Asset Management	85	85	-	-	-	-
Ixis Alternative Holding Limited(27)	Holding company	100	100	-	-	-	-
Ixis Alternative Investments Limited(27)	Fund management	100	100	-	-	-	-

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Ixis Asset Finance Inc.(27)	Other financial company	100	100	-	-	-	-
Ixis Asset Management(27)	Asset Management	85	85	-	-	-	-
Ixis Asset Management (Australia) Holdings, LLC(27)	Holding company	85	85	-	-	-	-
Ixis Asset Management Advisers, LP(27)	Distribution	85	85	-	-	-	-
Ixis Asset Management Asia, Ltd.(27)	Asset Management	85	85	-	-	-	-
Ixis Asset Management Associates, Inc.(27)	Distribution	85	85	-	-	-	-
Ixis Asset Management Australia Limited(27)	Distribution	85	85	-	-	-	-
Ixis Asset Management Distribution Corporation(27)	Distribution	85	85	-	-	-	-
Ixis Asset Management Distributors, LP(27)	Distribution	85	85	-	-	-	-
Ixis Asset Management Global Associates, SA(27)	Distribution	85	85	-	-	-	-
Ixis Asset Management Group(27)	Holding company	85	85	-	-	-	-
Ixis Asset Management Holdings, LLC(27)	Holding company	85	85	-	-	-	-
Ixis Asset Management Italia(27)	Asset Management	85	85	-	-	-	-
Ixis Asset Management Japan, Ltd.(27)	Asset Management	85	85	-	-	-	-
Ixis Asset Management North America, LP(27)	Holding company	85	85	-	-	-	-
Ixis Asset Management Participations 1(27)	Holding company	85	85	-	-	-	-
Ixis Asset Management Participations 2(27)	Holding company	85	85	-	-	-	-
Ixis Asset Management Services, Inc.(27)	Services	85	85	-	-	-	-
Ixis Asset Management UK(27)	Distribution	85	85	-	-	-	-
Ixis Asset Management US Corporation(27)	Holding company	85	85	-	-	-	-
Ixis Asset Management Us, LLC(27)	Holding company	85	85	-	-	-	-
Ixis Capital Arranger Corp.(27)	Intermediation services	100	100	-	-	-	-
Ixis Capital Markets North America Inc(27)	Holding company	100	100	-	-	-	-
Ixis Cmna (Australia) (No. 2) LLC(27)	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) (No. 2) SCA(27)	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) Acceptances (N°1) Inc.(27)	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) Acceptances (N°2) Inc.(27)	Other financial company	100	100	-	-	-	-

	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Ixis Cmna (Australia) Funding (N°1) Pty Ltd.[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) Funding (N°2) Pty Ltd.[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) Holdings (N°2) Inc.[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) Holdings Inc.[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) Participations (N°1) Inc.[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna (Australia) Participations (N°2) Inc.[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna Acceptances LLC[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna International Holdings Inc.[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna International Participations (N°1) LLC[27]	Other financial company	100	100	-	-	-	-
Ixis Cmna Ip Assets Holdings (Luxembourg) SCA[27]	Other financial company	100	100	-	-	-	-
Ixis Commercial Paper Corp.[27]	Other financial company	100	100	-	-	-	-
Ixis Corporate & Investment Bank	Holding company	100	100	-	-	-	-
Ixis Derivatives Inc.[27]	Stock brokerage	100	100	-	-	-	-
Ixis Environnement & Infrastructures[27]	Venture capital	100	100	-	-	-	-
Ixis Financial Products Inc.[27]	Derivatives trading	100	100	-	-	-	-
Ixis Fondsservices GMBH[27]	Distribution	85	85	-	-	-	-
Ixis Funding Corp.[27]	Other financial company	100	100	-	-	-	-
Ixis Hawai Special Member LLC[27]	Commercial real estate financing	100	100	-	-	-	-
Ixis Investment Management Corp.[27]	Other financial company	100	99	-	-	-	-
Ixis Investment Services Japan, Inc.[27]	Distribution	85	85	-	-	-	-
Ixis Loan Funding I LLC[27]	Secondary market financing	100	100	-	-	-	-
Ixis Luxembourg Investissements[27]	Investment company	100	100	-	-	-	-
Ixis Municipal Products Inc.[27]	Secondary market financing	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-1 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-10 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-2 Trust[27]	Other financial company	100	100	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Ixis Municipal Products Inc. Saratoga Series 2004-3 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-4 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-5 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-6 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-7 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-8 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2004-9 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-1 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-10 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-11 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-12 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-13 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-14 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-15 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-16 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-17 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-18 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-19 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-2 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-20 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-21 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-22 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-23 Trust(27)	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-24 Trust(27)	Other financial company	100	100	-	-	-	-

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Ixis Municipal Products Inc. Saratoga Series 2005-25 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-26 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-27 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-28 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-29 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-3 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-5 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-6 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-7 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-8 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis Municipal Products Inc. Saratoga Series 2005-9 Trust[27]	Other financial company	100	100	-	-	-	-
Ixis North America Inc.[27]	Holding company	100	100	-	-	-	-
Ixis Participations Holding Inc.[27]	Other financial company	100	100	-	-	-	-
Ixis Participations N°1 Inc.[27]	Other financial company	100	100	-	-	-	-
Ixis Private Capital Management[27]	Asset Management	69	69	-	-	-	-
Ixis Real Estate Capital Inc.[27]	Real estate financing	100	100	-	-	-	-
Ixis Securities[27]	Stock brokerage	100	100	-	-	-	-
Ixis Securities North America Inc.[27]	Stock brokerage	100	100	-	-	-	-
Ixis Securitization Corp.[27]	Other financial company	100	100	-	-	-	-
Ixis SP S.A. – Compartiment Prévie[27]	Mutual funds	100	100	-	-	-	-
Ixis Strategic Investments Corp.[27]	Other financial company	100	100	-	-	-	-
Ixis Structured Products Ltd.[27]	Secondary market financing	100	100	-	-	-	-
Kobrick Funds, LLC[27]	Asset Management	85	85	-	-	-	-
Kompass Bilgi (Dagitim Hizmetleri)	Marketing and other services	70	70	70	70	70	70
Kompass Czech Republic	Marketing and other services	93	93	93	93	93	93
Kompass Global Databases[28]	Marketing and other services	75	46	-	-	-	-

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Kompass Holding (Sub-Group)	Holding company	100	100	100	100	100	100
Kompass International Neuenschwander	Holding company	100	100	100	100	100	100
Kompass Japan	Marketing and other services	100	100	100	100	100	100
Kompass Poland	Marketing and other services	100	100	100	100	100	100
Kompass South East Asia	Marketing and other services	100	100	100	100	100	100
Kompass United States	Marketing and other services	100	100	100	100	100	100
La Compagnie 1818 - Banquiers Prives	Holding company	73	73	-	-	-	-
La Compagnie 1818 - Gestion(27)	Mutual fund management company	73	73	-	-	-	-
La Compagnie 1818 - Immobilier(27)	Real estate	73	73	-	-	-	-
Librairie Électronique	Business information and solvency	100	100	100	100	100	100
Lietuvos Eksporto Importo Draudimas (Leid)(4)	Credit insurance and services	-	-	-	-	-	-
Lime Cdo Ltd.(27)	Other financial company	100	100	-	-	-	-
Loomis Sayles & Company, Inc.(27)	Asset Management	85	85	-	-	-	-
Loomis Sayles & Company, LP(27)	Asset Management	85	85	-	-	-	-
Loomis Sayles Consumer Discretionary GP LLC(27)	Asset Management	85	85	-	-	-	-
Loomis Sayles Consumer Discretionary LP(27)	Asset Management	85	85	-	-	-	-
Loomis Sayles Consumer Discretionary, LLC(27)	Asset Management	85	85	-	-	-	-
Loomis Sayles Distributors, Inc.(27)	Distribution	85	85	-	-	-	-
Loomis Sayles Distributors, LP(27)	Distribution	85	85	-	-	-	-
Loomis Sayles Energy, LLC(27)	Asset Management	85	85	-	-	-	-
Loomis Sayles Futures, LLC(27)	Asset Management	85	85	-	-	-	-
Loomis Sayles Solutions, Inc.(27)	Asset Management	85	85	-	-	-	-
Mango Cdo Ltd(27)	Other financial company	100	100	-	-	-	-
Master Financial Inc.(27)	Real estate financing	90	0	-	-	-	-
Mc Management, Inc.(27)	Holding company	85	85	-	-	-	-
Mc Management, LP(27)	Holding company	85	85	-	-	-	-
Mercosul**	International investment fund	100	84	100	84	100	100
Msl1 Fund(1)	Mutual fund for insurance company investments	100	100	100	100	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Natexis Abm Corp LLC(16)	Securitization arbitrage	100	100	-	-	-	-
Natexis Abm Corp. (Formerly Asset Backed Management Corporation)	Securitization arbitrage	100	100	100	100	100	100
Natexis Actions Capital Structurant	Expansion capital	63	63	56	56	58	58
Natexis Algérie	Bank	100	100	100	100	100	100
Natexis Altair	IT services	100	100	100	100	100	100
Natexis Ambs**	Preferred share issues	100	100	100	100	100	100
Natexis Asset Management	Management of collective savings schemes	100	100	100	100	100	100
Natexis Asset Management Immobilier (Formerly Natexis Immo Placement)	Real estate management	100	100	100	100	100	100
Natexis Asset Square	Mutual fund distribution	100	100	100	100	100	100
Natexis Banques Populaires Invest	Mutual funds	100	100	100	100	100	100
Natexis Banques Populaires Preferred Capital I**	Preferred share issues	100	100	100	100	100	100
Natexis Banques Populaires Preferred Capital Ii**	Preferred share issues	100	100	100	100	100	100
Natexis Banques Populaires Preferred Capital Iii**	Preferred share issues	100	100	100	100	100	100
Natexis Bleichroeder Inc	Investment company	100	100	100	100	100	100
Natexis Bleichroeder Sa	Investment company	100	100	100	100	100	100
Natexis Bleichroeder UK(40)	Investment company	-	-	100	100	100	100
Natexis Cape**	International investment fund	98	84	98	84	99	100
Natexis Coficine(18)	Finance company (audiovisual)	94	94	93	93	93	93
Natexis Commodity Markets Ltd (Formerly Natexis Metals)	precious metals broker	100	100	100	100	100	100
Natexis Factorem	Factoring	100	100	100	100	100	100
Natexis Funding Usa(31)	Refinancing	100	100	-	-	-	-
Natexis Industrie**	Buy-in/buy-out financing	100	89	100	89	100	88
Natexis Intertitres	Service vouchers	100	100	100	100	100	100
Natexis Inversiones**	International investment fund	100	84	100	84	100	100
Natexis Investissement**	Expansion capital	100	100	100	90	100	100
Natexis Investment Asia(19)	International investment fund	-	-	-	-	100	100

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Natexis Investment Corp.	Investment management	100	100	100	100	100	100
Natexis Lease	Equipment lease financing	100	100	100	100	100	100
Natexis Lease Madrid(52)	Equipment and real estate lease financing	100	100	100	100	-	-
Natexis Lease Milan(52)	Equipment and real estate lease financing	100	100	100	100	-	-
Natexis LLD	Long-term vehicle leasing	100	100	100	100	-	-
Natexis Luxembourg	Bank	100	100	100	100	100	100
Natexis Moscow	Foreign bank	100	100	100	100	100	100
Natexis Pramex Asia Ltd.	International commerce promotion and operations	100	99	100	99	100	99
Natexis Pramex Deutschland	International commerce promotion and operations	100	99	100	99	100	99
Natexis Pramex France	International commerce promotion and operations	100	98	100	98	100	98
Natexis Pramex Iberica Sa	International commerce promotion and operations	100	99	100	99	100	99
Natexis Pramex International	Holding company	99	99	99	99	99	99
Natexis Pramex International Inc.	International commerce promotion and operations	100	99	100	99	-	-
Natexis Pramex Italia Srl	International commerce promotion and operations	100	95	100	95	100	98
Natexis Pramex Maroc(48)	International commerce promotion and operations	100	99	-	-	-	-
Natexis Pramex North America Corp.	International commerce promotion and operations	100	99	100	99	100	99
Natexis Pramex Polska	International commerce promotion and operations	100	99	100	99	100	99

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Natexis Pramex RUS Ltd.	International commerce promotion and operations	100	99	100	99	-	-
Natexis Pramex UK Ltd.	International commerce promotion and operations	100	99	100	99	100	99
Natexis Private Banking(32)	International private banking	100	100	-	-	-	-
Natexis Private Banking Luxembourg SA	International private banking	96	96	96	96	88	88
Natexis Private Equity	Private equity	100	100	100	100	100	100
Natexis Private Equity International	Private equity	100	100	100	100	100	100
Natexis Private Equity International Management	Management company (private equity)	100	100	100	100	-	-
Natexis Private Equity International Singapour	Private equity	100	100	100	100	100	100
Natexis Private Equity Opportunities**	Private equity	100	89	100	89	100	100
Natexis Services Ltd.	UK companies management	100	100	100	100	-	-
Natexis US Finance Corporation	Negotiable debt instrument issues	100	100	100	100	100	100
Natexis Venture Selection	Investment fund	100	100	100	100	100	100
Natinium(36)	Securitization vehicle	100	100	-	-	-	-
Natixis Arbitrage***	Equity and derivatives arbitrage	100	100	100	100	100	100
Natixis Asia Ltd.(27)	Other financial company	100	100	-	-	-	-
Natixis Assurances***	Insurance holding company	100	100	100	100	100	100
Natixis Axeltis Ltd. (Asset Square London)	Mutual fund distribution	100	100	100	100	100	100
Natixis Bail***	Real estate lease financing	100	100	100	100	100	100
Natixis Belgique Investissements(27)	Investment company	100	100	-	-	-	-
Natixis Finance***	M&A advisory services	100	100	100	100	100	100
Natixis Funding***	Secondary debt market operator	100	100	100	100	100	100
Natixis Immo Developpement***	Real estate development and renovation	100	100	100	100	100	100
Natixis Immo Exploitation***	Real estate company	100	100	100	100	100	100

	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Natixis Innov(27)	Holding company	100	100	-	-	-	-
Natixis Interepargne*** (45)	Employee savings account management	100	100	100	100	100	100
Natixis Investor Servicing	Fund administration	100	100	100	100	-	-
Natixis Life***	Life insurance	100	99	100	99	100	96
Natixis Paiements	Banking services	100	100	100	100	100	100
Natixis Transport Finance (Formerly Société de Banque Francaise et Internationale)	Bank	100	100	100	100	100	100
Naxicap Partners (Formerly SPEF Développement)	Venture capital	100	100	100	100	100	100
Nem 2**	Management company (private equity)	100	100	100	100	100	100
Nexgen Capital Ltd.(27)	Investment company	100	100	-	-	-	-
Nexgen Financial Holdings Ltd.(27)	Investment company	100	100	-	-	-	-
Nexgen Financial Solutions (Asia) Pte Ltd.(27)	Investment company	100	100	-	-	-	-
Nexgen Financial Solutions Ltd.(27)	Investment company	100	100	-	-	-	-
Nexgen MauritiUS Ltd.(27)	Investment company	100	100	-	-	-	-
Nexgen Re Ltd.(27)	Reinsurance	100	100	-	-	-	-
Novacrédit(27)	Consumer loans	66	66	-	-	-	-
NXBP 1	Holding company	100	100	100	100	100	100
Or Informatique	Business information and solvency	100	100	100	100	100	100
Orchid Telematics Limited	Business information and solvency	100	100	100	100	100	100
Par Fund GP LLC(27)	Other financial company	100	100	-	-	-	-
Parallel Absolute Return Fund LP(27)	Other financial company	94	94	-	-	-	-
Parallel Absolute Return Master Fund LP(27)	Other financial company	75	75	-	-	-	-
Paris Office Fund*	Real estate agent	50	50	50	50	50	50
Participation 3(27)	Holding company	85	85	-	-	-	-
Participation 4(27)	Holding company	85	85	-	-	-	-
Participation 5(27)	Holding company	85	85	-	-	-	-
Participation 6(27)	Holding company	85	85	-	-	-	-
Partinvest* (27)	Real estate company	50	50	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Providente[35]	Investment company	100	100	-	-	-	-
Reich & Tang Asset Management, LLC[27]	Asset Management	85	85	-	-	-	-
Reich & Tang Distributors, Inc.[27]	Distribution	85	85	-	-	-	-
Reich & Tang Services, Inc.[27]	Asset Management	85	85	-	-	-	-
Rose Mortgage Inc.[27]	Real estate financing	49	0	-	-	-	-
S.A.G.P	Investment company	100	100	100	100	100	100
S.C.I. Abp Iena[1]	Insurance real estate investment	100	100	100	100	100	100
S.C.I. Abp Pompe[1]	Insurance real estate investment	100	100	100	100	100	100
S.C.I. Altair 1	Real estate company	100	100	100	100	100	100
S.C.I. Altair 2	Real estate company	100	100	100	100	100	100
S.C.I. COFIMMO[1] [20]	Real estate company	-	-	-	-	100	100
S.C.I. Frutifoncier[1]	Insurance real estate investment	100	100	100	100	100	100
S.C.I. NEUILLY CHÂTEAU[1] And[15]	Insurance real estate investment	-	-	-	-	100	100
S.C.I. Valmy Coupole	Real estate company	100	100	100	100	100	100
Saccef[27]	Insurance	100	100	-	-	-	-
Samic[22]	IT services	-	-	-	-	76	76
Sci Saccef Champs Elysees[27]	Real estate management	100	100	-	-	-	-
Sci Saccef Immobilier[27]	Real estate management	100	100	-	-	-	-
Sci Saccef La Boetie[27]	Real estate management	100	100	-	-	-	-
Seaport Senior Housing, LLC[27]	Asset Management	85	85	-	-	-	-
Segex	Investment company	100	100	100	100	100	100
Sepia[46]	Investment management	-	-	100	100	100	100
Seventure Partners***	Innovation mutual fund management	100	100	100	100	100	100
Slib	IT services	100	100	100	100	100	100
SNC Tolbiac Finance[27]	Investment company	100	100	-	-	-	-
Snyder Capital Management, Inc.[27]	Asset Management	85	85	-	-	-	-
Snyder Capital Management, LP[27]	Asset Management	85	85	-	-	-	-
Socamab[27]	Insurance	60	60	-	-	-	-

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Societe Financiere de la Bfce[44]	Investment management	-	-	100	100	100	100
Sodeto[23]	Investment management	-	-	100	100	100	100
Sogafi[12]	Guarantee company	-	-	100	100	100	100
Soprane Services	Private asset management	100	100	100	100	100	100
Sopromec[3] [51]	Private equity	-	-	100	42	-	-
Spafica	Real estate investment	100	100	100	100	100	100
Spef Lbo	Venture capital	100	100	100	100	100	100
Creditors Group Ltd.	Information and debt management services	100	100	100	100	100	100
Creditors Information Co Ltd.	Information and debt management services	100	100	100	100	100	100
The Fastnet House* [27]	Real estate company	50	50	-	-	-	-
Unistrat Assurances[11]	Credit insurance and services	-	-	-	-	100	100
Unistrat Coface	Insurance business provider	100	100	100	100	100	100
Universe Holdings Ltd.[27]	Investment company	100	100	-	-	-	-
Val A[24]	Investment portfolio holding	100	100	100	100	98	98
Vaughan Nelson Investment Management, Inc.[27]	Asset Management	85	85	-	-	-	-
Vaughan Nelson Investment Management, LP[27]	Asset Management	85	85	-	-	-	-
Vaughan Nelson Trust Company[27]	Asset Management	85	85	-	-	-	-
Vega Partenaires[27] [50]	Life insurance broker	-	-	-	-	-	-
Veritas Puerto Rico Corporation[17]	Information and debt management services	-	-	100	100	100	100
Veritas SA (Argentina)[17]	Information and debt management services	-	-	100	100	100	100
Viscontea Immobiliare	Real estate company	100	100	100	100	100	100
Vitalia Vie	Life insurance	100	100	100	100	100	100
VR Factorem*	Factoring	51	51	51	51	51	51
Westpeak Global Advisors, LP[27]	Asset Management	85	85	-	-	-	-
Westpeak Investment Advisors Australia, Limited Pty.[27]	Asset Management	85	85	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Westpeak Investment Advisors, Inc.[27]	Asset Management	85	85	-	-	-	-
Worledge A Investments Ltd.	Country risk put-option structure	100	100	100	100	100	100
Companies Accounted For Using The Equity Method							
Acef Occitane[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Adir	P&C insurance	34	34	34	34	34	34
Asahi Nvest Investment Advisory Co, Ltd.[27]	Distribution	42	42	-	-	-	-
Assurances Banque Populaire IARD	P&C insurance	50	50	50	50	50	50
Atlantique PIUS[27]	Financial institution/financial holding company	20	20	-	-	-	-
Banque Calédonienne d'Investissement[27]	Credit institution/ Bank	7	7	-	-	-	-
Banque Monétaire Et Financière[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire Alsace[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire Atlantique[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire Bourgogne Franche-Comté[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire Centre Atlantique[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire de La Côte d'Azur[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire de Loire et Lyonnais[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire de L'Ouest[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire des Alpes[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire des Pyrénées-Orientales, de L'Aude et de L'Ariège[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire du Massif Central[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire du Midi[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire du Nord[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire du Sud-Ouest[27]	Credit institution/ Bank	20	20	-	-	-	-

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Banque Populaire Lorraine Champagne[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire Provençale et Corse[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire Rives de Paris[27]	Credit institution/ Bank	20	20	-	-	-	-
Banque Populaire Val de France[27]	Credit institution/ Bank	20	20	-	-	-	-
Batinorest[27]	Credit institution/ Bank	19	19	-	-	-	-
Batinorest-Bail[27]	Credit institution/ Bank	20	19	-	-	-	-
BDG SCI[27]	Non-financial institution/real estate	20	20	-	-	-	-
Bercy Gestion Finance[27]	Financial institution/ expansion in scope of business	20	20	-	-	-	-
BGF+[27]	Non-financial institution/services	20	20	-	-	-	-
Bic BRED[27]	Credit institution/ Bank	20	20	-	-	-	-
BISE[27]	Credit institution/ Bank	10	10	-	-	-	-
B-Process[27]	Non-financial institution/services	9	9	-	-	-	-
BRED Banque Populaire[27]	Credit institution/ Bank	20	20	-	-	-	-
BRED Cofilease(Formerly NCM)[27]	Credit institution/ Bank	20	20	-	-	-	-
BRED Gestion[27]	Credit institution/ Other	20	20	-	-	-	-
BRED Habitat[27]	Credit institution/ guarantee company	20	20	-	-	-	-
BTP Banque[27]	Credit institution/ Bank	20	20	-	-	-	-
BTP Capital Investissement[27]	Non-financial institution/venture capital	20	20	-	-	-	-
C&M Finance[27]	Mutual fund management company	15	15	-	-	-	-
Caisse de Garantie Immob du Bâtiment[27]	Non-financial/ insurance institution	7	7	-	-	-	-
Caisse d'Epargne Aquitaine-Nord[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Centre Val de Loire[27]	Financial and credit institution	20	20	-	-	-	-

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Caisse d'Epargne Champagne-Ardenne[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Côte d'Azur[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne d'alsace[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne d'auvergne et du Limousin[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Basse-Normandie[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Bourgogne et de Franche-Comté[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Bretagne[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Flandre[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Haute-Normandie[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Lorraine[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Midi-Pyrénées[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne de Picardie[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne des Alpes[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne des Pays de la Loire[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne des Pays de l'Adour[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne du Pas de Calais[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne du Pays de l'Hainaut[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne du Val de France Orléanais[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Île-de France Nord[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Île-de France Ouest[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Île-de France Paris[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Languedoc-Roussillon[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Loire Drome Ardeche[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Poitou-Charentes[27]	Financial and credit institution	20	20	-	-	-	-
Caisse d'Epargne Provence-Alpes-Corse[27]	Financial and credit institution	20	20	-	-	-	-

	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Caisse d'Epargne Rhône-Alpes Lyon[27]	Financial and credit institution	20	20	-	-	-	-
Caisse Regionale de Méditerranée[27]	Credit institution/ Bank	20	20	-	-	-	-
Caisse Regionale de Vendée[27]	Credit institution/ Bank	20	20	-	-	-	-
Caisse Regionale du Finistère[27]	Credit institution/ Bank	20	20	-	-	-	-
Caisse Regionale Littoral Manche[27]	Credit institution/ Bank	20	20	-	-	-	-
Caisse Regionale Morbihan/Loire Atlantique[27]	Credit institution/ Bank	20	20	-	-	-	-
Caisse Regionale Region Nord[27]	Credit institution/ Bank	20	20	-	-	-	-
Caisse Regionale Sud Ouest[27]	Credit institution/ Bank	20	20	-	-	-	-
Caisse Solidaire[27]	Credit institution/ Bank	20	4	-	-	-	-
Capi Court Terme N°1[27]	Financial institution/ brokerage	20	20	-	-	-	-
Capital Growth Management, LP[27]	Asset Management	42	42	-	-	-	-
Casden - Banque Populaire[27]	Credit institution/ Bank	20	20	-	-	-	-
Cgw Gestion d'actifs[27]	Asset Management	28	28	-	-	-	-
Click And Trust[27]	Non-financial institution/services	20	20	-	-	-	-
Cmgm[27]	Credit institution/ Bank	20	1	-	-	-	-
Cofacredit	Credit insurance and services	36	36	36	36	36	36
Cofeg[27]	Financial institution/ expansion in scope of business	20	20	-	-	-	-
CofiBRED[27]	Financial institution/financial holding company	20	20	-	-	-	-
Credit Cooperatif[27]	Credit institution/ Bank	20	20	-	-	-	-
Creponord[27]	Non-financial institution/real estate	20	20	-	-	-	-
De Portzamparc[27]	Financial institution/Other businesses	15	14	-	-	-	-
Ecofi Investissement[27]	Financial institution/asset management company	20	20	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Edel[27]	Credit institution/ Bank	7	7	-	-	-	-
Efitel[27]	Non-financial institution/services	20	20	-	-	-	-
Eios	Business information and solvency	30	30	30	30	30	30
Esfin[27]	Financial institution/ expansion in scope of business	8	8	-	-	-	-
Fcc Amaren II[27]	Credit institution/ Other	20	20	-	-	-	-
FCC CRISTALYS(F)[27]	Credit institution/ Other	20	20	-	-	-	-
Financière de La BP Occitane[27]	Credit institution/ Bank	20	20	-	-	-	-
Financière Participation BPS[27]	Credit institution/ Bank	20	20	-	-	-	-
Foncière Victor Hugo[27]	Financial institution/ expansion in scope of business	20	20	-	-	-	-
Forest Massif Central[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Forestiers Lorraine[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Garibaldi Capital Développement[27]	Non-financial institution/Other	20	20	-	-	-	-
Gedex Distribution[27]	Credit institution/ Bank	20	0	-	-	-	-
GIE USC[27]	Non-financial institution/Other	20	20	-	-	-	-
Graydon Holding	Information and debt management services	28	28	28	28	28	28
Groupement de Fait[27]	Non-financial institution/Other	20	20	-	-	-	-
Habitat Rives de Paris[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Hansberger Group, Inc.[27]	Asset Management	21	21	-	-	-	-
IFCIC	Cinema and TV guarantee company	20	20	20	20	20	20
Ingenierie et Développement[27]	Credit institution/ Bank	20	20	-	-	-	-

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	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Intercoop[27]	Credit institution/ Real estate leasing	20	20	-	-	-	-
LFI[27]	Financial institution/ expansion in scope of business	20	20	-	-	-	-
LFI4[27]	Financial institution/Other businesses	20	20	-	-	-	-
Ludovic de Besse[27]	Credit institution/ Bank	20	20	-	-	-	-
Lux Equip Bail[27]	Credit institution/ Equipment lease financing	18	18	-	-	-	-
Mone+Cc2[27]	Financial institution/ brokerage	20	20	-	-	-	-
Moninfo[27]	Credit institution/ Bank	19	7	-	-	-	-
Nord Financement[27]	Credit institution/ Bank	20	0	-	-	-	-
OFIVM[49]	Custody and brokerage	-	-	-	-	34	34
Parnasse Finances[27]	Financial institution/ expansion in scope of business	20	20	-	-	-	-
Parnassienne de Crédit[27]	Credit institution/ Other	18	18	-	-	-	-
Participations BPSO[27]	Credit institution/ Bank	20	20	-	-	-	-
PBW Ream[27]	Asset Management	42	42	-	-	-	-
Plusexpansion[27]	Credit institution/ Bank	20	20	-	-	-	-
Prepar Courtage (Formerly Berpa)[27]	Financial institution/Other businesses	20	20	-	-	-	-
Prepar-IARD[27]	Non-financial/ insurance institution	20	20	-	-	-	-
Prepar-Vie[27]	Non-financial/ insurance institution	20	20	-	-	-	-
Promepar[27]	Financial institution/asset management company	20	20	-	-	-	-
SAS Perspectives Et Participations[27]	Financial institution/ expansion in scope of business	20	20	-	-	-	-
SAS Ponant 2[27]	Other financial company	20	20	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
SAS Sociétariat BP Lorraine Champagne(27)	Credit institution/ Bank	20	20	-	-	-	-
Savoisienne(27)	Credit institution/ Bank	20	20	-	-	-	-
SBE (Formerly Sogefip)(27)	Credit institution/ Specialized finance	20	20	-	-	-	-
SCI BPS(27)	Non-financial institution/real estate	20	20	-	-	-	-
SCI BPSO(27)	Non-financial institution/real estate	20	20	-	-	-	-
SCI du Crédit Coopératif(27)	Non-financial institution/real estate	20	20	-	-	-	-
SCI Faidherbe(27)	Non-financial institution/real estate	20	20	-	-	-	-
SCI Saint-Denis(27)	Non-financial institution/real estate	20	20	-	-	-	-
SCM Sud(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Segimlor(27)	Non-financial institution/Other	20	20	-	-	-	-
SGPC-Ste de Gestion Provençale Et Corse(27)	Credit institution/ Bank	20	20	-	-	-	-
SGTI(27)	Financial institution/ expansion in scope of business	20	20	-	-	-	-
Sicomi Coop(27)	Credit institution/ Real estate leasing	14	14	-	-	-	-
SIMC(27)	Credit institution/ Bank	20	20	-	-	-	-
SNC Champion(27)	Other financial company	20	20	-	-	-	-
Socacef Bas-Rhin(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socacef Massif Central(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socacef Nord(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Atlantique(27)	Credit institution/ guarantee company	20	20	-	-	-	-

	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Socama Bas-Rhin(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Bouches-du-Rhône(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Bourgogne Franche-Comté(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama BRED Idf(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Centre Atlantique(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Corse(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Côte d'Azur(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama du Dauphiné des Alpes du Sud(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Haut-Rhin(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Haute-Garonne(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Haute-Savoie(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Loire et Lyonnais(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Lorraine(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Massif Central(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Midi-Pyrénées Ouest(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Nord(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Normandie(27)	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Occitane(27)	Credit institution/ guarantee company	20	20	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Socama Ouest[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Rives de Paris[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Savoie[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Sud-Ouest[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Val de France[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socama Vaucluse[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Alsace[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Atlantique[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Bourgogne Franche-Comté[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Centre Atlantique[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Côte d'Azur[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Dauphiné des Alpes du Sud[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami du Sud-Ouest[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Haute-Garonne Habitat[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Haute-Savoie[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Loire et Lyonnais[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Lorraine Champagne[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Massif Central[27]	Credit institution/ guarantee company	20	20	-	-	-	-

	Business	December 31, 2006 % control	ownership**	December 31, 2005 % control	ownership**	December 31, 2004 % control	ownership**
Socami Nord[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Occitane[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Ouest[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Provence et Corse[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Savoisienne[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socami Val de France[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socammes[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socamuprolor[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Socaupromi Alsace[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Soceca	Insurance broker	25	25	25	25	25	25
Sociétariat Banque Populaire Alsace[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP Bourgogne Franche-Comté[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP Côte d'Azur[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP de L'Ouest[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP des Alpes[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP du Nord[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP Provençale et Corse[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP Rives de Paris[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP Val de France[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BP2L[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BPCA[27]	Credit institution/ Bank	20	20	-	-	-	-

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	Business	December 31, 2006 % control	December 31, 2006 % ownership**	December 31, 2005 % control	December 31, 2005 % ownership**	December 31, 2004 % control	December 31, 2004 % ownership**
Sociétariat BPMC[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BPS[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat BPSO[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat Crédit Coopératif/BP[27]	Credit institution/ Bank	20	20	-	-	-	-
Sociétariat de La BP Occitane[27]	Credit institution/ Bank	20	20	-	-	-	-
Societe d'expansion Bourgogne FC[27]	Non-financial institution/Other	20	20	-	-	-	-
Societe Financiere de La Nef[27]	Credit institution/ Bank	20	1	-	-	-	-
Socorec[27]	Credit institution/ Bank	20	0	-	-	-	-
Sofiag[27]	Credit institution/ Bank	20	20	-	-	-	-
Sofider[27]	Credit institution/ Bank	20	20	-	-	-	-
Sofigard[27]	Credit institution/ Bank	20	6	-	-	-	-
Sofincil[27]	Credit institution/ Specialized finance	20	20	-	-	-	-
Sofindi[27]	Credit institution/ Bank	20	1	-	-	-	-
Sofirif[27]	Credit institution/ Bank	20	1	-	-	-	-
Sofiscop[27]	Credit institution/ Bank	20	0	-	-	-	-
Sofiscop Sud-Est[27]	Credit institution/ Bank	20	1	-	-	-	-
Sofronta[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Somudimec[27]	Credit institution/ Bank	20	0	-	-	-	-
Somupaca[27]	Credit institution/ Bank	20	0	-	-	-	-
Soprolib[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Soprolib des Alpes[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Soprolib Franche-Comté[27]	Credit institution/ guarantee company	20	20	-	-	-	-
Soprolib Nord[27]	Credit institution/ guarantee company	20	20	-	-	-	-

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		December 31, 2006		December 31, 2005		December 31, 2004	
		%		%		%	
	Business	control	ownership**	control	ownership**	control	ownership**
Soprolib Sud-Ouest[27]	Credit institution/ guarantee company	20	20	-	-	-	-
SPGRES[27]	Credit institution/ Bank	20	20	-	-	-	-
SPIG[27]	Financial institution/ expansion in scope of business	20	20	-	-	-	-
Sud Participation[27]	Credit institution/ Bank	20	20	-	-	-	-
Transimmo[27]	Non-financial institution/real estate	20	20	-	-	-	-
Trust and Pay[27]	Non-financial institution/services	9	13	-	-	-	-
Vecteur[27]	Non-financial institution/venture capital	20	20	-	-	-	-
Vialink[27]	Non-financial institution/services	20	20	-	-	-	-

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(1) Consolidated for the first time under IFRSs.
(2) Sold on September 26, 2005, with effect from June 30, 2005.
(3) Consolidation method changed from equity method to full consolidation following the increase in Natexis Private Equity's stake in BP Développement in October 2005.
(4) Merged on October 1, 2005 with LEID acquired on April 1, 2005.
(5) Minority interests bought out, increasing the Group's stake to 100% on May 18, 2006.
(6) Sold on February 24, 2006.
(7) Merged with Coface Service on December 31, 2005.
(8) Minority interests bought out, increasing the Group's stake to 100%.
(9) Consolidated for the first time following the acquisition of 78% of the shares.
(10) Created on October 1, 2005.
(11) Merged with Coface SA on October 1, 2005.
(12) Liquidated on January 1, 2006.
(13) Consolidated for the first time from January 1, 2006.
(14) Assets transferred to Spafica with retrospective effect as of January 1, 2005.
(15) Sold on September 9, 2005, with effect from June 30, 2005.
(16) Acquisition of ABM Corp's business on January 1, 2006.
(17) Deconsolidated because not material as of January 1, 2006.
(18) Some minority interests bought out to achieve 94% ownership with effect from January 1, 2006.
(19) Merged with Financière Natexis Singapore with retrospective effect as of January 1, 2005.
(20) Liquidated following sale of Coface SCRL's head office on September 30, 2005.
(21) Consolidated for the first time from December 31, 2005.
(22) Minority interests bought out, increasing the Group's stake to 100%, followed by disposal on October 13, 2005, with effect from September 30, 2005.
(23) Absorbed by Société Financière BFCE on January 1, 2006.
(24) Company wound up on March 31, 2006.
(25) ABP Monétaire plus liquidated on October 30, 2006.
(26) ABP Taux liquidated on December 5, 2006.
(27) Joined the scope of companies contributed by CNCE and BFBP on November 17, 2006.
(28) Purchased on December 8, 2005.
(29) Created on December 7, 2005.
(30) Assets transferred to Natixis on October 22, 2006.
(31) Created on January 1, 2006.
(32) Created on August 7, 2006.
(33) Created on October 26, 2005.
(34) Created on October 25, 2005.
(35) Created on April 19, 2006.
(36) Created on October 31, 2006.
(37) Created on June 1, 2005.
(38) Created in 2000, consolidated for the first time from June 1, 2006.
(39) Created in 2005, consolidated for the first time from June 1, 2006.
(40) Wound up on December 20, 2006.
(41) Merged into Cofacerating.de.
(42) Company belonging to the opaque sub-group of Coface Servicios Mexico in 2005. Company consolidated for the first time from January 1, 2006 and liquidated on December 31, 2006.
(43) Absorbed by ABP Vie on January 1, 2006.
(44) Assets transferred to Natixis.
(45) Partial contribution of assets to Natixis.
(46) Assets transferred to Natixis on September 29, 2006.
(47) Minorities bought out after the Finatem-FinatemCoInvest merger on January 1, 2006.
(48) Created in 2006.
(49) Sold on December 25, 2005, with effect from September 30, 2005.
(50) Absorbed by La Compagnie 1818 - Banquiers Privés in December 2006.
(51) Sopromec was sold to non-Group investors on October 12, 2006.
(52) Created in 2005.

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NOTE 5 PRO FORMA FINANCIAL STATEMENTS

5.1 - Principles used to prepare the 2006 pro forma income statement

The 2006 pro forma income statement includes all the income and expenses in the 2006 financial year generated by the entities contributed or acquired as part of the business combination.

Please refer to Note 7 "Accounting policies and valuation methods" for a definition of the other principles used to prepare the financial statements.

In addition, the scope used to prepare the pro forma financial statements at December 31, 2006 is identical to that presented in paragraph 4.3 of this document.

5.2 - Principles used to prepare the 2005 pro forma income statement and balance sheet

The 2005 pro forma income statement is intended to reflect and facilitate comparisons between balance sheets and the earnings generated assuming the following transactions had taken place on January 1, 2005:

- contribution by CNCE of shares in Ixis CIB, Ixis AM group, CACEIS, Gestitres, La Cie 1818, CIFG, GCE Bail, GCE Affacturage, GCE Garanties, GCE FS, Foncier Assurance and CEFI, as well as some of the Caisses d'Epargne CCIs (representing 6.40% of the share capital of each Caisse d'Epargne), in return for Natixis shares;
- contribution by SNC Champion, which had previously acquired them, of the remaining Caisses d'Epargne CCIs, representing 13.60% of the latters' share capital, 1.23% of the share capital of Ixis CIB and 4.63% of the share capital of Ixis AMG, in return for Natixis shares;
- subscription by Natixis of CCIs (cooperative certificates of investment) issued by each of the Banques Populaires banks and representing 20% of their share capital after the issue;
- acquisition of 66% of Novacrédit.

The accounting principles used to prepare Natixis' pro forma consolidated financial statements are identical to those used to prepare the Natixis group's consolidated financial statements for publication for the financial year ended December 31, 2006, in accordance with IFRSs, as adopted in the European Union and described in Note 7.

The scope of consolidation used for the purposes of preparing the pro forma financial statements includes, aside from the Natixis group entities presented in section VII of the 2005 registration document entitled Financial Data, consolidated financial statements, Note 4.3 of the notes to the consolidated financial statements for the financial year ended December 31, 2005, the following entities and sub-groups:

Company or group of companies	Percentage control	Percentage ownership	Method of onsolidation
28 metropolitan Caisses d'Epargne (CCIs)	20%	20%	Equity method
Ixis Corporate and Investment Bank (sub-group)	100%	100%	Full consolidation
Ixis Asset Management Group (sub-group)	84.58%	84.58%	Full consolidation
La Cie 1818 (sub-group)	76.24%	73.40%	Full consolidation
CACEIS (sub-group)	50%	50%	Proportional consolidation
GCE Garanties (sub-group)	100%	100%	Full consolidation
CIFG (sub-group)	100%	100%	Full consolidation
Foncier Assurance (company)	60%	60%	Full consolidation
Gestitres (company)	100%	100%	Full consolidation
CEFI (company)	67%	67%	Full consolidation
GCE Bail (company)	100%	100%	Full consolidation
GCE Affacturage (company)	100%	100%	Full consolidation
Banques Populaires that have issued CCIs subscribed by Natixis	20%	20%	Equity method
Novacrédit	66%	66%	Full consolidation

Intra-group transactions allocated to this additional scope of consolidation are restated where they are material.

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5.3 - Principles adopted for measuring contributions by the CNCE group to Natixis

As stated in Note III, the assets contributed to Natixis' pro forma consolidated balance sheet have been included at their carrying amount in CNCE's consolidated financial statements restated in line with IFRSs as adopted in the European Union.

5.4 - Basis of measurement adopted for other operations

In accordance with IFRS 3, the other transactions-contributions of the remaining Caisses d'Epargne CCIs, of 1.23% of Ixis CIB's share capital, of 4.63% of Ixis AMG's share capital, subscription of the CCIs issued by the Banques Populaires and the acquisition of Novacrédit–have been accounted for under the purchase method for consolidation purposes.

5.5 - Goodwill

Differences between the acquisition cost and the Group's interest in the IFRS net assets at January 1, 2005 of the contributed entities have been set off against consolidated reserves.

Goodwill arising on the other entities was calculated as at January 1, 2005 based on the Group's interest in the IFRS net assets of companies at January 1, 2005.

5.6 - Restatements made to entities' financial statements used to prepare the pro forma financial statements

Reclassification of both issues of super-subordinated notes booked as equity on Ixis CIB's balance sheet to subordinated debt and of the corresponding expenses to net banking income

This reclassification was carried out owing to the high probability that Ixis CIB will be integrated within Natixis and the pre-existence of an issue by Natixis ranking pari passu, making coupon payments obligatory on both these super-subordinated note issues.

The amount outstanding and accrued interest not yet due were reclassified, which increased the carrying amount of subordinated debt by €595 million at December 31, 2005 and by €599 million at December 31, 2006.

Impact of refinancing the subscription of the Banque Populaire CCIs

The issues of the Banques Populaires CCIs were deemed to be refinanced based on the following assumptions:

- 50% in 10-year redeemable subordinated notes at 3-month Euribor +0.3%;
- 50% in 10-year bullet subordinated notes at 3-month Euribor +0.18%.

These assumptions were established based on market conditions when the pro forma financial statements published in Document E were prepared. Since the definitive characteristics of the refinancing put in place between November 17, 2006 and December 31, 2006 were very similar to the assumptions made, the impact of the refinancing as presented in the 2005 pro forma financial statements in Document E has not been restated to take into account actual market conditions.

The derivatives put in place in late 2006 to fix the interest rate payable on these issues and documented as a cash flow hedge in the financial statements for the 2006 financial year were not considered as having been entered into at January 1, 2005 and thUS do not have any impact on the 2005 pro forma financial statements. They were deemed to a management decision by the Group in view of financial conditions at year-end 2006.

In parallel, the net income after tax from the reinvestment of the proceeds generated by the CCI issues has been added back to the earnings of the Banques Populaires banks that issued the CCIs. This amounted to €9 million in the 2005 and 2006 pro forma financial statements.

Impacts deriving from the CCIs

The income deriving from the CCIs and corresponding tax effects have been added back to net income for the 2005 financial year based on the payouts actually made (Caisses d'Epargne CCIs) in 2006 in respect of 2005 or through models (Banques Populaires CCIs).

In addition, the difference in payouts made to holders of CCIs and those made to holders of ownership shares resulted in an accretion gain of €123 million at December 31, 2005, which has been added back to the "Share of income of associates line" item. The accretion gain came to €128 million in the 2006 pro forma financial statements.

Other restatements

Certain items in the financial statements of stakeholders in the Natixis transaction, specifically involved in its completion, were taken into account with retroactive effect in Natixis' pro forma financial statements at December 31, 2005, including:

- payment of an interim dividend of €279 million by Ixis CIB on November 17, 2006, prior to completion of the asset contributions and thus outside the scope of the Natixis group;
- the increase of €957 million in the share capital of the Ixis Asset Management Group completed on September 14, 2006 (i.e. 15,292,425 shares issued each with a par value of €1, plus an issue premium of €61.58 per share) to finance the acquisition from CNCE of the existing preferred shares issued by Ixis AM US Corp. (since renamed to Ixis AM North America) for a total amount of $1.15 billion, leading to an increase in equity attributable to equity holders of the parent and a corresponding reduction in minority interests.

Lastly, tax effects were calculated and taken into account at the rates in force for all the aforementioned restatements that required it.

Please refer to Note 7 "Accounting policies and valuation methods" for a definition of the other principles used to prepare the financial statements.

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NOTE 6 ASSET CONTRIBUTIONS

6.1 - Assets contributed to the 2006 consolidated balance sheet

Assets on the consolidated balance sheet *(In € millions)*	Scope of the former Natexis Banques Populaires	Entities contributed	Banques Populaires CCIs contributed	Caisses d'Epargne CCIs contributed	Natixis at December 31, 2006
Cash and balances with central banks and post offices	292	31			323
Financial assets at fair value through profit and loss	38,923	137,980			176,903
Hedging instruments	341	280			621
Available-for-sale financial assets	23,399	7,744			31,143
Due from banks	40,299	74,580			114,879
Customer loans	58,110	35,259			93,369
Revaluation differences on portfolios hedged against interest rate risk	0	0			0
Held-to-maturity financial assets	7,037	0			7,037
Current tax assets	141	121			262
Deferred income tax assets	223	300			523
Accrued income, prepaid expenses and other assets	19,819	9,215	(4,167)	(4,553)	20,314
Non-current assets held for sale	0	0			0
Investments in associates	54	7	4,187	4,585	8,833
Investment property	1,131	16			1,147
Property, plant & equipment	362	189			551
Intangible assets	224	71			295
Goodwill	1,010	1,423			2,433
TOTAL ASSETS	**191,365**	**267,216**	**20**	**32**	**458,633**

Liabilities on the consolidated balance sheet *(In € millions)*	Scope of the former Natexis Banques Populaires*	Entities contributed	Banques Populaires CCIs contributed	Caisses d'Epargne CCIs contributed	Natixis at December 31, 2006
Due to central banks and post offices	613	45			658
Financial liabilities at fair value through profit and loss	12,389	121,003			133,392
Hedging instruments	351	80			431
Deposits from banks	48,449	93,465			141,914
Customer deposits	19,549	30,141			49,690
Debt securities in issue	47,026	7,228			54,254
Revaluation differences on portfolios hedged against interest rate risk		34			34
Current tax liabilities	213	160			373
Deferred tax liabilities	417	84			501
Deferred income and accrued charges and other liabilities	8,734	10,102			18,836
Liabilities associated with non-current assets held for sale	0	0			0
Insurance companies' technical reserves	29,547	1,511			31,058
Provisions	393	86			479
Subordinated debt	6,114	2,656			8,770
Equity attributable to equity holders of the parent	17,238	187	20	32	17,477
Share capital and reserves	*14,394*				*14,394*
Retained earnings	*1,887*	*(200)*	*0*	*(167)*	*1,520*
Unrealized or deferred gains or losses	*252*	*200*		*168*	*620*
Net income	*705*	*187*	*20*	*31*	*943*
Minority interests	332	434			766
TOTAL LIABILITIES AND EQUITY	**191,365**	**267,216**	**20**	**32**	**458,633**

** Including the impact of the Natixis transaction.*

6.2 - Contributions to the 2006 consolidated income statement

(In € millions)	Scope of the former Natexis Banques Populaires	Contribution made by the entities contributed including the CCIs	Impact on Natixis	See Note	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 IFRS-2004
Interest and similar income	6,999	754			7,753	5,791	4,896
Interest and similar expenses	(5,729)	(889)	(20)	*(1)*	(6,638)	(4,305)	(3,493)
Fee and commission income	1,491	460			1,951	1,255	1,156
Fee and commission expense	(750)	(103)			(853)	(675)	(574)
Net gains or losses on financial instruments at fair value through profit and loss	556	309			865	555	156
Net gains or losses on available for-sale financial assets	217	30			247	345	123
Income from other activities	5,972	40			6,012	4,927	3,946
Expenses from other activities	(5,061)	(38)			(5,099)	(4,802)	(3,503)
Net banking income	**3,695**	**563**	**(20)**		**4,238**	**3,091**	**2,707**
Operating expenses	(2,278)	(369)	(126)	*(2)*	(2,773)	(1,983)	(1,788)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets	(88)	(9)			(97)	(74)	(77)
Gross operating income	**1,329**	**185**	**(146**		**1,368**	**1,034**	**842**
Impairment charges and other credit provisions	(35)	1	(40)	*(3)*	(74)	(81)	(101)
Net operating income	**1,294**	**186**	**(186)**		**1,294**	**953**	**741**
Share of income of associates	11	53			64	14	11
Gains or losses on other assets	10	1			11	98	(1
Change in value of goodwill		(1)			(1)	2	(7)
Income before tax	**1,315**	**239**	**(186)**		**1,368**	**1,067**	**744**
Income tax	(379)	(54)	64		(369)	(342)	(239)
Net income for the period	**936**	**185**	**(122)**		**999**	**725**	**505**
Including:							
attributable to equity holders of the parent					943	695	488
attributable to minority interests					56	30	17

(1) Impact of €18 million in refinancing costs linked to the Banques Populaires CCIs from the date of Natixis' creation (November 17, 2006) and impact of €2 million resulting from the reclassification of the Ixis CIB super-subordinated notes as debt in the Natixis group's financial statements.

(2) Impact of restructuring charges linked to the transaction.

(3) Impact of the convergence in calculation parameters for the collective provisions.

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6.3 - Contributions to the 2005 pro forma consolidated balance sheet

(In € millions)	Natexis Banques Populaires	Entities contributed (after elimination of shares)	Contribution of the Banques Populaires CCIs	Contribution of the Caisses d'Epargne CCIs	Pro forma restatements	Natixis pro forma
	December 31, 2005					
Assets on the consolidated balance sheet						
Cash and balances with central banks and post offices	217	106				323
Financial assets measured at fair value through profit and loss	26,013	123,822				149,835
Hedging instruments	43	322				365
Available-for-sale financial assets	22,240	11,238			(2)	33,476
Due from banks	56,099	77,445			(16)	133,528
Customer loans	49,200	29,146				78,346
Held-to-maturity financial assets	7,053					7,053
Deferred income tax assets	248	324				572
Accrued income, prepaid expenses and other assets	4,766	10,859	(4,061)	(4,212)	14,357	21,709
Non-current assets held for sale						0
Investments in associates	50	106	4,061	4,212	0	8,429
Investment property	1,001	7				1,008
Property, plant & equipment	314	149				463
Intangible assets	142	87				229
Goodwill	733	1,514			268	2,515
TOTAL ASSETS	**168,119**	**255,125**	**0**	**0**	**14,607**	**437,851**
Liabilities on the consolidated balance sheet						
Due to central banks and post offices	412	0				412
Financial liabilities at fair value through profit and loss	5,288	127,034				132,322
Hedging instruments	212	263				475
Deposits from banks	54,853	70,366				125,219
Customer deposits	23,990	33,490				57,480
Debt securities in issue	37,760	6,390			2,078	46,228
Current tax liabilities	120	123			35	278
Deferred tax liabilities	414	58				472
Deferred income and accrued charges and other liabilities	8,489	12,798				21,287
Liabilities associated with non-current assets held for sale						0
Insurance companies' technical reserves	26,236	1,178				27,414
Provisions	382	291				673
Subordinated debt	4,293	2,771			2,081	9,145
Equity attributable to equity holders of the parent	5,358	0			10,453	15,811
Minority interests	312	363			(40)	635
TOTAL LIABILITIES AND EQUITY	**168,119**	**255,125**	**0**	**0**	**14,607**	**437,851**

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6.4 - Contribution to the 2005 and 2006 pro forma consolidated income statements

Pro forma income statement at December 31, 2005

(In € millions)	December 31, 2005					
	Natexis Banques Populaires	Entities contributed	Contribution of the Banques Populaires CCIs	Contribution of the Caisses d'Epargne CCIs	Pro forma restatements	Natixis pro forma
Interest and similar income	5,791	4,815				10,606
Interest and similar expenses	(4,306)	(4,832)			(97)	(9,234)
Fee and commission income	1,255	2,045				3,300
Fee and commission expense	(675)	(569)				(1,244)
Net gains or losses on financial instruments at fair value through profit and loss	555	1,101				1,656
Net gains or losses on available-for-sale financial assets	345	168				513
Income from other activities	4,927	438				5,364
Expenses from other activities	(4,802)	(302)				(5,104)
Net banking income	**3,091**	**2,863**	**0**	**0**	**(97)**	**5,857**
Operating expenses	(1,983)	(1,980)				(3,963)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets	(74)	(56)				(130)
Gross operating income	**1,034**	**827**	**0**	**0**	**(97)**	**1,764**
Impairment charges and other credit provisions	(81	(27)				(108)
Net operating income	**953**	**800**	**0**	**0**	**(97)**	**1,656**
Share of income of associates	14	11	269	302		596
Gains or losses on other assets	97					97
Change in value of goodwill	2					2
Income before tax	**1,066**	**811**	**269**	**302**	**(97)**	**2,351**
Corporate income tax	(342)	(245)			(34)	(621)
Net income	**724**	**566**	**269**	**302**	**(131)**	**1,730**
Minority interests	(30)	(39)			1	(68)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**694**	**527**	**269**	**302**	**(130)**	**1,662**

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Pro forma income statement at December 31, 2006

(In € millions)	Natexis Banques Populaires	Entities contributed	Contrib.of the Banques Populaires CCIs	Contrib. of the Caisses d'Epargne CCIs	Pro forma restatements & impact on Natixis	Natixis pro forma
	December 31, 2006					
Interest and similar income	6,999	7,141			(96)	14,044
Interest and similar expenses	(5,729	(6,983)			53	(12659)
Fee and commission income	1,491	2,671				4,162
Fee and commission expense	(750)	(767)				(1,517)
Net gains or losses on financial instruments at fair value through profit and loss	556	1,485			104	1,937
Net gains or losses on available-for-sale financial assets	217	105				322
Income from other activities	5,972	505				6,477
Expenses from other activities	(5,061)	(382)			(1)	(5,444)
Net banking income	**3,695**	**3,775**	**0**	**0**	**(148**	**7,322**
Operating expenses	(2,278)	(2,484)			(137)	(4,899)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets	(88)	(66)				(154)
Gross operating income	**1,329**	**1,225**	**0**	**0**	**(285)**	**2,269**
Impairment charges and other credit provisions	(35)	25			(40)	(50)
Net operating income	**1,294**	**1,250**	**0**	**0**	**(325)**	**2,219**
Share of income of associates		15	295	358		679
Gains or losses on other assets	11	4				14
Change in value of goodwill	10	(3)				(3)
Income before tax	**1,315**	**1,266**	**295**	**358**	**(325)**	**2,909**
Income tax	(379)	(369)			43	(705)
Net income for the period	**936**	**897**	**295**	**358**	**(282)**	**2,204**
Including:						
- attributable to equity holders of the parent						2,100
- attributable to minority interests						104

NOTE 7 SIGNIFICANT ACCOUNTING POLICIES

7.1 - Recognition and measurement of portfolio securities and loans

Treatment from January 1, 2004, to December 31, 2004

Customers loans

Loans are measured at their face value. Undrawn amounts on loans already committed and agreed are recognized as off-balance sheet items under the heading "financing commitments".

Performing and non-performing loans are identified separately.

Securities portfolio

Trading account securities, securities held for sale, debt securities held for investment:

Securities are classified according to the purpose of the transaction regardless of their legal form (equities, bonds and notes, treasury bills, certificates of deposits, negotiable instruments, money market securities etc.) based on the following rules:

- trading account securities: these are securities traded on liquid markets, which are bought or sold with the intention of reselling or repurchasing them within a short period. They are carried in the balance sheet at cost, including transaction expenses and accrued interest. At the period-end, they are marked to market based on the mid point of the closing bid/offer spread, and any resulting unrealized gains or losses are recognized in income. Trading account securities that are still in the portfolio six months from the date of acquisition are transferred to "securities held for sale" at their market price on the transfer date;
- securities held for sale: these are securities acquired with the intention of holding them for a period of more than six months. They are valued individually at year-end at the lower of cost and estimated fair value. A provision is set aside for unrealized losses but unrealized gains are not recognized. Premiums and discounts, corresponding to the difference between the cost of fixed-income securities (excluding accrued interest) and their redemption price, are recognized in income over the remaining life of the securities;
- debt securities held for investment: these are fixed-income securities acquired with the intention of being held to maturity. They are either match-funded or hedged against interest rate risk. They are recorded at cost (excluding accrued interest) and any premium or discount between cost and redemption price is deferred and recognized in income over the remaining life of the securities. In accordance with French banking regulations, no provisions are set aside for unrealized losses, unless there is an intention to dispose of the securities in the short term. In this case, provisions for market risk are charged to net gains/(losses) on disposals of non-current assets and provisions for counterparty risk to impairment charges and other credit provisions.

Non-consolidated investments and equity securities held for investment:

- Non-consolidated investments are valued individually at the lower of cost and value in use at year-end. Value in use is determined on the basis of criteria such as restated net assets and profitability.
- Equity securities held for investment are securities acquired with the intention of being held in the medium to long-term in order to sell them at a profit or secure a satisfactory yield. They are booked at cost, and an impairment loss recognized if their net book value is higher than their fair value (based on recent transaction values, profitability, market price for listed securities or other valuation methods used at the time of acquisition).

Income, value adjustments and gains or losses on securities:

- Income from variable-income securities is recorded on a cash basis.
- Income from fixed-income securities is recorded on an accruals basis.
- Value adjustments and gains or losses on disposal of securities appear under different headings depending on the nature of the transaction:
  - trading account securities, securities held for sale and equity securities held for investment: value adjustments and gains or losses are recorded in net banking income;
  - debt securities held for investment: value adjustments and gains or losses are recorded under "impairment charges and other credit provisions" where they reflect counterparty risk, and "net gains/(losses) on disposals of non-current assets" where they reflect market risk or the result of disposal;
  - investments in associates and other long-term equity investments: value adjustments and gains or losses are recorded under "net gains/(losses) on disposals of non-current assets".

Treatment as of January 1, 2005

Upon their initial recognition, financial assets and liabilities are measured at fair value plus, in the case of assets that are not recognized at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue.

As required by IAS 39, securities and loans are classified in the following four categories:

Financial assets at fair value through profit and loss

These are securities held for trading purposes or designated as at fair value through profit and loss upon their initial recognition

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in accordance with the fair value option amendment to IAS 39 (published by the IASB in June 2005 and adopted by the European Union on November 15, 2005).

Upon their initial recognition, these assets are measured at fair value, which is determined on the basis of the bid price. Fair value is reviewed on each subsequent reporting date, and any changes including accrued interest are recognized in income on a separate line item entitled "gains or losses on financial instruments at fair value through profit and loss".

- Securities held for trading purposes are those acquired by Natixis 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 actual pattern of short-term profit-taking.
- Securities included in this category fall into one of the following three situations:
  - hybrid instruments that contain one or more significant and separable embedded derivative features;
  - instruments belonging to a group of financial assets valued and managed at fair value;
  - instruments that present an inconsistency in accounting treatment with a related financial liability.

As stated in note 3, Natixis has elected to use the option provided by IAS 28 not to account for private equity investments between 20% and 50%-owned using the equity method if they designated as "Financial assets at fair value through profit and loss". In addition, in accordance with the fair value option amendment, private equity investments in which ownership stands at below 20% are also recognized as "Financial assets at fair value through profit and loss", as management and measurement at fair value is a documented and well established practice at private equity companies.

Held-to-maturity financial assets

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that Natixis has the positive intention and ability to hold through to maturity, other than those that are designated upon initial recognition as at fair value through profit and loss, those designated as available for sale and those that meet the definition of loans and advances.

Upon their initial recognition, held-to-maturity financial assets 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 recognized in income under impairment charges and other credit provisions.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those designated by Natixis as at fair value through profit and loss or available for sale. This excludes those for which the holder cannot recover the majority of his initial investment for reasons other than impairment of the loan, which should be classified as available for sale. The vast majority of loans and advances granted by Natixis are classified in this category, which also includes the fair value of the hedged components of assets classified as loans and advances (fair value hedges).

Upon their initial recognition, loans and advances are measured at fair value plus transaction costs and less any discount and transaction revenues. In the case of loans, transaction costs include fees and any internal and external expenses directly attributable to the grant of the loan.

After initial recognition, they are measured at amortized cost using the effective interest method and tested for impairment on each reporting date. Where necessary, an impairment loss is recognized in income under "impairment charges and other credit provisions".

When loans are granted at conditions that are less favorable than market conditions, a discount corresponding to the difference between the face value of the loan and the sum of future cash flows discounted at the market rate of interest is deducted from the face value of the loan. The market rate of interest is the rate implemented by the vast majority of financial institutions at a given time for instruments and counterparties with similar characteristics. These discounts represented an insignificant amount as at January 1, 2005, and December 31, 2005.

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. They notably include investments in non-consolidated companies. Upon their initial recognition, available-for-sale financial assets are measured at fair value inclusive of transaction costs. After initial recognition and at each reporting date, fair value is determined by reference to the bid price for quoted instruments.

The fair value of listed non-consolidated investments is determined to the last listed price prior to the balance sheet date. The fair value of unlisted non-consolidated investments is obtained using the P/E (price earnings ratio) and DCF (discounted cash flow) valuation methods.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset that is not part of a hedging relationship is recognized directly in "unrealized or deferred gains or losses". Accrued or earned income is recognized directly in income using the effective interest method under "interest and similar income". Available-for-sale financial assets are tested for impairment at each balance sheet date. When there is objective evidence that the asset is impaired and a decline in the fair value of an available-for-sale financial asset has already been recognized directly in equity, the cumulative loss that had been recognized directly in equity is removed from equity and recognized in income under impairment charges and other credit provisions in the case of fixed-income

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instruments and by deduction from net banking income in the case of variable-income instruments.

If, in a subsequent period, the fair value of an available-for-sale financial asset increases and if this increase can be objectively linked to an event occurring after the impairment loss is charged to income, reversals of impairment losses are made through equity, rather than on the income statement, for equity instruments and through the income statement for debt instruments.

For equity instruments, any reduction in the fair value as a result of impairment is recognized in the income statement under "net gains/(losses) on available-for-sale financial assets".

7.2 - Leases

Natixis is the lessor

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 individually or in combination would normally 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 reasonable certain, at the inception of the lease, that the option will be exercised;
- the lease term covers the majority of the useful life of the asset;
- 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 individually or in combination could 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 the fair value of the residual 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.

Upon adoption of IFRSs, Natixis analyzed the substance of its lease contracts in accordance with the provisions of IAS 17, which are more specific than French GAAP. This led to certain finance leases being reclassified as operating leases.

At inception of the lease, assets held under a finance lease are recognized in the lessor's balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Net investment in the lease is the present value discounted at the rate of return implicit in the lease of the minimum lease payments due from the lessee, plus any unguaranteed residual value accruing to lessor.

Finance income is recognized 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 at which:

- the aggregate present value of minimum lease payments receivable by the lessor, plus the unguaranteed residual value, 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).

IAS 17 requires unguaranteed residual values to be reviewed on a regular basis. If there has been a reduction in the estimated unguaranteed residual value, income allocation is revised over the lease term (new depreciation schedule prepared). Any reduction in respect of past periods is recognized immediately in income and any reduction in respect of future amounts is recognized by revising the interest rate implicit in the lease.

Finance income corresponding to interest is recognized in the income statement under "interest and similar income".

Provisions for finance leases are determined using the same method as that described for loans and advances as of January 1, 2005.

Assets subject to operating leases are presented in the balance sheet under property, plant & equipment or intangible assets in the case of equipment leases, and under investment property in the case of property leases. Lease income from operating leases is recognized in the income statement on a straight-line basis over the lease term under "other net banking income" or "expenses from other activities".

Natixis is the lessee

Property, plant & equipment used in the business under finance leases is restated for consolidation purposes as assets recorded under "Property, plant & equipment" where material. At the inception of the lease term, it is recognized at the lower of fair value and the aggregate present value of minimum lease payments, with a corresponding entry under debt on the liabilities side of the balance sheet.

The leased assets are depreciated in the same way as owned assets of the same nature.

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7.3 - Credit risk on assets classified as loans and advances

Treatment from January 1, 2004, to December 31, 2004

Specific provisions

Loan principal

Where there is a risk of partial or total non-recovery of loans or non-compliance with loan terms or covenants, provisions are set aside and charged to the income statement under “impairment charges and other credit provisions”.

These impairment charges are determined on a case-by-case basis and adjusted at quarterly intervals, based on an analysis of the related risk and available collateral.

Non-performing loans are identified and accounted for in accordance with standard CRC 2002-03 and the opinion issued by the CNC Urgent Issues Task Force on December 18, 2003, which set out the rules for classifying loans as non-performing and irrecoverable.

Irrecoverable loans include loans where an event of default has occurred, restructured loans where the borrower has once again defaulted and loans classified as non-performing for more than one year once a write-off has been envisaged.

Loan interest

In accordance with banking regulations:

- interest past due on loans to borrowers subject to bankruptcy proceedings is deducted from the interest account in which it was initially recorded. If the interest is recovered, it is credited back to the same account on receipt;
- interest on non-performing loans more than three or, where applicable, six or nine months past due is also provided for in full by deduction from the interest account in which it was initially recorded;
- all other loans made to these customers are also classified as non-performing, even where the risk appraisal does not call for a provision against the principal amount outstanding.

Industry and country risk provisions

These provisions cover certain businesses of Natixis that carry potential future risks. These businesses are reviewed quarterly and where necessary included in the basis of provisioning for sound exposure in countries or industries likely to experience difficulties. During these quarterly reviews, the country and industry provisioning rates are adjusted according to Natixis’ perception of how the businesses will evolve, either negatively or positively. From 2003, additional provisions were set aside to cover potential risks arising as a result of major issues in the European marketplaces.

Treatment as of January 1, 2005

Assets individually assessed for impairment

At each balance sheet date, assets classified as loans and advances are reviewed to evaluate whether there is any objective evidence of impairment as the result of one or more events occurring after the initial recognition of the asset with an impact on estimated future cash flows.

If an asset is found to be impaired, the recoverable amount of the asset is estimated and discounted at the original effective interest rate, taking account of any available guarantees. The difference between the carrying amount of the asset and the estimated recoverable amount is recognized in income under impairment charges.

Any subsequent charges and reversals are also recognized under impairment charges and other credit provisions.

Assets collectively assessed for impairment

Where there is no objective evidence of impairment for an individually assessed financial asset at amortized cost, the asset is included in a group of assets with similar credit risk characteristics and collectively assessed for impairment. Impairment losses are recognized on a collective basis pending identification of impairment losses on individual assets in the group.

Financial assets are grouped according to three key characteristics: credit rating for personal customers and small businesses, and industry risk and country for other counterparties such as corporate or sovereign borrowers.

As regards personal customer and small business risks, loans in default in accordance with Basel II are recognized as impaired.

For the industry and country risks, objective evidence of impairment is based on in-depth analysis and monitoring of business sectors and countries. It 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 loss is calculated on the basis of expected losses, in accordance with the provisions of the Basel II accord.

As risk is measured in accordance with the provisions of Basel II based on the probability of default over a one-year horizon, the calculation of expected losses is adapted to take into account the probability of default over the maturity of the loans concerned.

If necessary, Natixis uses expert judgement to adapt the results of this model to its real perceived risk.

7.4 - Derivative financial instruments and hedge accounting

Treatment from January 1, 2004, to December 31, 2004

The notional amount of these instruments is recorded off-balance sheet for internal monitoring and regulatory purposes, but it is not included in the published statement of off-balance sheet items. Further details are provided in the notes to the French GAAP consolidated financial statements at December 31, 2004.

The accounting treatment depends on the instruments involved and the purpose of the transaction (hedging or trading).

Interest rate instruments

These instruments are classified according to the purpose for which they are acquired:

- micro-hedging (hedging of specific transactions or positions);
- macro-hedging (structural balance sheet management);
- speculative position-taking;
- specialized management of a trading portfolio.

The first two categories are treated for income statement purposes as equivalent to lending/borrowing transactions and the amounts received or paid are taken to the income statement on an accruals basis.

The accounting treatment of speculative positions is identical with respect to interest flows. Positions are marked to market at the period end and a provision taken against any unrealized losses.

In the case of specialized management of a trading portfolio, each instrument is marked to market on an individual basis. Changes in value during the period are taken immediately to the income statement. Valuations are adjusted for counterparty risk and the discounted value of future contractual management costs.

Currency instruments

Spot currency transactions outstanding at year-end are valued at the closing rate.

Forward currency hedging transactions are taken to income on an accruals basis, either as premiums or discounts where they are intended to hedge commercial transactions, or as accrued interest where they are intended to hedge long-term assets and liabilities denominated in foreign currencies.

Interest rate, currency and equity options and forward contracts (including commodities)

The notional value of the instrument underlying the option or forward contract is recorded off-balance sheet, with hedging and trading transactions identified separately.

Income and expenses hedging transactions are recognized on a symmetrical basis with the income and expenses on the hedged items.

In the case of trading activities, positions in a class of option or forward contract are marked to market at the period end. Changes in value during the period are taken immediately to the income statement. For over-the-counter instruments, a discount may be taken against the market value in respect or modeling risks or uncertainty over parameters, via a charge to provisions for financial instruments.

Institutional activities

Commitments given to banks that grant export credits financed in foreign currencies in order to fix the exchange rate of their foreign currency borrowings are published in off-balance sheet commitments.

Income and expenses arising on institutional activities (swaps and exchange rate guarantees) are charged to or paid to the French Treasury in accordance with agreed terms and conditions.

Treatment as of January 1, 2005

Under IAS 39, derivative financial instruments are measured at their fair value, whether they are held for trading or hedging purposes.

Derivative financial instruments held for trading purposes

After initial recognition, any changes in the fair value of derivative financial instruments held for trading are recognized in income.

Derivative financial instruments held for hedging purposes

Derivative financial instruments designated as hedges are those which meet the conditions required by IAS 39 at inception and throughout the term of the hedging relationship, particularly with respect to documentation of an effective relationship between the hedging instrument and the hedged item, both prospectively and retrospectively. 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%.

Cash flow hedges

Cash flow hedging is used by Natixis principally to hedge structurally parent company Natixis' interest-rate risk.

This type of IFRS documentation corresponds to the use of cash flow hedges.

Hedging of variable rate borrowings and issues

Natixis uses plain vanilla interest rate swaps borrowing fixed rates to fix future variable-rate borrowing costs and private or public issues.

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Hedging of variable-rate loans

Natixis uses plain vanilla interest rate swaps lending fixed rates to fix future variable-rate borrowing costs.

Documentation of structural interest-rate risk hedging

Documentation of structural interest-rate risk hedging by parent company Natixis is based on the implementation of variable future cash flow schedules covering all transactions staggered over time.

Prospective test

The prospective test entails the establishment of (by index type and currency):

- a schedule of cumulative variable-rate borrowings and fixed-rate borrower swaps by maturity;
- a schedule of cumulative variable-rate loans and fixed-rate lender swaps by maturity category.

Tests are carried out on a quarterly basis. In addition, each time a new swap is implemented, checks are made to ensure that there are sufficient resources.

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.

By default, derivative financial instruments may not be justifiable in a hedging relationship of this kind.

Retrospective test

The retrospective test is used to verify after the event whether or not the hedging implemented at different reporting dates is effective.

At each period-end, changes in the fair value excluding accrued interest of hedging instruments are compared with those of hypothetical derivative instruments (synthetic instruments representing assets and liabilities and management's intention). The ratio of their respective changes should be between 80% and 125%.

Outside these limits, the hedging ratio would no longer be justified under IFRSs.

Accounting methods

Changes in the fair value of derivative instruments are recorded in equity for the effective portion of hedge. Only the ineffective portion of hedges affects the income statement at the balance sheet date under "net gains or losses on financial instruments at fair value through profit and loss".

Hedged items are not subject to any specific entries (other than those that would arise if they were not hedged).

If a hedging relationship is interrupted, particularly when the effectiveness ratio lies outside the 80% to 125% range, the requisite accounting treatment is to reclassify the derivative instrument under financial instruments at fair value through profit and loss and defer via the income statement the effectiveness amount, accumulated over previous hedging periods in reversible equity under "unrealized or deferred gains or losses".

Fair value hedges

Hedging of fixed-rate borrowings and issues

Natixis uses plain vanilla interest rate swaps lending fixed rates to protect itself against unfavorable changes in interest rates.

Hedging of fixed-rate loans and issues

Natixis uses plain vanilla interest rate swaps borrowing fixed rates to protect itself against unfavorable changes in interest rates.

Documentation of fair value hedges

Prospective test

The prospective test is used to check that the financial characteristics of the hedged item and the hedging instrument are the same. The test consists of checking that the characteristics of hedging derivatives and hedged instruments are more or less identical (value date, maturity date, notional amount, fixed rate, payment frequency).

Retrospective test

The retrospective test is used to verify after the event whether or not the hedging implemented at different reporting dates is effective.

At each balance sheet date, changes in the fair value excluding accrued interest of hedging instruments 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%.

Outside these limits, the hedging ratio would no longer be justified under IFRSs.

Structural interest-rate risk hedging

The Ixis Capital Markets North America subsidiary (subsidiary of the Ixis CIB sub-group) has documented the structural interest-rate risk hedging according to the method used to hedge fair value.

Accounting method

Changes in the fair value of derivative instruments are recorded in the income statement (effective and ineffective portion).

At the same time, changes in the fair value of hedged risk items (in the form of "hypothetical" assets and liabilities) are also recorded in the income statement.

The net impact on the income statement is therefore limited to the ineffective portion of hedging.

Changes in the fair value excluding accrued interest of hedging instruments are recorded in the income statement under "gains or losses on financial instruments at fair value through profit and loss". Accrued interest relating to these instruments is recorded under "interest and similar income" or "interest and similar expenses".

If a hedging relationship is interrupted, the hedging instrument is reclassified under financial instruments at fair value through profit and loss and the unrealized gain on the hedged item at the date the hedging relationship ceases is fixed and amortized up to the maturity date of the item through the income statement.

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Hedging of a net investment in foreign currencies

The hedging of a net investment in foreign currencies is used in the Ixis-CIB sub-group to hedge foreign currency risk linked to dividends in US dollars. This type of hedging follows the same accounting rules as those for cash flow hedges. The effective portion of changes in fair value of derivative financial instruments classified from an accounting standpoint as a hedge of net investment is recognized in equity, and the ineffective portion in income. Unrealized gains and losses recognized in equity are transferred to income when all or part of the net investment is sold.

Hedging relationships at December 31, 2004

In accordance with IFRS 1 (§ 29), hedging relationships as at December 31, 2004, are recognized at the transition date of January 1, 2005, excluding any relationships not allowed under IAS 39 such as interest rate hedging of held-to-maturity securities.

Embedded derivatives

An embedded derivative is a component that is part of a host contract, with the effect that some or all of the cash flows of the contract are linked to an interest rate, a security price, exchange rate or other index.

If the composite instrument (host contract and derivative) is not measured at fair value through profit and loss, the embedded derivative is separated from the host contract 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.

Derivatives split from host contracts are included in assets and liabilities at fair value through profit and loss.

Credit derivatives

The credit derivatives used by Natixis are not considered as financial guarantees but as derivative instruments, and therefore fall within the scope of IAS 39.

Aside from securitization transactions, credit derivatives are managed primarily as part of a trading strategy.

Internal contracts

A number of internal contracts exist between Natixis and its subsidiaries. To qualify as a hedge at consolidated level, Natixis ensures from time to time that the relevant transactions are hedged correctly in the market.

7.5 - Treatment of assets and liabilities in foreign currencies

Treatment from January 1, 2004, to December 31, 2004

Assets, liabilities and off-balance sheet commitments denominated in foreign currencies are translated into euros at year-end exchange rates. Realized and unrealized exchange gains and losses are taken to the income statement. Conversely, exchange differences arising on translation of borrowings for which the currency risk is guaranteed by the State or which relate to institutional activities are recorded in an accruals account.

Treatment as of January 1, 2005

Monetary assets and liabilities (notably bonds and other fixed-income instruments) denominated in foreign currencies are translated into euros at the spot rates prevailing on the reporting date. Exchange gains or losses are recognized in income, and directly in equity in the case of derivatives designated as cash flow hedges.

Non-monetary items denominated in foreign currencies and measured at fair value are translated at the exchange rates when fair value is estimated. When a gain or loss on a non-monetary item (e.g. available-for-sale financial assets) is recognized directly in equity, any exchange component of that gain or loss is recognized directly in equity. Conversely, when a gain or loss on a non-monetary item (e.g. financial assets measured at fair value through profit and loss) is recognized in income, any foreign exchange component of that gain or loss is recognized in income.

7.6 - Fair value of financial instruments

Treatment from January 1, 2004, to December 31, 2004

Securities portfolio

Trading account securities are recognized and measured at the latest market price. Latest market price means the last quoted price for listed securities and likely realizable value for unlisted securities. Likely realizable value is estimated on the basis of objective criteria such as recent transaction values, mathematical yield, etc.

Derivative financial instruments

Derivative financial instruments held for trading are measured at their market value on the reporting date. If there is no active market in the instruments, market value is generally determined using internal models. A discount to market value may be applied depending on the instruments concerned and the associated risks.

Valuations obtained using these models are adjusted to take into account uncertainties relating to changes in parameters and the impact of a change of model.

Treatment as of January 1, 2005

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.

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Upon their initial recognition, fair value is the price paid or received. On subsequent reporting dates, fair value is estimated on the following basis:

- if the instrument is quoted on an active market, it is measured at its quoted price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis;
- if the market for a financial instrument is not active, fair value is established using various valuation techniques. Valuation techniques may refer to observable data from recent transactions, the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Values may be adjusted, depending on the instrument concerned and the associated risks, notably to take account of factors such as the bid-ask spread and modeling risk in the case of hybrid instruments.

Instruments quoted on an active market

These are listed securities and derivatives on organized markets, such as futures and options, which are in liquidity zones that can be demonstrated as such (active market). All transactions in which Natixis is involved on listed markets are included in this category.

Over-the-counter instruments valued using recognized models and observable parameters

Standard instruments

The majority of over-the-counter derivatives, swaps, forward rate agreements, caps, floors and standard options are traded in an active market, i.e. a liquid market with regular trading.

Valuations are determined using generally accepted models (discounted future cash flows, Black and Scholes model, interpolation techniques) and on the basis of directly observable parameters.

For these instruments, the extent to which models are used and the observability of parameters have been documented.

Hybrid instruments

Certain hybrid and/or long-maturity financial instruments are valued using a recognized internal model and on the basis of market parameters derived from observable data such as yield curves, implied volatility layers of options and loss assumptions obtained from consensus data or from active over-the-counter markets.

For all of these instruments, the parameter has been demonstrated to be observable in nature. In terms of methodology, the observability of parameters is based on four key criteria:

- the parameter is derived from external sources (via a recognized contributor if possible);
- the parameter is updated periodically;
- the parameter is representative of recent transactions;
- the characteristics of the parameter are identical to those of the transaction. If necessary, a proxy may be used, subject to demonstration and documentation of its relevance.

The fair value of instruments obtained using valuation models is adjusted in order to take account of counterparty risks, model risks and parameter risks.

The margin generated on trading of these instruments is immediately recognized as income.

Over-the-counter instruments valued using unrecognized models or unobservable parameters

Under IAS 39, gains should be recognized after initial recognition only if they are generated by a change in a factor taken into account by market observers in price setting, i.e. only if the model and the parameters used to obtain the valuation are observable.

If the valuation model is not recognized or the parameters used are not observable, the trading profit on the day of trading cannot be recognized immediately in the income statement. It is recognized in income over the life of the transaction.

At December 31, 2006, the scope of instruments for which the margin on the negotiation date was deferred comprises essentially:

- multi-underlying structured equity products;
- options on funds;
- hybrid interest rate products;
- securitization swaps;
- CDO-type structured credit derivatives; and,
- interest rate option products.

The margin generated on the trading of these instruments is deferred and recognized in income over the duration of the transaction or until the date the parameter in default becomes observable.

7.7 - Property, plant and equipment and intangible assets

Measurement upon initial recognition

Property, plant and equipment and intangible assets existing at December 31, 2003, have been maintained in the IFRS balance sheet at their historic cost under French GAAP, except for investment property held by insurance companies, which is valued at fair value through profit and loss. Assets acquired after that date are measured at cost including transaction costs (transfer duties, fees, commissions and registration expenses). Borrowing costs are not capitalized.

Internally-generated computer software is measured at the total cost of development, including related hardware costs, service costs and personnel costs directly attributable to the production and preparation of the software. Expenses incurred during the development phase are only recognized as intangible assets if they meet the conditions required by IAS 38 in terms of technical feasibility, intention to complete the asset for internal use or sale, probability of future economic benefits, availability of resources and ability to measure the development expenditure reliably. Expenses incurred during the research phase are recognized as expenses when they are incurred.

Subsequent measurement

After recognition, assets are carried at cost less any accumulated depreciation, amortization and impairment losses. Investment property held by insurance companies is measured at fair value through profit and loss in accordance with IAS 40 and IFRS 4.

Fair value is obtained using a multi-criteria approach based on capitalization of rents at the market rate and a comparison with the trading market.

In accordance with article R332-210-1 of the French Insurance Code, a five-yearly appraisal is conducted by an independent expert approved by the ACAM (*Autorité de Contrôle des Assurances et des Mutuelles*). Between two appraisals, the market value of assets is certified by experts on a half-yearly basis.

Amortization and depreciation

Assets are depreciated or amortized over their estimated useful lives either on a straight-line basis or on a diminishing balance basis where this better reflects the pattern of consumption of future economic benefits. The residual value of the asset is deducted from its depreciable or amortizable amount where it can be measured reliably. Natixis does not believe it can reliably measure the residual value of items other than land and indestructible elevations. They are therefore assigned a nil residual value.

In line with IAS 16, a specific deprecation 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. For buildings used in the business and investment property, the following significant components and depreciation periods have been identified:

Part	Depreciation period
Land	N/A
Indestructible elevations	N/A
Walls, roof, waterproofing	20 to 40 years
Foundations/framework	30 to 60 years
External rendering	10 to 20 years
Equipment and installations	10 to 20 years
Internal fixtures and fittings	8 to 15 years

Other items of property, plant and equipment are depreciated over their estimated useful lives, which range from five to ten years.

Purchased software is amortized over its estimated useful life, which in most cases is less than five years. Internally-generated software is amortized over a period which may not exceed fifteen years.

Other intangible assets primarily comprise:

- purchased goodwill with an indefinite useful life, which is not amortized, but tested for impairment at least annually;
- value of the Coface portfolio, which is amortized over the term of the contracts (eight to ten years for France).

The charge to depreciation or amortization is recognized in the consolidated income statement under the heading “depreciation, amortization and provisions for impairment of property, plant and equipment and intangible assets”.

Impairment charges

Assets are tested for impairment whenever there is objective evidence that the asset may be impaired and at least once a year in the case of intangible assets with an indefinite useful life. Evidence of impairment is assessed on each reporting date. Impairment testing consists of estimating the recoverable amount of an asset, or if that is not possible, the cash-generating unit to which it belongs. Recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from continuing use of the asset or cash-generating unit. If the recoverable amount of an asset or CGU is lower than its carrying amount, an impairment loss is recognized in the income statement under the heading “depreciation, amortization and provisions for impairment of property, plant and equipment and intangible assets”.

The impairment tests carried out at December 31, 2006 did not result in the recognition of any impairment of intangible assets.

Impairment losses are recognized in the income statement under “depreciation and amortization” and “provisions for impairment of property, plant & equipment or intangible risks”. They may be reversed if conditions change (e.g. no more evidence of impairment).

Gains or losses on disposal

Gains or losses on the sale of assets used in the business are recognized in the income statement under the “gains or losses on other assets” heading. Gains or losses on the sale of investment property are recognized under the “other net banking income” or “expenses from other activities” headings.

7.8 - Non-current assets held for sale and associated liabilities

Non-current assets that Natixis intends to sell within a period not exceeding twelve months and for which an active plan to

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locate a buyer has been initiated are identified separately in the balance sheet. An impairment loss is recognized if the carrying amount falls below fair value less costs to sell.

Associated liabilities are also identified separately in the balance sheet.

At December 31, 2006, Natixis did not have any non-current assets held for sale.

7.9 - Financial liabilities at fair value through profit and loss

These include financial liabilities held for trading (including derivative financial instruments) and those designated as at fair value upon their initial recognition in line with the option available under IAS 39 and described in more detail in the June 2005 amendment.

Financial liabilities at fair value through profit and loss are identified separately in the balance sheet and measured at fair value on the reporting date. Changes in fair value (including the issuer spread) are recognized in the income statement under the heading "gains or losses on financial instruments at fair value through profit and loss".

7.10 - Debt

Debt instruments issued by Natixis that are not classified as financial liabilities at fair value through profit and loss are measured using the amortized cost method and recognized in the balance sheet under the headings "deposits from banks", "customer deposits" or "debt securities in issue".

Debt securities in issue are broken down into interbank market instruments, money market instruments and bonds. They do not include subordinated debt, which is identified separately and dealt with below.

Upon their recognition, debt securities in issue are measured at their issue price including transaction costs. After recognition, they are measured at their amortized cost, which includes expenses deferred over the term of the instruments issued.

7.11 - Derecognition

IAS 39 requires the derecognition of all or part of a financial asset if the contractual rights to the cash flows from the financial asset expire or if the contractual rights to the cash flows from the financial asset and substantially all the risks and rewards of ownership are transferred.

If substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, Natixis then determines whether it has retained control of the financial asset. If control is relinquished, the financial asset is derecognized. If control is retained, the financial asset continues to be recognized on the balance sheet 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;
- receipt of financial compensation related to the performance of the asset transferred.

A financial liability is derecognized when it is settled, discharged or cancelled or expires.

Repurchase agreements

Assignor

Securities sold are not derecognized. Natixis recognizes a liability representing the commitment to return funds received ("securities sold under repurchase agreements"). This financial liability is recorded at amortized cost, not at fair value.

Assignee

Securities bought are not recognized but a receivable on the assignee representing the funds provided is recognized. The amount disbursed in respect of the asset is recognized under "securities bought under repurchase agreements". This receivable is recorded under "loans and advances".

At subsequent year-end dates, securities are again valued by the assignor in accordance with the rules in their original category. For the assignee, the receivable is recorded at face value under loans and advances.

Securities lending

Securities lending/borrowing is not comparable to a transfer of financial assets in the IFRS sense of the term. Consequently, these transactions cannot give rise to derecognition of the securities loaned. Loaned securities are not identified under IFRSs. They are still recognized in their original IFRS category and valued accordingly. Borrowed securities are not recognized by the borrower.

7.12 - Provisions and contingent liabilities

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 should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. This amount is discounted where the effect is material. Provisions are reviewed at each balance sheet date and adjusted if necessary.

Provisions are not recognized for future operating losses or major repairs. No contingent assets or liabilities have been recognized.

Provision charges and reversals are recognized in the income statement on the line items corresponding to the nature of future expenditure.

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7.13 - Provisions for employee benefits

The main provisions for employee benefits concern:

- supplementary banking pension;
- end-of-career awards and allowances;
- early retirement benefits and supplementary pension benefits;
- "CATS" early retirement plan benefits;
- employer's contributions to private health insurance companies for retirees and early retirees;
- long service awards.

Natixis uses independent actuaries to measure its main liabilities.

The provision recognized in the balance sheet is equal to:

- the amount of the actuarial liability in respect of post-retirement and similar benefits for employees and retirees;
  - less the market value of plan assets;
  - less or plus any actuarial gains or losses arising from:
    - experience adjustments in respect of demographic variables,
    - changes in actuarial assumptions such as the discount rate, employee turnover and future salary increases,
    - differences between the actual return and expected return on plan assets.

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 average working lives of the employees participating in the plan.

Actuarial assumptions are reviewed annually.

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.

The change in liability recognized in income therefore corresponds to:

- incremental benefit entitlements (expenses);
- benefits paid out during the period;
- interest cost on the opening liability (expenses);
- expected return on plan assets;
- amortization of actuarial gains and losses outside the corridor.

The corridor method is not used for other long-term employee benefits such as long service awards.

Natixis has used the option available under IFRS 1 to recognize all as yet unrecognized actuarial gains or losses in equity on the transition date, i.e. in the opening balance sheet at January 1, 2004.

7.14 - Distinction between debt and equity

Treatment from January 1, 2004, to December 31, 2004

Preferred shares

Preferred shares issued by Natixis are classified in equity (minority interests).

Fixed-term or perpetual subordinated notes

Natixis has issued perpetual and fixed-term subordinated notes, which in the event of the issuer's liquidation rank behind all other creditors. Where perpetual subordinated loan notes are treated as equivalent to debt repayable in installments, each period payment is broken down between the repayment of principal, which is deducted from the outstanding debt and interest, recorded in the income statement under interest expense.

Treatment as of January 1, 2005

In line with IAS 32, financial instruments issued are classified as debt or equity depending upon whether or not they incorporate a contractual obligation to deliver cash to the holder.

An analysis of the contractual agreements covering the subordinated notes, super-subordinated notes and the three preferred share issues led to their classification as debt, since one of the clauses in these agreements made payment of a coupon by Natixis obligatory.

In addition, the issuing vehicle is contemplating repaying the **initial preferred share issue** on June 30, 2008, the first date on which the call may be exercised, provided that it secures authorization from the French Banking Commission's General Secretariat. Natixis' Management Board validated this decision.

In accordance with the provisions of IAS 32, this issue has thus been classified as a debt instrument.

Lastly, two issues of super-subordinated notes shown on Ixis CIB's balance sheet as equity were reclassified in Natixis' consolidated financial statements as debt given the high probability of Ixis CIB's being integrated within Natixis and the pre-existence of an issue ranking pari passu with them, making payment of a coupon obligatory on these two super-subordinated notes.

7.15 - Share-based payments

Stock option plans

Natixis and certain consolidated entities have set up compensation and benefit plans for some of their employees

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based on their own shares. Payments are made either directly through the remittance of shares or through cash settlement.

IFRS requires the cost of these plans to be recognized in income as payroll expenses:

- Natixis grants stock options to certain of its employees. The options are exercisable over a period of three years after a lock-up period of four years. As required by IFRS 2, stock options granted after November 7, 2002, which have not vested at the balance sheet date, are stated 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 entry in equity. Fair value is reviewed on each balance sheet date and adjusted if subsequent information indicates a change to the initial estimation of vested rights. The expense is then adjusted for the current and future years.

  Since 2002, Natixis has set up four stock option plans, the characteristics of which are shown in Note 12.4;

- payments based on Ixis Asset Management Group shares relate to option plans settled in cash. Options are stated at their fair value based on a binomial model incorporating the volatility-related impact of a sample of comparable companies. Their fair value is recognized as an expense under "wages and salaries" over the vesting period, with a corresponding reduction in liabilities on the balance sheet ("deferred income and accrued charges"). This liability is reassessed at each balance sheet date until the settlement date through the income statement.

  Two plans set up in 2001 and 2004 relate to investment certificates issued by Ixis Asset Management SA and Ixis Asset Management participations1's preferred shares. The vesting period under these plans is three years for the US beneficiaries and four years for the European beneficiaries.

  Two plans were set up by Ixis Private Capital Management in 2002 and 2004. The vesting period for these plans is four years;

- since 2004, CIFG Holding has set up three stock option plans and two bonus share allotment plans. The options may be exercised following a rights vesting period of three or four years, depending on the plans. The allotment of bonus shares becomes definitive only after a lock-up period of two years. If the shares are not listed, CIFG Holding is obliged to repurchase the shares from their beneficiaries. As required by IFRS 2, these plans are classified as plans settled in cash. The fair value of the plans is expensed under wages and salaries over the vesting period of the rights, with a corresponding entry under debt on the balance sheet ("deferred income, accrued charges and other liabilities"). The liability is adjusted at each balance sheet date through to settlement, with any adjustments being made through the income statement.

Stock option plan for employees

Natixis (parent company) and Coface have enabled their employees to participate in stock option plans at a discounted price. These transactions give rise to recognition of personnel costs and a corresponding entry in equity when the plan is set up. The cost of these plans is measured as the difference, on the purchase date, between the fair value of the shares purchased taking account of the lock-up period, and the price paid by employees. The total expense recognized on the plans set up in 2006 came to less than €300,000.

7.16 - Treasury shares

Treatment from January 1, 2004, to December 31, 2004

Only treasury shares allocated to the stabilization of the share price or for allotment to employees and classified under trading securities or available-for-sale securities are left in the consolidated financial statements. Shares held for other purposes and recognized under non-current assets in the individual financial statements are deducted from equity.

Treatment as of January 1, 2005

All treasury shares held by Natixis are deducted from equity regardless of their purpose and/or their classification in the individual financial statements. Any gains or losses recognized in the individual financial statements in respect of the sale, valuation or impairment of treasury shares held as trading securities or available-for-sale securities are eliminated in the consolidated financial statements through equity.

7.17 - Minority interests in dedicated mutual funds

In accordance with IAS 32, minority interests in equity of dedicated mutual funds represent a financial liability recognized under "Financial liabilities at fair value through profit and loss".

7.18 - Fees and commissions received

The method of accounting for fees and commissions received in respect of services or financial instruments depends on the end purpose of the services rendered and the method of accounting for the financial instruments to which the service relates.

Fees and commissions for one-off services, such as business provider fees, are recognized in income as soon as the service is provided.

Fees and commissions for ongoing services, such as guarantee fees or management fees, are deferred over the period during which the service is provided.

As of January 1, 2005, fees and commissions that form an integral part of the effective yield of an 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. They are therefore treated as interest income.

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7.19 - Income taxes

The tax charge for the period comprises:

- tax payable by the various 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 individual financial statements between the carrying amount and tax value of assets and liabilities on the balance sheet or 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. Natixis 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. On this basis, €209 million of deferred tax assets were not recognized at December 31, 2006.

The capitalization reserve recognized in the individual financial statements of insurance companies is intended to defer capital gains arising on the sale of certain bonds to offset subsequent capital losses. The portion presumed unlikely ever to be used is reclassified in equity. Under French GAAP, no deferred taxation is recognized. Under IAS 12, it is treated as a temporary difference that gives rise to a deferred tax liability.

In addition, in line with US legislation, goodwill arising on the Nvest sub-group by Ixis Asset Management Group is deductible for tax purposes. In accordance with paragraph 15 and 21 of IAS 12, a deferred tax liability was recognized on the temporary difference between the carrying amount and value for tax purposes of the goodwill. Pursuant to the tax treaty between the United States and France, the tax rate applied is that applicable in France to long-term capital gains insofar as it was considered that:

- the goodwill was inseparable from the business activities and accordingly could not be sold separately from the entity carrying it;
- the temporary difference arising on the goodwill could be recovered only through the sale of the entity's shares.

All temporary differences have been recognized regardless of the recovery or payment date.

The net deferred income tax balance is recognized in the balance sheet under "deferred income tax liabilities".

7.20 - Financing and guarantee commitments

Financial guarantees

Financial guarantee commitments not classified as derivatives are contracts requiring the issuer to make specific payments to repay the business guaranteed for a loss that it has actually suffered owing to the failure of a debtor to make the contractual installments 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, fair value at the inception of the agreement is theoretically equal to the amount of the premium(s) received.

All the financial guarantees issued within the Natixis group are entered into at market rates.

Subsequently, financial guarantees are stated at the higher of:

- the amount initially recognized upon inception less, where appropriate, the amount of amortization recorded in line with the principles outlined in IAS 18 "Revenues". This amortization represents the deferred recognition of the fees received over the over the period covered by the guarantee;
- and the value determined under IAS 37 "Provisions, contingent liabilities and contingent assets", which is the amount that the entity would normally pay to settle the obligation or to transfer it to a third party.

All the financial guarantees issued by insurance subsidiaries that also meet the definition of an insurance contract were accounted for in line with the requirements of IFRS 4 "Insurance contracts", as permitted in paragraph AG64(a) of the amendment.

Financing commitments

All financing commitments granted by Natixis give rise to the grant of loans at market rates which are classified as loans and advances. These commitments constitute contingent liabilities and are recorded in accordance with IAS 37. Upon their initial recognition, they are not recognized in the balance sheet. A provision for contingencies and losses, recorded under liabilities, is recognized after recognition in the event of the probability of default by the counterparty over the commitment period.

7.21 - Fair value in the notes to the financial statements

IAS 32 requires the notes to the financial statements to state the fair value of all financial instruments recognized at amortized cost, including loans. The following valuation methods are used to determine the fair value as presented in the notes to the financial statements:

Loans recognized as "loans and advances" and finance lease outstandings

The majority of Natixis loans are variable-rate loans, and their fair value is determined on the basis of discounted future cash flows. The discount rate applied for a given loan is the rate that Natixis would grant at the balance sheet date to a counterparty

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for a loan with similar characteristics. As these are primarily variable-rate loans, the contractual rate is adjusted according to the trend in market lending rates and in counterparty risk.

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 considered to correspond to their carrying amount.

Borrowings and savings

The fair value of borrowings and debt securities at variable rates is considered to correspond to their net carrying amount on the balance sheet.

Borrowings and debt securities at fixed rates are discounted on the basis of the value of market fixed rates at the balance sheet date for a debt with the same residual maturity. Where fluctuations in the issuer spread are not material, the valuation does not take this effect into account.

Investment property recognized at cost

The fair value of investment property (excluding investment property held by insurance companies) is determined on the basis of capitalization of rents, a method that is widely used by real estate professionals.

The capitalization rate applied to the property depends on a number of factors such as location, quality and type of building, use, ownership structure, quality of lessees and characteristics of leases, interest rates and competition in the real estate market.

7.22 - Other information

Earnings per share

Diluted earnings per share correspond to net income for the period (attributable to equity holders of the parent), divided by the weighted average number of shares adjusted for the maximum impact of the conversion of dilutive instruments into ordinary shares. Stock options issued are taken into account in calculating diluted earnings per share. The conversion of these instruments does not impact net income used to calculate diluted earnings per share.

	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Earnings per share			
Net income attributable to equity holders of the parent (€ millions)	943	695	488
Average number of ordinary shares in circulation over the period	584,970,228	48,338,000	48,052,000
Average number of treasury shares in circulation over the period	14,493,127	1,627,484	1,498,654
Average number of shares for earnings per share calculation	570,477,101	46,710,516	46,553,346
Earnings per share (€)	**1.7***	**14.9**	**10.5**
Diluted earnings per share			
Net income attributable to equity holders of the parent (€ millions)	943	695	488
Average number of ordinary shares in circulation over the period	584,970,228	48,338,000	48,052,000
Average number of treasury shares in circulation over the period	14,493,127	1,627,484	1,498,654
Number of potential dilutive shares resulting from stock option plans	6,808,166	403,001	119,745
Average number of shares for diluted earnings per share calculation	577,285,267	47,113,517	46,673,091
Diluted earnings per share (€)	**1.6***	**14.8**	**10.4**

** The par value of the share was divided by 10 on the day following the asset contribution, which automatically led to a ten-fold increase in the number of shares. On a like-for-like basis, 2005 earnings per share would have been €1.48.*

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NOTE 8 NOTES TO THE BALANCE SHEET

8.1 - Financial assets and liabilities at fair value through profit and loss

These assets and liabilities are measured at fair value at the balance sheet date, with changes in value, including interest, recognized in income under "gains or losses on financial instruments at fair value through profit and loss".

No impairment is recognized in these assets since counterparty risk is reflected in their market value.

8.1.1 - Financial assets measured at fair value through profit and loss

At December 31, 2006, assets at fair value through profit and loss comprised primarily:

- fixed income securities;
- (derivatives.)

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Securities held for trading		**100,599**	**15,695**	**16,508**
Securities		100,599	15,695	16,508
Fixed income		*80,299*	*15,123*	*16,116*
Variable income	*8.1.1.1*	*20,300*	*571*	*392*
Reverse repos		0	0	0
Derivative financial instruments held for trading	*8.1.3*	**53,773**	**5,282**	**3,974**
Trading transactions		53,773	5,282	3,974
Other		0	0	0
Securities designated as at fair value		**10,874**	**4,216**	**3,282**
Securities		10,854	4,148	2,503
Fixed income		*7,075*	*2,327*	*1,435*
Variable income	*8.1.1.1*	*3,780*	*1,821*	*1,068*
Reverse repos		20	68	779
Loans and advances designated as at fair value		**11,657**	**820**	**730**
TOTAL		**176,903**	**26,013**	**24,494**

Variable income securities valued on a listed market (listed securities) or using another valuation method (unlisted securities valued on the basis of price-earnings ratio or discounted cash flows) break down as follows:

8.1.1.1 - Variable income securities at fair value through profit and loss

(In € millions)	Dec. 31, 2006 EU IFRS Listed market	 Other valuation methods	 Total
Securities held for trading	**3,535**	**16,765**	**20,300**
Securities designated as at fair value through profit and loss	**878**	**2,902**	**3,780**
o/w securities held for trading within the Private Equity portfolio	*21*	*1,060*	*1,081*
TOTAL	**4,413**	**19,667**	**24,080**

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8.1.2 - Financial liabilities at fair value through profit and loss

At December 31, 2006, financial liabilities at fair value through profit and loss comprised primarily derivatives not used as hedging instruments and liabilities deriving from the short sale of financial assets (securities).

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Securities at fair value held for trading		**28,452**	**795**	**2,813**
Securities		28,165	699	589
Pledged securities		287	96	2,224
Securities designated as at fair value through profit and loss		**49,231**	**0**	**0**
Securities		49,231	0	0
Pledged securities		0	0	0
Derivative financial instruments held for trading	*8.1.3*	**55,154**	**4,423**	**3,906**
Other liabilities		**555**	**70**	**4**
TOTAL		**133,392**	**5,288**	**6,724**

8.1.3 - Derivatives held for trading

Derivative financial instruments not held for hedging purposes are held for trading, irrespective of the period for which they are held.

	Dec. 31, 2006 EU IFRS			Dec. 31, 2005 EU IFRS			Jan. 1, 2005 EU IFRS	
(In € millions)	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities	Assets	Liabilities
Forward transactions	**4,984,682**	**40,450**	**42,961**	**747,703**	**1,998**	**1,785**	**1,342**	**1,395**
Interest rate derivatives	4,648,830	37,262	38,361	533,117	1,525	1,530	1,185	1,228
Currency derivatives	223,168	290	351	179,878	407	236	148	150
Equity derivatives	0	0		0	0	0	0	0
Other	112,684	2,898	4,249	34,708	66	19	9	17
Options	**3,065,977**	**11,220**	**10,241**	**313,516**	**3,275**	**2,629**	**2,629**	**2,509**
Interest rate derivatives	2,298,502	2,530	2,929	92,711	633	602	347	402
Currency derivatives	254,031	2,117	1,769	192,597	1,164	710	869	688
Equity derivatives							0	0
Other	513,444	6,573	5,543	28,208	1,478	1,317	1,413	1,419
Credit derivatives (1)	**11,027**	**2,103**	**1,952**	**1,888**	**9**	**8**	**3**	**2**
TOTAL	**8,061,686**	**53,773**	**55,154**	**1,063,107**	**5,282**	**4,423**	**3,974**	**3,906**

(1) At December 31, 2005, the notional amount of €1,888 million was included in the amount of other options transactions on the over-the-counter market.

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8.2 - Hedging instruments

Derivative financial instruments designated as hedges are those that meet the conditions required by IAS 39 at inception and throughout the term of the hedging relationship, particularly with respect to documentation of an effective relationship between the hedging instrument and the hedged item, both prospectively and retrospectively. 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%.

Cash flow hedging is principally used by Natixis as a structural hedge of parent company Natixis' interest-rate risk.

Fair value hedging is used to hedge changes in the fair value of fixed-income instruments individually and as a structural hedge of Ixis Capital Markets North America's (subsidiary of the Ixis CIB sub-group) interest rate risk.

	Dec. 31, 2006 EU IFRS			Dec. 31, 2005 EU IFRS			Jan. 1, 2005 EU IFRS	
(In € millions)	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities	Assets	Liabilities
Cash flow hedges								
Forward transactions	**78,157**	**151**	**132**	**69,846**	**13**	**98**	**112**	**224**
Interest rate derivatives	77,772	151	132	69,846	13	98	111	224
Currency derivatives	385	0	0	0	0	0	1	0
Equity derivatives	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Options	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Interest rate derivatives	0	0	0	0	0	0	0	0
Currency derivatives	0	0	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Fair value hedges								
Forward transactions	**9,771**	**403**	**295**	**10,164**	**27**	**114**	**173**	**270**
Interest rate derivatives	6,139	386	280	6,119	21	100	162	212
Currency derivatives	3,594	0	2	4,045	5	14	11	58
Equity derivatives	0	0	0	0	0	0	0	0
Other	38	17	13	0	1	0	0	0
Options	**162**	**46**	**0**	**1**	**3**	**0**	**0**	**0**
Interest rate derivatives	11	0	0	1	0	0	0	0
Currency derivatives	0	1	0	0	0	0	0	0
Equity derivatives	0	0	0	0	0	0	0	0
Other	151	45	0	0	3	0	0	0
Credit derivatives	***0***	***21***	***4***	***0***	***0***	***0***	***0***	***0***
Hedging of net investments in foreign currencies	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
TOTAL	**88,090**	**621**	**431**	**80,011**	**43**	**212**	**285**	**494**

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8.3 - Available-for-sale financial assets

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Outstanding loans	***71***	***0***	***0***
Loans and advances	71	0	0
Other		0	0
Accrued interest			
Securities	***31,071***	***22,240***	***20,784***
Fixed income	25,609	18,532	16,993
Variable income	5,286	3,596	3,651
Accrued interest	176	112	140
TOTAL	**31,143**	**22,240**	**20,784**

8.4 - Loans and advances

8.4.1 - Loans and advances to banks

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Performing loans				
Performing loans	*8.4.1.1*	114,923	56,112	41,142
Collective provisions		(59)	(47)	(58)
Net		**114,864**	**56,064**	**41,084**
Non-performing loans				
Non-performing loans		41	86	86
Specific provisions		(27)	(51)	(50)
Net (1)		**15**	**35**	**36**
NET TOTAL		**114,879**	**56,099**	**41,120**

At December 31, 2006, the fair value of loans and advances to banks, calculated in accordance with the methods set out in note VII, amounted to €114,906 million.

(1) The hedging rate of non-performing loans to banks stood at 37% at December 31, 2006 compared with 59% at December 31, 2005.

8.4.1.1 - Performing loans to banks

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Lease financing		0	0
Loans and advances	25,098	15,644	11,596
Current accounts in debit	6,817	2,744	1,411
Unlisted fixed income securities	177	14	0
Reverse repos	82,013	37,144	27,867
Other	27	100	1
Accrued interest receivable	791	465	267
TOTAL PERFORMING LOANS	**114,923**	**56,112**	**41,142**

8.4.2 - Loans and advances to customers

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Performing loans				
Performing loans	8.4.2.1.	93,532	49,099	40,527
Collective provisions		(608)	(372)	(306)
Impairment charges		(38)	(38)	(32)
Net		**92,886**	**48,689**	**40,189**
Non-performing loans				
Non-performing loans		1,206	1,265	1,353
Specific provisions		(723)	(754)	(847)
Net (1)		**483**	**511**	**506**
NET TOTAL		**93,369**	**49,200**	**40,695**

At December 31, 2006, the fair value of loans and advances to customers, calculated in accordance with the methods set out in note VII, amounted to €91,772 million.

(1) The hedging rate of non-performing loans to customers was 60% at December 31, 2006, making it identical to the level at December 31, 2005.

8.4.2.1 - Performing loans to customers

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Lease financing	8.4.2.2	6,480	5,549	5,253
Other loans and advances	8.4.2.3	50,121	27,726	20,208
Current accounts in debit		6,852	3,995	2,972
Unlisted fixed income securities		3,668	2,897	2,926
Reverse repos		21,333	5,294	6,250
Factoring		4,645	3,469	2,683
Other		26	19	126
Accrued interest receivable		407	151	109
TOTAL		**93,532**	**49,099**	**40,527**

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8.4.2.2 - Lease financing

(In € millions)	Dec. 31, 2006 EU IFRS Real estate	Equipment	Total	Dec. 31, 2005 EU IFRS Real estate	Equipment	Total	Jan. 1, 2005 EU IFRS Real estate	Equipment	Total
Outstandings	**3,819**	**2,662**	**6,480**	**3,748**	**1,801**	**5,549**	**3,623**	**1,630**	**5,253**
Net non-performing loans (1)	**63**	**36**	**99**	**67**	**55**	**122**	**81**	**54**	**135**
Non-performing loans	91	57	148	104	60	164	128	59	187
Provisions	(28)	(21)	(49)	(37)	(6)	(42)	(47)	(5)	(52)
TOTAL	**3,882**	**2,698**	**6,579**	**3,816**	**1,855**	**5,671**	**3,704**	**1,684**	**5,388**

(1) The hedging rate of non-performing loans was 33% at December 31, 2006 compared with 26% at December 31, 2005.

8.4.2.3 - Other loans and advances to customers

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Commercial loans	655	748	624
Export credits	1,720	1,078	1,050
Cash loans and consumer credit	25,182	15,050	11,168
Equipment loans	3,785	3,367	2,179
Home loans	408	107	100
Other	18,371	7,376	5,086
TOTAL	**50,121**	**27,726**	**20,208**

8.5 - Held-to-maturity financial assets

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Government securities			
Cost	0	0	0
Provisions	0	0	0
Accrued interest receivable	0	0	0
Net	**0**	**0**	**0**
Bonds			
Cost	6,918	7,049	5,722
Provisions	0	0	0
Net	**6,918**	**7,049**	**5,722**
Other			
Cost	119	4	27
Provisions	0	0	0
Net	**119**	**4**	**27**
TOTAL	**7,037**	**7,053**	**5,748**

At December 31, 2006, the fair value of held-to-maturity financial assets, calculated in accordance with the methods set out in Note VII, amounted to €7,514 million.

8.6 - Deferred tax assets and liabilities

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Principal sources of deferred taxes (1)			
Flow-through entities	(180)	(204)	(221)
Leasing reserve	(300)	(249)	(219)
Elimination of equalization reserve	(342)	(246)	(187)
Financial instruments at fair value through equity (AFS+CFH)	(469)	(218)	(105)
Capitalization reserves of insurance companies	(71)	(71)	(70)
Fair value of private equity business	(197)	(253)	(177)
Amortized cost of loans	70	62	42
Provisions for employee benefits	253	231	223
Other non-deductible provisions (2)	839	490	376
Non-deductible accrued expenses (deferred compensation programs, etc.)	159		
Unrealized gains on mutual funds	57	11	13
Intra-group dividends	(116)		
Ordinary and evergreen tax loss carryforwards	158	99	164
Other temporary differences (3)	(5)	1	(10)
TOTAL SOURCES OF DEFERRED INCOME TAXES, GROSS	**(144)**	**(346)**	**(170)**
Unrecognized sources of deferred tax assets	(209)	(245)	(316)
TOTAL SOURCES OF DEFERRED INCOME TAXES, NET	**(354)**	**(592)**	**(486)**
Recognized deferred tax assets			
Deferred taxes at standard rate	28	(165)	(110)
Deferred tax liabilities	(7)	(6)	(4)
Deferred taxes at reduced rate	(6)	(2)	(5)
TOTAL RECOGNIZED DEFERRED TAXES	**15**	**(173)**	**(119)**
Including: - deferred tax assets	523	248	231
- deferred tax liabilities	(501)	(414)	(346)
- deferred taxes of associates	(7)	(7)	(4)

(1) The sources of deferred taxes giving rise to deferred tax assets are given a positive sign, while those giving rise to deferred tax liabilities are shown with a negative sign.

(2) Including collective provisions and provisions for impact of discounting specific provisions.

(3) In line with US legislation, goodwill arising on the acquisition of the Nvest sub-group by Ixis Asset Management Group is amortized for tax purposes. In accordance with paragraph 15 and 21 of IAS 12, a deferred tax liability was recognized on the temporary difference between the carrying amount and value for tax purposes of the goodwill. Pursuant to the US tax treaty, the tax rate applied is that applicable in France to long-term capital gains insofar as it was considered that:

- the goodwill was inseparable from the business activities and accordingly could not be sold separately from the entity carrying it;

- the timing difference arising on the goodwill could be recovered only through the sale of the entity's shares.

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8.7 - Other assets and liabilities

Accrued income and prepaid expenses and deferred income and accrued charges correspond to technical accounts, details of which are given below.

Assets

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Other assets	*8.7.1.1*	12,906	2,191	1,542
Accrued income and prepaid expenses	*8.7.2.1*	6,213	1,586	1,706
Accrued income and prepaid expenses - insurance companies	*8.7.3.1*	1,194	988	841
TOTAL		**20,314**	**4,765**	**4,089**

Equity & liabilities

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Other liabilities	*8.7.1.2*	13,168	4,998	4,509
Deferred income and accrued charges	*8.7.2.2*	5,276	2,507	2,726
Deferred income and accrued charges - insurance companies	*8.7.3.2*	392	985	177
TOTAL		**18,836**	**8,490**	**7,412**

8.7.1 - Sundry other assets and liabilities

8.7.1.1 - Other assets

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Securities settlement accounts	0	0	5
Real estate development	1	32	74
Other assets	535	541	137
Other receivables	12,272	1,611	1,322
Accrued interest receivable	98	7	4
TOTAL	**12,906**	**2,191**	**1,542**

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8.7.1.2 - Other liabilities

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Amounts due on securities	1,786	1,955	1,775
Sundry payables	11,212	2,841	2,510
Securities settlement accounts	10	21	28
Other	161	176	185
Accrued interest payable	(1)	5	11
TOTAL	**13,168**	**4,998**	**4,509**

8.7.2 - Accrued income and prepaid expenses and deferred income and accrued charges

8.7.2.1 - Accrued income and prepaid expenses

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Collection accounts	439	52	53
Adjustment accounts	259	60	0
Prepaid expenses	195	35	45
Accrued income	2,192	232	303
Deferred charges	0	0	1
Other	3,128	1,207	1,304
TOTAL	**6,213**	**1,586**	**1,706**

8.7.2.2 - Deferred income and accrued charges

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Collection accounts	290	104	114
Adjustment accounts	304	3	395
Deferred income	264	146	145
Accrued charges	950	522	565
Other	3,468	1,732	1,507
TOTAL	**5,276**	**2,507**	**2,726**

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8.7.3 - Accrued income and prepaid expenses and deferred income and accrued charges - insurance companies

8.7.3.1 - Accrued income and prepaid expenses - insurance companies

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Reinsurers' share of technical reserves	284	258	250
Insurance receivables	540	452	389
Reinsurance receivables	115	49	49
Accrued premium income	150	134	129
Deferred acquisition costs	105	17	19
Other	0	79	6
TOTAL	**1,194**	**988**	**841**

8.7.3.2 - Deferred income and accrued charges - insurance companies

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Insurance liabilities	275	140	97
Reinsurance liabilities	97	69	62
Cash deposits received from reinsurers	15	17	14
Other liabilities	5	759	4
TOTAL	**392**	**985**	**177**

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8.8 - Property, plant & equipment, intangible assets, investment property

8.8.1 - Changes in non-current assets over the period

(In € millions)	Dec. 31, 2006 EU IFRS Cost	Depr, amort and impairment	Net	Dec. 31, 2005 EU IFRS Cost	Depr, amort and impairment	Net	Jan. 1, 2005 EU IFRS Cost	Depr, amort and impairment	Net
Property, plant & equipment	**1,152**	**(600)**	**552**	**689**	**(375)**	**314**	**906**	**(398)**	**508**
Leased assets	0	0		0	0	0	0	0	0
Buildings	*0*	*0*		*0*	*0*	*0*	*0*	*0*	*0*
Other	*0*	*0*		*0*	*0*	*0*	*0*	*0*	*0*
Owned assets	1,152	(600)	552	689	(375)	314	906	(398)	508
Shares in non-trading real estate companies	*0*	*0*		*0*	*0*	*0*	*0*	*0*	*0*
Land and buildings	*744*	*(392)*	*352*	*401*	*(187)*	*214*	*528*	*(218)*	*311*
Other	*408*	*(208)*	*200*	*288*	*(188)*	*100*	*378*	*(180)*	*198*
Intangible assets	**678**	**(384)**	**294**	**333**	**(191)**	**142**	**326**	**(217)**	**109**
Leasehold rights	79	(33)	46	54	(17)	37	46	(15)	31
Software	386	(261)	125	205	(153)	52	197	(160)	37
Other	213	(90)	123	74	(20)	54	83	(42)	41
Non-current assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Property, plant & equipment	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
TOTAL	**1,830**	**(984)**	**846**	**1,022**	**(566)**	**457**	**1,232**	**(615)**	**618**

(In € millions)	Cost Jan. 1, 2006	Increase	Decrease and other disposals	Change in scope	Exchange differences	Other	Cost Dec. 31, 2006
Property, plant & equipment	**689**	**74**	**(44)**	**442**	**(4)**	**(5)**	**1,152**
Leased assets	0						0
Buildings	*0*						*0*
Other	*0*						*0*
Owned assets	689	74	(44)	442	(4)	(5)	1,152
Shares in non-trading real estate companies	*0*						*0*
Land and buildings	*401*	*13*	*(15)*	*345*			*744*
Other	*288*	*61*	*(29)*	*97*	*(4)*	*(5)*	*408*
Intangible assets	**333**	**123**	**(20)**	**245**	**(3)**	**0**	**678**
Leasehold rights	54	2	(3)	27	(1)		79
Software	205	57	(11)	133	(2)	4	386
Other	74	64	(6)	85		(4)	213
TOTAL	**1,022**	**197**	**(64)**	**687**	**(7)**	**(5)**	**1,830**

8.8.2 - Investment property

(In € millions)	Dec. 31, 2006 EU IFRS Cost	Dec. 31, 2006 EU IFRS Depr, amort and impairment	Dec. 31, 2006 EU IFRS Net	Dec. 31, 2005 EU IFRS Cost	Dec. 31, 2005 EU IFRS Depr, amort and impairment	Dec. 31, 2005 EU IFRS Net	Jan. 1, 2005 EU IFRS Cost	Jan. 1, 2005 EU IFRS Depr, amort and impairment	Jan. 1, 2005 EU IFRS Net
Investment property									
Fair value [(1)]	594	-	594	464	-	464	392	-	392
Cost	900	(347)	553	833	(295)	538	781	(263)	518
TOTAL	**1494**	**(347)**	**1147**	**1,296**	**(295)**	**1,001**	**1,172**	**(263)**	**910**

(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.

The fair value of investment property is obtained by discounting the rental yield of these assets at the market rate.

FAIR VALUE OF INVESTMENT PROPERTY

(In € millions)	Dec. 31, 2006 EU IFRS Net	Dec. 31, 2006 EU IFRS Fair value
Operating leases	442	444
Finance leases - ITNL	8	8
Other	103	121
TOTAL	**553**	**573**

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8.9 - Goodwill

(In € millions)	Jan. 1, 2006 EU IFRS Opening balance	Dec. 31, 2006 EU IFRS Acquisitions	Change in impairment losses	Exchange differences	Closing balance
Net value per unit					
Ixis AM group		1,384			1,384
Coface group	439	18		(1)	457
CACEIS Group		218			218
Natexis Assurances	96				96
Natexis Asset Management	94				94
Ixis CIB group		57			57
Natexis Interépargne	31				31
Natexis Private Equity and subsidiaries	21	1			22
Coficiné	9	1			10
Natixis Garanties group		9			9
Novacrédit		8			8
Natexis Intertitres	6				6
La Cie 1818		3			3
CIFG group		1			1
Other	36	1		(1)	36
TOTAL	**733**	**1,702**		**(2)**	**2,433**

The goodwill of the sub-groups included in the scope of the November 17 asset contribution comprises the goodwill present on their balance sheet and the goodwill recognized by Natixis upon their first-time consolidation.

This goodwill breaks down as follows:

	Goodwill already present on the sub-groups' balance sheet	Goodwill identified in connection with the asset contribution
Ixis AM group	1,155	229
Ixis CIB group	36	21
CACEIS group	218	
Natixis Garanties group	9	
La Cie 1818	3	
CIFG group	1	

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8.10 - Deposits from banks and customer deposits

Deposits from banks and customer deposits are presented by nature, taking into account whether they are demand or time deposits. They are measured in accordance with IAS 39 as other financial liabilities under the amortized cost method.

8.10.1 - Deposits from banks

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Current accounts in debit and accrued interest	**20,124**	**7,282**	**4,880**
Accounts and deposits	**55,178**	**12,731**	**9,155**
Demand	*8,746*	*2,311*	*2,407*
Time	*46,432*	*10,421*	*6,748*
Pledged securities	**1,125**	**466**	**1,088**
Demand	*21*	*25*	*17*
Time	*1,104*	*441*	*1,071*
Repurchase agreements	**64,469**	**33,312**	**23,595**
Demand	*2,559*	*0*	*0*
Time	*61,910*	*33,312*	*23,595*
Other liabilities	**54**	**621**	**380**
Accrued interest payable	**964**	**440**	**222**
TOTAL	**141,914**	**54,853**	**39,320**

At December 31, 2006, the fair value of deposits from banks was €141,435 million.

8.10.2 - Customer deposits

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Current accounts	**13,863**	**7,935**	**6,224**
Demand	*7,901*	*5,229*	*4,140*
Time	*5,962*	*2,706*	*2,085*
Accounts and deposits	**14,677**	**699**	**652**
Demand	*1,952*	*218*	*116*
Time	*12,725*	*481*	*536*
Pledged securities	**13**	**63**	**0**
Demand	*13*	*63*	*0*
Time	*0*	*0*	*0*
Repurchase agreements	**19,397**	**14,368**	**15,309**
Demand	*7,431*	*3,500*	*5,731*
Time	*11,966*	*10,868*	*9,579*
Special savings accounts	**76**	**78**	**70**
Factoring liabilities	**1,251**	**385**	**339**
Accrued interest payable	**130**	**117**	**74**
Other	**283**	**345**	**269**
TOTAL	**49,690**	**23,990**	**22,937**

At December 31, 2006, the fair value of customer deposits was €50,244 million.

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8.11 - 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.

These debt securities are initially recognized at fair value, which is their issue price less transaction costs, and then stated at amortized cost using the effective interest rate method to defer issuance costs over the life of the securities.

Variable-rate securities have a fair value equal to their net carrying amount on the balance sheet.

Borrowings and debt securities at fixed rates are discounted on the basis of the value of market fixed rates at the balance sheet date for a debt with the same residual maturity.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Interbank market instruments	**5**	**0**	**0**
Money market instruments	**45,018**	**32,761**	**26,309**
MTNs	11,346	9,601	7,750
CDs	33,672	23,160	18,559
Bonds	**1,906**	**3,981**	**3,518**
Other debt securities in issue	**6,832**	**789**	**777**
Accrued interest payable	**493**	**229**	**188**
TOTAL	**54,254**	**37,760**	**30,792**

At December 31, 2006, the fair value of debt securities in issue was €54,215 million.

8.12 - Insurance companies' technical reserves

In order to protect policyholders, insurance companies record under liabilities technical reserves, determined on the basis of statistical calculations.

Provisions for unearned premium income reflect the portion (calculated on an accruals basis) of premiums issued during the financial year that relate to a period after the balance sheet date.

In sum, life insurance reserves reflect the payments received, plus investment income paid out to policyholders less exit benefits. These reserves are topped up by the management reserve, which is intended to cover future management costs on life insurance contracts.

Life insurance loss reserves cover the capital payable upon the occurrence of a loss. In credit insurance, they include an estimate of the total cost of losses reported but not yet settled at the close of the period. Accrued losses are topped up by a reserve for unknown losses calculated statistically.

The deferred participation reserve represents the portion of investment income attributable to policyholders, but not yet paid out. These reserves are due to be paid out within eight years.

Other technical reserves include reserves for financial contingencies and for deferred acquisition costs.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Mathematical reserves	**28,452**	**23,851**	**21,535**
Life insurance	22,441	19,614	17,737
Non-life insurance	728	181	174
Unit-linked business	5,283	4,056	3,625
Loss reserves	**983**	**978**	**901**
Deferred participation reserve	**1,385**	**1,395**	**892**
Other technical reserves	**238**	**12**	**27**
TOTAL	**31,058**	**26,236**	**23,356**

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8.13 - Provisions and impairment charges

8.13.1 - Summary of provisions

	Jan. 1, 2006 EU IFRS	Increase	Utilization	Reversals not used	Exchange differences	Changes in scope of consolidation	Other	Dec. 31, 2006 EU IFRS
Provisions deducted from assets	**1,319**	**488**	**(154)**	**(420)**	**(29)**	**346**	**(8)**	**1,542**
Provisions for performing loans	419	203		(164)	(15)	225		668
Provisions for non-performing loans	805	130	(141)	(76)	(14)	52	(5)	750
Impairment charges	96	155	(13)	(180)		69	(3)	124
Provisions recognized as liabilities	**502**	**180**	**(112)**	**(27)**	**(2)**	**133**	**(17)**	**657**
Provisions	382	116	(83)	(11)		86	(11)	479
Provisions for counterparty risk	*66*	*25*	*(4)*	*(9)*		*4*	*3*	*85*
Provisions for impairment risk	*18*	*10*	*(3)*	*(2)*			*(2)*	*21*
Provisions for employee benefits	*242*	*41*	*(44)*			*35*	*(2)*	*272*
Provisions for operating risks	*57*	*40*	*(32)*			*47*	*(11)*	*101*
Provisions for regulated savings accounts	-							
Provisions for current income taxes	120	64	(29)	(16)	(2)	47	(6)	178
TOTAL	**1,821**	**668**	**(266)**	**(447)**	**(31)**	**479**	**(25)**	**2,199**

Impact on income statement	Charges	Reversals	Net impact
Net banking income	**(221)**	**213**	**(8)**
Operating expenses	(54)	58	4
Amortization, depreciation and impairment of property, plant and equipment and intangible assets			
Gross operating income	**(275)**	**271**	**(4)**
Impairment charges and other credit provisions	(329)	395	66
Gains or losses on other assets		2	2
Income before tax	**(604)**	**668**	**64**
Income taxes	(64)	45	
NET INCOME	**(668)**	**713**	**45**

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8.13.2 - Provisions

(In € millions)	Notes	Jan. 1, 2006 EU IFRS	Increase	Utilization	Reversals not used	Exchange differences	Changes in scope of consolidation	Other	Dec. 31, 2006 EU IFRS
Counterparty risk		**66**	**25**	**(4)**	**(9)**		**4**	**3**	**85**
Financing and guarantee commitments		14	12	(2)	(1)				23
Customer disputes		40	9		(5)		4	3	51
Other provisions		12	3	(2)	(3)			1	11
Impairment risk		**18**	**10**	**(3)**	**(2)**			**(2)**	**21**
Long-term investments		8	5	(2)				(1)	10
Real estate development		1	1	(1)					1
Other provisions		9	4		(2)			(1)	10
Employee benefits	*12.3*	**242**	**41**	**(44)**			**35**	**(2)**	**272**
Operating risks		**57**	**40**	**(32)**		**-**	**47**	**(11)**	**101**
Restructuring		-					16	-	16
Other provisions		57	40	(32)		-	31	(12)	84
Homebuyers' savings schemes		**-**							
Homebuyers' savings plan		-							
TOTAL		**382**	**116**	**(83)**	**(11)**		**86**	**(11)**	**479**

8.14 - Subordinated debt

Subordinated debt differs from advances and bonds issued in that it will be repaid only after all the senior and unsecured creditors, but before the repayment of participating loans and securities and super-subordinated notes. It is valued at amortized cost.

After analysis, preferred shares may be classified either as debt or equity. All the preferred shares issued by Natixis are classified under subordinated debt.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Dated subordinated debt	**7,802**	**3,255**	**2,523**
Subordinated bonds	6,288	2,534	1,758
Other	1,514	721	765
Perpetual subordinated debt	**813**	**939**	**883**
o/w preferred shares	*678*	*737*	*669*
Mutual guarantee deposits	**0**	**2**	**2**
Accrued interest payable	**155**	**97**	**91**
TOTAL	**8,770**	**4,293**	**3,498**

In addition, it is worth noting that two issues of super-subordinated notes held as equity on Ixis CIB's balance sheet have been reclassified in Natixis' consolidated financial statements as debt based on the high probability of Ixis CIB's being integrated within Natixis and the pre-existence of an issue ranking pari passu with them, making payment of a coupon obligatory on these two super-subordinated notes.

At December 31, 2006, the fair value of subordinated debt came to €8,780 million.

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DEVELOPMENT OF SUBORDINATED DEBT OVER THE PERIOD

(In € millions)	Jan. 1, 2006 EU IFRS	Issue(1)	Redemption	Exchange differences	Change in scope of consolidation (2)	Other	Dec. 31, 2006 EU IFRS
Dated subordinated debt	**3,255**	**2,192**	**(197)**	**(35)**	**2,635**	**(48)**	**7,802**
Subordinated bonds	2,534	2,192	(14)	(33)	1,621	(12)	6,288
Other	721	-	(183)	(2)	1,014	(36)	1,514
Perpetual subordinated debt	**939**	**0**	**(46)**	**(62)**	**11**	**(29)**	**813**
o/w preferred shares	*737*	-	-	*(56)*	-	*(3)*	*678*
TOTAL	**4,194**	**2,192**	**(242)**	**(97)**	**2,646**	**(77)**	**8,615**

(1)The 2006 issues comprised a tranche of €1,000 million in dated subordinated notes (TSRs, €1,000 million issued in September 2006 due 2017) issued by Natexis Banques Populaires, a €1,002 million tranche (net of intra-group items) issued by Natixis (December 2006 TSR: €274 million (net of intra-group items) - due 2021, December 2006 TSR: €500 million - due 2017, December 2006 TSR $300 million, i.e. a euro-equivalent value of €228 million - due 2019) and a $250 million tranche, i.e. a euro-equivalent value of €189 million, super-subordinated notes (TSS) issued by Ixis CIB and included in its Tier 1 capital ratio.

(2) Changes in the scope of consolidation primarily included the addition of Ixis CIB, CACEIS and CEFI.

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NOTE 9 NOTES TO THE INCOME STATEMENT

9.1 - Net interest income

"Interest and similar income" and "interest and similar expenses" comprise interest on fixed-income securities recognized as available-for-sale financial assets, and interest on securities lending/borrowing transactions and on loans and advances to banks and loans and advances.

These items also include interest on held-to-maturity financial assets.

Financial assets and liabilities valued at amortized cost give rise to the recognition of interest calculated using the effective interest rate (EIR) method.

	Dec. 31, 2006 EU IFRS			Dec. 31, 2005 EU IFRS			Dec. 31, 2004 2004 IFRS		
(In € millions)	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Central banks and post offices	**4**	**(39)**	**(34)**	**2**	**(7)**	**(5)**	**2**	**0**	**2**
Securities	**1,895**	**(2,233)**	**(338)**	**1,731**	**(1,424)**	**306**	**1,596**	**(1,027)**	**569**
Loans and advances	**5,022**	**(3,536)**	**1,486**	**3,365**	**(2,174)**	**1,191**	**2,729**	**(1,822)**	**907**
To banks	2,345	(2,776)	(431)	1,526	(1,685)	(159)	1,278	(1,369)	(90)
To customers	2,370	(729)	1,640	1,541	(464)	1,077	1,144	(423)	721
Lease financing	307	(31)	276	298	(25)	273	306	(30)	276
Subordinated debt		**(214)**	**(214)**		**(168)**	**(168)**		**(187)**	**(187)**
Other	**7**	**0**	**7**	**4**	**0**	**4**	**7**	**0**	**7**
Hedging instruments	**823**	**(616)**	**207**	**678**	**(532)**	**146**	**560**	**(457)**	**103**
Expiry of hedging relationship (CFH)	1	(1)	0	0	0	0	0	0	0
Accrued interest	823	(616)	207	678	(532)	146	560	(457)	103
Impaired loans, including restructured loans	**2**		**2**	**12**		**12**	**2**		**2**
TOTAL	**7,753**	**(6,638)**	**1,115**	**5,791**	**(4,305)**	**1,486**	**4,896**	**(3,493)**	**1,403**

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9.2 - Net fee and commission income

The method of accounting for fees and commissions received in respect of services or financial instruments depends on the ultimate purpose of the services rendered and the method of accounting for the financial instruments to which the service relates. Fees and commissions for one-off services, such as business-provider commission, are recognized in income immediately when the service is provided. Fees and commissions for ongoing services such as guarantee commissions or management fees are spread over the period during which the service is provided.

Fees and commissions that form an integral part of the effective yield of an instrument such as commitment fees or loan set-up fees are recognized as an adjustment to the effective interest rate over the estimated term of the loan. Under EU IFRS, these fees and commission are recognized as interest income rather than fees and commission.

	Dec. 31, 2006 EU IFRS			Dec. 31, 2005 EU IFRS			Dec. 31, 2004 2004 IFRS		
(In € millions)	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Interbank transactions	9	(22)	**(14)**	45	(22)	**23**	2	(31)	**(29)**
Customer transactions	422	(353)	**69**	271	(327)	**(56)**	315	(271)	**44**
Securities transactions	551	(40)	**511**	260	(30)	**231**	187	(32)	**155**
Payment services	202	(61)	**141**	172	(43)	**129**	151	(41)	**110**
Financial services	661	(315)	**346**	428	(210)	**218**	402	(157)	**246**
Financing, guarantee, securities, derivatives commitments	87	(59)	**28**	66	(43)	**23**	86	(40)	**46**
Other	19	(2)	**17**	13	(1)	**12**	12	(1)	**11**
TOTAL	**1,951**	**(853)**	**1,098**	**1,255**	**(675)**	**580**	**1,156**	**(574)**	**582**

9.3 - Gains or losses on financial assets and liabilities 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, including interest.

Hedging instruments include changes in the fair value of fair value hedges, including interest, plus the symmetrical revaluation of items hedged. It also includes the ineffective portion of cash flow hedges.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Net gains on financial assets and liabilities excluding hedging instruments	**921**	**586**	**161**
Net gains on financial assets and liabilities held for trading	848	(73)	129
o/w non-hedging instruments	*181*	*(371)*	*(274)*
Net gains on other financial assets and liabilities designated as at fair value	325	311	156
Other	(252)	349	(124)
Hedging instruments and revaluation of hedged items	**(56)**	**(32)**	**(6)**
Inefficiency of the cash flow hedge (CFH)	(2)	2	
Inefficiency of the fair value hedge (FVH)	(54)	(34)	
Change in fair value hedge	*(90)*	*52*	
Revaluation of the hedged items	*36*	*(85)*	
TOTAL	**865**	**555**	**156**

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9.4 - Gains and losses on available-for-sale financial assets

Net gains or losses on available-for-sale financial assets principally comprise gains or losses on sale and impairment losses on variable income securities.

Variable income securities classified as available-for-sale are tested for impairment and an impairment loss recognized if their carrying amount is lower than their recoverable amount.

Impairment in fixed income securities is recognized under impairment charges and other credit provisions.

This line item also includes dividends received from variable-income securities.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Dividends	**140**	**74**	**60**
Gains or losses on sale	**135**	**294**	**11**
Impairment losses on variable income securities	**(28)**	**(22)**	**52**
TOTAL	**247**	**345**	**123**

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9.5 - Other income and expenses

Income and expenses from other activities comprises mainly income and expenses relating to lease financing and investment property.

This item also includes income and expenses relating to insurance activities, in particular life insurance premium income, paid benefits and claims and changes in insurance liabilities.

		Dec. 31, 2006 EU IFRS			Dec. 31, 2005 EU IFRS			Dec. 31, 2004 2004 IFRS		
(In € millions)	Notes	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Finance leases	*9.5.1*	137	(126)	**11**	144	(156)	**(12)**	121	(128)	**(7)**
Operating leases		47	(34)	**12**	32	(18)	**14**	28	(18)	**10**
Investment property		58	(6)	**52**	57	0	**57**	48	0	**47**
Other non-operating assets		4	(2)	**1**	6	(3)	**3**	0	(3)	**(3)**
Sub-total real estate activities		**246**	**(168)**	**76**	**238**	**(176)**	**62**	**197**	**(149)**	**48**
Net charge to/reversal of insurance companies' technical reserves			(1,519)	**(1,519)**	0	(1,490)	**(1,491)**	0	(686)	**(687)**
Other insurance income and expense	*9.5.2*	5,267	(3,255)	**2,012**	4,269	(3,010)	**1,259**	3,354	(2,555)	**798**
Sub-total insurance		**5,267**	**(4,774)**	**493**	**4,268**	**(4,500)**	**(231)**	**3,353**	**(3,242)**	**111**
Other related income and expenses	*9.5.3*	500	(157)	**343**	420	(126)	**294**	396	(112)	**284**
TOTAL		**6,011**	**(5,099)**	**912**	**4,927**	**(4,802)**	**125**	**3,946**	**(3,503)**	**443**

9.5.1 - Finance leases

(In € millions)	Dec. 31, 2006 EU IFRS			Dec. 31, 2005 EU IFRS			Dec. 31, 2004 2004 IFRS		
	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Gains or losses on sale	8	(15)	**(7)**	9	(34)	**(25)**	0	(10)	**(10)**
Impairment charges	5	(3)	**2**	16	(15)	**1**	14	(12)	**2**
Other related income and expenses	124	(109)	**16**	120	(107)	**13**	107	(106)	**1**
TOTAL	**137**	**(127)**	**11**	**144**	**(156)**	**(12)**	**121**	**(128)**	**(7)**

9.5.2 - Other insurance income and expense

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Life insurance premium income	4,270	3,172	2,336
Personal risk insurance premium income	(73)	111	97
Credit insurance premium income	751	751	700
Paid benefits and claims	(3,028)	(2,848)	(2,406)
Other net income	92	74	70
TOTAL	**2,012**	**1,259**	**798**

9.5.3 - Other related income and expenses

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Real estate activities	15	20	15
IT development and other services	51	55	44
Credit management services (1)	144	125	120
Other activities	132	94	106
TOTAL	**343**	**294**	**284**

(1) These services correspond to sales of credit information services, marketing information services and receivables collection services provided by Coface subsidiaries.

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9.6 - Operating expenses

Operating expenses comprise mainly payroll costs, including wages and salaries net of rebilled expenses (see 12.1), social security charges and employee benefits (see 12.3) such as pensions (defined benefit plans) and share-based payments (see 12.4), in accordance with IFRS 2.

This item also includes all administrative expenses and external services.

(In € millions)	Notes	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Payroll costs				
Wages and salaries [(1)]	*12.1*	(1,060)	(734)	(668)
(1) of which share-based payments	*12.4*	*(5)*	*(3)*	*(2)*
Post-retirement and other benefits	*12.3*	(82)	(99)	(84)
Social security charges		(294)	(224)	(205)
Incentive and profit-sharing plans		(124)	(71)	(55)
Payroll-based taxes		(63)	(53)	(47)
Other		13	1	(2)
Total payroll costs		**(1,610)**	**(1,179)**	**(1,061)**
Other operating expenses				
Taxes other than on income		(87)	(60)	(51)
External services		(1,099)	(727)	(655)
Restructuring costs		0	0	0
Other		23	(17)	(21)
Total other operating expenses		**(1,163)**	**(804)**	**(727)**
TOTAL		**(2,773)**	**(1,983)**	**(1,788)**

9.7 - Impairment charges and other credit provisions

This item comprises mainly impairment charges and other credit provisions relating to credit transactions: charges net of reversals of individual and collective provisions, receivables written off during the period and recoveries on bad debts written off.

At December 31, 2005 and December 31, 2006, “Write-offs of individual receivables” included securities classified as loans and advances in accordance with IAS 32 and IAS 39.

Since IAS 32 and 39 were not applied in the year ended December 31, 2004, charges and reversals were left under the Other category.

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(In € millions)	Dec. 31, 2006 EU IFRS Charges	Net reversals	Write-offs not covered by provisions	Recoveries of bad debts written off	Net	Dec. 31, 2005 EU IFRS Charges	Net reversals	Write-offs not covered by provisions	Recoveries of bad debts written off	Net	Dec. 31, 2004 Net
Provisions	**(23)**	**8**			**(15)**	**(25)**	**19**			**(6)**	**13**
Financing commitments	(12)	0			(12)	(4)	1			(3)	7
Other	(11)	8			(3)	(20)	17			(3)	7
Financial assets at amortized cost						**(268)**	**167**	**(8)**	**16**	**(93)**	**(83)**
Loans and advances	(303)	211	(13)	17	(88)	(268)	167	(8)	16	(93)	(83)
Write-offs of individual receivables	*(100)*	*47*	*(13)*	*17*	*(49)*	*(169)*	*104*	*(8)*	*16*	*(56)*	*(89)*
Collective provisions for performing loans	*(203)*	*164*			*(39)*	*(100)*	*63*			*(37)*	*6*
Available-for-sale financial assets	**(2)**	**31**			**29**	**0**	**19**			**19**	
Other	**(1)**	**1**			**0**	**(1)**	**0**			**(1)**	**(31)**
Impairment charges and other credit provisions	**(329)**	**251**	**(13)**	**18**	**(74)**	**(294)**	**204**	**(8)**	**16**	**(81)**	**(101)**

Including:	
Reversals of surplus provisions	*251*
Reversals used	*145*
sub-total reversals	*396*
Write-offs covered by provisions	*(145)*
Total net reversals:	*251*

9.8 - Share of income of associates

(In € millions)	Dec. 31, 2006 EU IFRS Share of net assets	Share of net income	Dec. 31, 2005 EU IFRS Share of net assets	Share of net income	Dec. 31, 2004 2004 IFRS Share of net assets	Share of net income
Financial sector companies	8,789	55	0	4	80	3
Other companies	44	9	50	10	50	8
TOTAL (1)	**8,833**	**64**	**50**	**14**	**130**	**11**

(1) The increase in the share in income of associates recorded during 2006 is attributable to first-time consolidation of the Banque Populaire and Caisse d'Epargne banks, following the acquisition of 20% of their capital via the CCIs. The decline in the value of associates between 2004 and 2005 was due to the change in the method of consolidation used for BP Développement and Sopromec, which were fully consolidated as at December 31, 2005. The equity value of these two subsidiaries amounted to €80 million as at December 31, 2004.

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9.9 - Gains or losses on other assets

This item comprises capital gains and losses on the disposal of property, plant and equipment and intangible assets, as well as capital gains and losses on the disposal of investments in consolidated companies.

(In € millions)	Dec. 31, 2006 EU IFRS Investments in consolidated companies	Dec. 31, 2006 EU IFRS Property, plant & equipment and intangible assets	Dec. 31, 2006 EU IFRS Total	Dec. 31, 2005 EU IFRS Investments in consolidated companies	Dec. 31, 2005 EU IFRS Property, plant & equipment and intangible assets	Dec. 31, 2005 EU IFRS Total	Dec. 31, 2004 2004 IFRS Investments in consolidated companies	Dec. 31, 2004 2004 IFRS Property, plant & equipment and intangible assets	Dec. 31, 2004 2004 IFRS Total
Net capital gains on disposals	11	9	11	5	93	98	2	(3)	(1)
TOTAL	**2**	**9**	**11**	**5**	**93**	**98**	**2**	**(3)**	**(1)**

Capital gains on disposals of property, plant and equipment and intangible assets during 2005 include €95 million arising on the sale of Liberté 2+A223.

9.10 - Change in value of goodwill

This item includes amortization of positive goodwill. Amortization is recognized where there is evidence of impairment.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Goodwill	(1)	0	(11)
(net amortization)			
Ixis AM	*(1)*		
Natexis Private Banking Luxembourg			*(6)*
Samic			*(5)*
Negative goodwill	0	2	4
TOTAL	**(1)**	**2**	**(7)**

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9.11 - Reconciliation of the tax charge in the financial statements and the theoretical tax charge

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
+ Net income attributable to equity holders of the parent	943	695	488
+ Net income attributable to minority interests	56	30	17
+ Income tax charge	369	342	239
+ Goodwill amortization	1	(2)	7
- Share of income of associates	(64)	(14)	(10)
= Consolidated net income before tax, goodwill amortization and share of income of associates	**1,306**	**1,052**	**740**
+/- Permanent timing differences (1)	(114)	(66)	(142)
= Consolidated taxable income	**1,192**	**986**	**598**
× Standard rate	33%	33%	33%
= Theoretical tax charge	**(397)**	**(329)**	**(199)**
+ Contributions and minimum annual tax charges	(6)	(11)	(8)
+ Income taxed at reduced rates	(6)	(16)	(9)
+ Losses for the period, restated conservatively	(1)	(1)	(8)
+ Impact of group tax relief	4	14	13
+ Differences in foreign tax rates	21	(3)	(1)
+ Tax reassessments	(18)	(32)	(29)
+ Tax credits	25	7	7
+ Exit tax on long-term capital gains reserves			(11)
+ Impact of annualizing the tax charge			
+ Other items (2)	10	29	6
Tax charge for the period	**(369)**	**(342)**	**(239)**
including: current	*(385)*	*(322)*	*(245)*
deferred	*16*	*(20)*	*6*

(1) The main deductions in respect of permanent timing differences concern the tax-exempt net income of venture capital subsidiaries. Under IFRS, results of subsidiaries that have issued preferred shares have been eliminated after reclassifying interest due to minority shareholders as interest expense. Under French GAAP, this no longer qualifies as a permanent timing difference.

NOTE 10 SEGMENT REPORTING

Natixis' segment reporting is based on two levels of analysis:

- by business segment (primary segment reporting);
- by region (secondary segment reporting).

The organization and internal reporting structure within the Management Board and Supervisory Board constitute the basis of identification of sectors.

Natixis has six business segments, representing the six business lines identified in Natixis' organization structure:

10.1 - Corporate and Investment Banking (CIB)

The CIB business line houses all the financing and capital markets activities for a clientele of large companies, banks and institutions, local authorities, and the retail banking networks of the two core shareholders. It brings together Ixis CIB's expertise in capital markets with Natixis' know-how in financing. It has a highly integrated sales force responsible for marketing Natixis products and developing sales of all products to its customers, and particularly products provided by the core business, which include:

- financing products: working capital finance (overdrafts, spot credits, discounting, credit lines, guarantees and bonds, documentary credits), financing for equipment, assets, acquisitions, projects and international trade;
- capital market products: fixed-income, equity, credit and currency derivatives, brokerage and arbitrage, natural resources and securitization;
- cash management and payment services: payment systems, EDI, authorizations, checks, letters of credit, transfers, cash management;
- advisory services: design and implementation of innovative financial solutions for corporate and institutional customers, M&A and corporate finance advisory capabilities.

10.2 - Private Equity and Private Banking

This business line encompasses:

- the private equity business, which provides expansion (corporate finance for mature companies), buy-in and buy-out (LBOs) and venture capital (young and innovative companies) and international private equity for a clientele of small and medium-sized, mostly unlisted companies by leveraging its own sales force;
- the wealth management activities in France and Luxembourg, developed from Banques Populaires' and supplemented by Natixis clientele, plus the recent addition of customers contributed by La Compagnie 1818 and the Caisse d'Epargne group. They span advisory services, portfolio management and mutual fund investment management.

10.3 - Services

This business line comprises:

- securities - securities back-office services: custody (account administration, back-office outsourcing, depository control), fund administration and accounting, issuer services, order receipt and transmission, office services. The addition of CACEIS' and Gestitres' activities has helped to strengthen Natixis' presence in this business;
- payments - Systems and infrastructure: electronic banking, issuance and collection of high-volume electronic transfers, check processing;
- insurance: savings, investment and insurance products and services marketed through two business lines: insurance (individual life, collective life, non-life insurance, personal risk insurance);
- employee benefits planning (design and marketing of products, management of employee investment funds, employee savings account management, fund administration and accounting);
- consumer finance: The consumer finance business line encompasses within Natixis a wide variety of activities focused on the revolving credit value chain (marketing, grant, administration and non-litigious collection, etc.) and personal loan administration activities. These activities are carried out through Novacrédit, which houses and manages some of the Banques Populaires' revolving credit outstandings, and CEFI, which manages all the Caisses d'Epargne revolving credit facilities and manages their personal loans;
- guarantees and bonds: This business line was contributed in its entirety by the Caisse d'Epargne group in the form of the Natixis Garanties sub-group. It provides several services provided to customers primarily through the retail banking networks: guarantees for loans to personal and small business customers and developers, legal guarantees, financial bonds.

10.4 - Receivables Management

This business includes Coface, Natexis Factor and GCE Affacturage, which have a shared management structure. It includes trade receivables management and offers customers tailored products to manage, protect and finance their receivables.

With the addition of GCE Affacturage, which took over the SME factoring portfolio of the Caisse d'Epargne et de Prévoyance d'Île de France's department, Natixis has strengthened its position in this field and honed its expertise for retail networks, which is already applied through Natexis Factor.

- Main activities: credit insurance, business information and ratings (solvency and marketing), receivables management (from issuance through to collection), factoring, and management of public procedures on behalf of the French State.
- Business lines under development: training in receivables management techniques.

Receivables management has an extensive distribution network comprising:

- its own network inherited from Coface covering 60 countries, supported by the CreditAlliance network (91 countries);
- the Banque Populaire and Caisses d'Epargne retail banking networks, which are a major source of factoring business in France and offer substantial development potential for other activities.

10.5 - Asset Management

Natixis' product management and design activities were strengthened by the contribution of the IAM group's businesses. These are performed by autonomous entities (specialized management companies and specialized distribution units) coordinated by a holding company that ensures the organization's consistency by overseeing its strategic direction. These companies are thus able to focus on their core business of achieving high performance, while retaining the option of developing their own institutional clientele and benefiting from the business line's other support functions. A number of them have forged a strong reputation, such as Harris Associates, Loomis Sayles, Ixis AMG and Natexis Asset Management.

Together, these specialized companies enable the Group to provide a full range of expertise meeting demand from all the various customer segments. Coverage of the various customer segments is optimized by the organization of distribution around the Advisors/Global Advisors platform and the business franchises developed over the long term by the management companies, notably to the groups clientele. Nonetheless, the management companies continue to handle distribution via the retail banking networks in France.

This business line boasts a strong presence in the US thanks to the assets contributed with Ixis Asset Management Group.

10.6 - Retail banking

Natixis integrates these business activities through its 20% ownership of the Banques Populaires' and the Caisses d'Epargne retail banking networks and from the business lines distributed by the networks.
Both shareholder groups' networks hold distinct, yet complementary market positions. The Caisses d'Epargne banks have a strong presence in the personal customer segment, offering a full spectrum of products and services. They also boast robust local roots and are prime movers in the development of regions, offering local authorities, social housing organizations and businesses an extensive range of products and services. The Banque Populaire network focuses on small businesses, SMEs and personal customers.
Other activities not covered by these six core businesses are grouped under "Other businesses", a category primarily comprising the functional departments (information systems, human resources, finance and internal audit).

Natixis has four geographical regions:

- France;
- Other EU countries;
- North America (Canada, US);
- Other OECD countries.

This analysis reflects the main regions in which it operates, of which France is by far the largest market.

Segment reporting is based on financial aggregates taken from the balance sheet and income statement and reconciled with the consolidated financial statements.
Results for each segment comprise directly attributable operating income and expenses, including transactions with other segments of Natixis.

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NOTE 11 RISK EXPOSURE AND MANAGEMENT

11.1. General system and principles

General system and principles applied by Natixis until November 17, 2006

Natixis' risk management system complied with French banking regulations and with the corporate governance principles of the Banque Populaire Group. There were three levels of control coordinated by Executive Management: self-assessment, with second and third-tier controls being performed by the internal audit department. The main units involved in second-tier control, all of which were independent of the business lines, were the risk management, compliance and internal control departments, which report to the General Secretariat, and the information systems security department, which reports to information systems and logistics. Under the regulations, the General Secretary, a member of the Executive Management Committee, was responsible for permanent controls.

The control coordination committee, which had been chaired since 2003 by the Chief Executive Officer, coordinated these various units on a monthly basis.

The credit risk management system was also structured around the large exposures committee and the various risk committees. The large exposures committee included the Chairman, the business line heads and representatives of the risk management, internal control and internal audit departments. It monitored and measured trends in the bank's major exposures and took preventative measures. It also assessed the quality of each core business's security systems and risk management tools. During 2006, it focused on integrating the Basel II capital ratio into the risk management process and validating capital market risk models, operational risk and LBOs.

The risk committees established by each of the core businesses included the business line heads and representatives of the risk management and internal audit departments, with greater emphasis on operational aspects and with meetings scheduled on a more regular basis. They included:

- credit committee of corporate and institutional banking and markets and the subsidiaries that report to it;
- country risk committee;
- risk committees of the services business;
- risk management committees and investment committees of the private equity and wealth management business line;
- risk management committees of the receivables management business line (Coface and Natexis Factorem);
- various limit violation committees;
- operational risk committees.

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General system implemented by Natixis from November 17, 2006

Natixis' risk management system is an integral part of compliance with regulatory standards and of the creation of an organization implementing the best practices of Natexis Banques Populaires and Ixis-CIB.

Its guiding principles are as follows:

- the separation between risk-taking and control functions within the Natixis group, notably including:
  - separation between front and back office functions,
  - the existence of first-tier controls at an operational level,
  - a distinction between periodic and permanent controls;
- a global organization based on control functions within the Natixis group ensuring the consistency of the internal system;
- a specific central body role being assigned jointly to the Caisse d'Epargne group and the Banque Populaire group.

The joint control system was rolled out in late 2006 and is structured around three confederal standing committees that meet on a monthly basis. The role of the standards and methods committee is to lay down or validate items in the event of delegation of joint standards. In particular, these standards relate to the general organization of the risk management function, risk assessment methods and reporting as part of consolidated supervision. The risk information systems committee is charged with handling all aspects of project supervision related to risk information systems common to both shareholder groups and Natixis and requiring the exercise of supervision on a consolidated basis. The top-level confederal risk management committee approves the aggregate risk limits proposed by Natixis, decides whether to approve commitments exceeding the unit limit for large commitments set for Natixis and monitors its large exposures. Governance responsibility for the overall system falls to Natixis' Management Board and Supervisory Board, with the latter being supported in the performance of its duties by the audit committee.

Within Natixis, permanent controls are conducted by the risk management, controls and compliance departments. These departments are independent of the business lines. A control coordination committee that meets on a monthly basis coordinates and ensures the efficiency of the system.

Permanent controls are underpinned by a coordinated set of committees, principally including:

- a top-level committee: the group risk management committee, which sets the major tenets of risk management policy;
- the Natixis group credit committee;
- the market risk committee;
- the operational risk committee;
- the new products and new business committees;
- the sensitive matters and provisions committee;
- the asset-liability management committee.

Natixis' risk management system will continue to evolve and adapt during 2007 in terms of its organization and risk management systems and assessment in accordance with the undertakings given in the document submitted to the AMF (document E, Appendix B).

11.2 - Organization of Natixis' risk management department

The risk management department aims to achieve a unified organization in terms of resources, methodologies and systems that capitalizes on Ixis-CIB's and Natixis' best practices. As of November 17, 2006, a Senior Executive Vice President in charge of risk management was appointed under the responsibility of both Natixis and Ixis-CIB. He reports directly to the Chief Executive Officer.

The risk management department's duties span all the banking activities, and it is organized by type of risk:

- counterparty/country risk;
- market risk;
- operational risk.

It is also supported by a risk analytics department responsible for designing and implementing risk methods and systems. It has a cross-divisional organization ensuring proper coordination. It is being rolled out in line with the global unit principle, and the priority during 2007 will be to establish strong functional and hierarchical ties between Natixis and its subsidiaries and foreign branches. This functional tie helps to ensure the consistency of risk management policy implemented across all of Natixis' operations.

The risk management department proposes a risk management policy conforming to the policy adopted by its two shareholder groups for validation by the Management Board.

Likewise, it submits to the executive body principles and rules concerning:

- the decision process for risk-taking;
- arrangements for the delegation of authority;
- risk measurement;
- risk monitoring.

11.3 - Implementation of the new capital accord

Natixis actively pursued its preparations for the reform of the Basel II capital adequacy ratio in conjunction with Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne. From January 1, 2008, Natixis intends to adopt the internal ratings based approach to calculate the capital requirements for almost all its risk portfolio, subject to the French banking commission's approval.

The project was led within Natixis by a cross-divisional unit bringing together the risk management, finance and information systems departments and organized into sub-projects (ratings, defaults, management of guarantees received, information, deployment, calculation of the ratio). At Ixis-CIB, the risk management and finance departments played a key role in the smooth running of the project. Immediately after November 17, 2006, the project was reconfigured to address merger-related issues, secure approval for Natixis and launch programs that will enable Natixis to switch over to the proposed internal ratings based approach.

All the accomplishments made by the Basel II program at both Natixis and its subsidiaries are an integral part of the permanent risk management system.

11.4 - Credit risk

BREAKDOWN OF RISKS AND PROVISIONS AT DECEMBER 31, 2006

Regions *(In € millions)*	Specific risks	Country risks	Industry risks	Total risk	Impairment charges for specific risks	Impairment charges for country risks	Impairment charges for industry risks	Total impairment charges
France	952		6,930	7,882	577		150	727
Other Western Europe	152		4,948	5,100	123		161	284
Eastern Europe	14	75	899	988	3	1	7	11
North America	72		2,359	2,431	31		159	190
Central and Latin America	29	1,519	582	2,130	11	49	5	65
Africa and Middle East	11	1,580	157	1,748	8	101	18	127
Asia-Pacific	46	685	364	1,095	17	9	8	34
RISKS AND HEDGES	**1,276**	**3,859**	**16,239**	**21,374**	**770**	**160**	**508**	**1,438**

11.5 - Market risks

Market risk organization and management

■ Natixis' market risk organization and management

Upon the creation of Natixis, the capital market activities that were previously part of Natexis Banques Populaires and Ixis Corporate & Investment Bank were pooled. They were combined to form the corporate and investment banking unit in the capital markets business line. The market risk organization and management principles applied within Ixis Corporate & Investment Bank and Natixis were thus retained, while a merger process aimed at implementing the procedures described below was initiated. The overall consistency of procedures and their development are ensured by the centralization of key decisions.

The market risk department defines the risk measurement methodologies, examines restrictions and monitors all the market risks within the scope of Natixis. The market risk management procedures are implemented based on a system of delegation of authority, with the group risk management committee at its summit and the market risk committee playing a key role within it.

The role of the market risk committee is to determine the bank's market risk policy and ensure that it is implemented properly. The market risk committee represents the operational extension of the executive body and as such possesses full powers to make decisions in matters falling within its jurisdiction. The market risk committee meets on a monthly basis. This said, it may be convened whenever the need arises. It is chaired by a member of the Management Board. The committee's chairman has sole authority to make decisions after a discussion between the stakeholders. Should he be unavailable, he may be represented by another person.

The market risk policy determined by the market risk committee notably incorporates the following aspects:

- determination and review of the VaR and operational limits. This review is conducted using budget data, which have to be provided by the front-office managers;
- definition of delegations of authority for validation purposes;
- review of exposures at risk, possibly with a focus on a specific risk category;
- review of any limit overruns observed and/or unauthorized and actions implemented or to be implemented;
- review of previous decisions made after delegation of authority;
- information about the market risk methodologies and models validated, with validation being performed on a case-by-case basis by *ad hoc* committees.

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Natixis' risk management department validates these market models and ensures on a regular basis that the models used are relevant in view of trends in the markets and best practices in the industry.

Natixis' risk management procedures (scope of the former Natexis Banques Populaires)

The market risk department oversees second-tier control and is completely independent of the business units. Its key duties are thus:

- validating the principles and methods proposed by the middle office, ensuring their consistency throughout the Group and making recommendations where necessary;
- monitoring market risks at the various consolidation levels and particularly at Group level;
- handling internal and external reporting on market risks;
- validating internally-developed models and software models used to value products held in the portfolio;
- validating the various delegated authorities and limits requested by capital markets unit of the corporate and investment banking business line and proposed by the middle office;
- making recommendations on the risk management system.

In addition, the control system also draws on the first tier controls performed by the middle office, which has operational functions linked to the applications it administers and uses on a daily basis. Its key duties are:

- producing and analyzing performance and risks on a daily basis;
- producing and analyzing provisions on a monthly basis;
- ensuring the reliability of market parameters used to calculate results and risks;
- proposing methods to calculate provisions, while ensuring that they are exhaustive and match the nature of risks incurred;
- developing the system of delegated limits and method of calculating risk, in conjunction with the risk management department;
- monitoring and reporting any market limit violations.

Lastly, the internal audit department is responsible for the operational component of second tier controls, which consist in:

- ensuring that adequate procedures are in place and periodically assessing their appropriateness, particularly with regard to business activities and regulations;
- ensuring that procedures are properly and correctly followed;
- making recommendations on the risk management system;
- more generally, ensuring that procedures governing the management and monitoring of market risks are respected.

The risk management system is structured around the following committees:

- a market risk committee, which meets monthly and comprises the heads of the various control levels together with front office managers. It is chaired by the head of capital markets activities. The committee validates new limits, proposes changes to limits and reviews any identified limit overruns;
- a risk monitoring and supervision committee, which meets on a quarterly basis, comprising front office and middle office managers, the risk management department and the internal audit department to present new methods for measuring risks and divide up developments for their implementation;
- a new products committee, enabling capital markets activities to launch new products safely, after identifying and analyzing the different risk factors that may affect the value of the product. The new products committee meets around every six weeks and is backed up by theme-based working parties that meet every week. The committee examines the different risks inherent to a new product, in particular market, counterparty, legal, accounting, tax and non-conformity risks.

Until November 17, 2006, the bank's Board of Directors validated the level of overall limits for all the entities. In addition, the internal audit departments of the former Natexis Banques Populaires and Banque Fédérale des Banques Populaires periodically conducted specific audit assignments.

Ixis Corporate & Investment Bank's market risk management

Ixis Corporate & Investment Bank's risk management department defines the market risk assessment principles, reviews the limits and conducts follow-up on a completely separate basis from the business units.

Market risk control procedures are based on a complex measurement system, precise procedures and close monitoring. The entire system is overseen by the market risk committee, which is chaired by the Chairman of the Management Board. The committee's role is to:

- examine risk exposure;
- define the various limits and related delegations of authority;
- validate the measurement methods and monitoring procedures;
- ensure market risk procedures are observed properly.

The market risk committee meets on a monthly basis.

Control of Ixis Corporate & Investment Bank's market risks is performed by the market risks department, which is part of the risk management department. This department defines the risk measurement principles in complete independence and autonomously designs the corresponding systems. The department in charge of controlling market risks comprises four business monitoring units, which correspond to the principal business lines of Ixis Corporate & Investment Bank's front offices, namely fixed income, equity and equity

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derivatives, project structuring and financing. Charged with business monitoring in the broad sense of the term, these units harness the synergies between risk analyses and performance. They represent the department in its dealings with each front office and internally act as customers and users of the risk and performance systems.

Within their scope, they are thus responsible for:

- analysis and control of market risks and related reporting;
- regular monitoring of positions and their performance;
- second-tier validation of investment performance produced by the results department;
- validation of pricing models;
- determination of provisioning policies and value adjustments (for liquidity risk, statistical risk, non-hedgable parameters, model risks, etc.);
- follow-up on the new products committee.

Another of their duties is to determine the appropriate risk measurement methodologies for their unit.

This type of control takes the form of daily and weekly management charts, which are reviewed by the Management Board and Executive Committee. In addition, the status of and trend in market risks are presented on a weekly basis to the Chairman of the Management Board and on a monthly basis to the market risk committee. Ixis Corporate & Investment Bank has been authorized since 1997 to use Scénarisk, its internal model monitoring market risks (general interest rate, equity, currency risk and specific equity risks). This authorization was extended by the French banking commission in February 2006.

Market risk measurement

Natixis' market risk measurement

Upon Natixis' creation, market risk measurement and follow-up were harmonized through use of a single calculation tool: Scénarisk, a system already in place at Ixis Corporate & Investment Bank. To monitor compliance with the VaR limit set by the regulator, Natixis' risk management department produces the VaR for Natixis combining the portfolios of the former Natexis Banques Populaires (trading and available-for-sale) and those of Ixis Corporate & Investment Bank and Ixis Capital Markets North America. The market transactions entered into within the scope of the former Natexis Banques Populaires are integrated based on sensitivities provided by the front-office management systems in force. After choosing target front office management systems, the VaR calculation is refined to take account of the convexity of Natixis' positions.

A general review of Natixis' system was conducted using stress tests. Stress tests were carried out using the Scénarisk VaR calculation system as of the date of Natixis' creation.

- Adverse stress consisted in "applying a shock" to the various market parameters carrying significant sensitivity. Shocks are applied on a unit-by-unit basis (or by coherent group of parameters) and provide insight into the potential changes in P&L on a business-by-business basis. The risk scenarios defined by Ixis Corporate & Investment Bank (over 250 in all) will be extended over the medium term to cover the entire scope of Natixis' operations.
- Historical stress testing consists in replicating sets of changes in market parameters observed during past crises, over a short-term time horizon, to simulate the orders of magnitude of changes in the P&L. Although these stress tests have no predictive power, they help to assess the scope's exposure to known scenarios. No historical stress scenarios were used in production at Ixis Corporate & Investment Bank at November 17, 2006. The stress scenarios already in place at the former Natexis Banques Populaires will be reused across the entire combined entity, plus additional shocks concerning the credit scope.
- Theoretical or "global" stress tests consist in modeling changes in market parameters for all the activities, based on plausible assumptions of the reaction of one market to another, depending on the nature of the initial shock. Four global stress tests currently in place at Ixis Corporate & Investment Bank will be extended to the entire scope of Natixis, once foreign exchange rate shocks have been added.

Natixis' risk measurement methodology (scope of the former Natexis Banques Populaires)

Methods

Natixis' market risk management system is based on a risk metrics model that measures the risk run by each Group entity. The current model consists of a number of standard metrics and VaR calculations. As part of the creation of Natixis, the internal model developed by Ixis Corporate & Investment Bank, which is based on a VaR measurement, is set to be applied to the portfolios of the former Natexis Banques Populaires (see above).

The key standard metrics used are:

- sensitivity to a +/- 1% change in interest rates (overall and by maturity);
- yield curve exposure expressed as the potential loss;
- currency exposure;
- equity exposure;
- sensitivity to a +/- 1% change in implied volatilities in the equity, foreign exchange and fixed income markets (overall, by maturity and by strike);
- sensitivity to a change in delta of an underlying (equities, fixed income and currency);
- sensitivity to dividend levels;
- sensitivity to a change in swap spreads;
- sensitivity to a change in issuer spreads;
- sensitivity to a change in correlations;
- monthly and annual loss alerts.

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Principal limits

The principal limits are as follows:

- maximum sensitivity of interest rate maturity schedules to a +/-1% shift in the yield curve was €125 million at December 31, 2006;
- the foreign exchange risk limit stands at €3 million. It is stated as a potential one-day loss with a confidence interval of 99%;
- the limit on sensitivity to a change in issuer spreads on the fixed-income secondary trading portfolio stands at €11.5 million. It is stated as a potential one-day loss with a confidence interval of 99%;
- Volatility limits for interest rate, currency and equity options are:
  - €4.5 million for a 1% change in interest rate volatility,
  - €3 million for a 1% change in equity volatility,
  - €0.731 million to €0.975 million per currency for a 1% change in foreign exchange volatility.

These overall indicators are supported by more precise measurements by underlying, maturity and strike price.

Several developments occurred during 2006, representing the continuation of previous programs. New models were developed and studies were carried out to quantify the model risk and enhance the various pricing models taking these market developments into account.

The system of limits was reviewed notably with respect to the following points:

- further increase in the outstandings authorized for money market securities, with an adjustment in the level of the limit related to the spread risk management metric (Xsi)* on this portfolio.
- increase in alpha limits in delta and outstandings, following the expansion of the business;
- increase in the hybrid fixed-income, exotic and equity finance delta limits. Note that the limits applicable to Natexis Arbitrage's activities were restored to Natixis' portfolios as of January 1, 2006;
- increase in the market risk limits for Natexis Bleichroeder Inc. (NBI), notably the total VaR limit;
- increased sensitivity to overall interest rates for the capital markets activities (including the treasury desks);
- increased sensitivity to yields on short-term and long-term treasury instruments and reduced sensitivity to returns on the treasury strategies desk;
- deployment of the yield curve risk indicator for the scope of the former Natexis Banques Populaires completed.

Ixis Corporate & Investment Bank's risk measurement methodology

Market risks are measured using various types of metric:

- synthetic Value at Risk (VaR) metrics revealing the potential losses that each business may suffer at a predefined confidence interval (e.g. 99%) and for a specified position holding horizon (e.g. 1 day). They are calculated and monitored on a daily basis for all the Group's trading activities.

  To this end, the combined performance of the market parameters on which portfolios' value depends is modeled using statistical studies over a period of 365 calendar days. For the time being, there are over 3,500 market risk parameters that are modeled and used in the Scénarisk software.

  Since late November 2004, Ixis Corporate & Investment Bank has employed a VaR calculated using digital modeling based on Monte Carlo methodology, which makes it possible to take into account any non-linear relationships between portfolios depending on the various risk parameters;
- stress test metrics, which consist in measuring potential losses on portfolios in extreme market configurations. These configurations are established using scenarios based on historical studies (economic scenarios) and hypothetical portfolio-specific scenarios;
- operational indicators making it possible to oversee the business either as a whole and/or by consistent segment using parameters that may be observed more directly (e.g. nominal amount, sensitivities, stop-loss, diversification and market penetration indicators). The limits corresponding to these operational indicators complement the VaR limits and stress tests. They are determined consistently with the latter limits, notably where they correspond with the delegations of authority used by the front office. This applies in particular to stop losses, which are used to trigger alerts on strategies giving rise to losses, with a very high level of granularity (limits per trader). These stop losses are monitored on a permanent basis and, where they are breached, they trigger a decision by management on the relevant positions (closing out, hedging, no action, etc.).

Structural interest rate risk, currency and liquidity risk

Organization of structural interest rate risk, currency and liquidity risk management

In keeping with existing systems in place at the former Natexis Banques Populaires and Ixis-CIB, the ALM committee defines the key priorities for the management of structural balance sheet risks. The role of this committee, which is chaired by a member of the Management Board, includes representatives from corporate and investment banking, the finance and risk management departments and meets once a quarter, is asfollows:

- monitoring changes in the balance sheet and the off-balance sheet;

** N.B. Xsi is an indicator originating with the former Natexis Banques Populaires, which measures the issuer spread risk (idiosyncratic risk).*

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- analyzing liquidity risks, the structural interest rate and non-operational currency risk;
- validating internal refinancing rules (TCI);
- validating the Group's refinancing policy on the markets;
- validating the limits corresponding with the balance sheet risk metrics for presentation to and approval by the group risk management committee.

Harmonization of the monitoring and management of Natixis' structural balance sheet risk will be continued during 2007 in keeping with the risk convergence and the ALM action plan undertakings.

Structural interest rate, currency and liquidity risk for Natixis (scope of the former Natexis Banques Populaires)

Since 2000, the structural interest rate and liquidity risk transformation process is centralized using internal matching agreements within the treasury department of the corporate and institutional banking and markets business line. This department is responsible for operational management by delegation from the ALM committee. Subsidiaries are refinanced by the treasury department. Since subsidiaries enjoy autonomous management of liquidity and structural interest rate risk by delegation of the ALM committee, they have their own treasury or balance sheet management committee for the management of rules and limits validated by the ALM committee.

Structural interest rate risk

Since it is a corporate and investment bank, Natixis has few undated interest rate positions. Almost all its transformation into structural interest rate risk is based on contractually dated transactions centralized by the treasury department. In addition, the structural interest rate risks deriving from these operations are almost exclusively linear in nature.

The ALM committee validated the principle of expressing maturity schedule sensitivity limits of economic value for refinancing books as a percentage of regulatory capital. For a sensitivity to a 200bp shift in interest rates(16), a global limit representing 2.5% of regulatory capital was adopted by the committee. The risk limits allotted are currently as follows:

(In € millions)	ST treasury	LT treasury	Natexis Lease	Natexis Factorem	Total
Change in economic value based on a ±200bp shock	100	80	16	8	**204**

Sensitivity metrics are produced on a daily basis for the scope of the treasury department. They are produced on a monthly basis for the relevant subsidiaries.

In 2006, a yield curve risk indicator calculated on a daily basis was deployed for the treasury portfolios(17) in conjunction with the following limits:

- ST treasury desk (Paris) €1.5 million
- ST treasury desk (Singapore) €0.5 million
- LT treasury desk €3.6 million

Lastly, interest income sensitivity metrics are produced from time to time for various scenarios without any limit-based constraints.

(16) "Shock" proposed by the banking regulator in the second pillar of the Basel II accord published in June 2004.

(17) The indicator and its associated limit for the New York short-term treasury desk are currently being rolled out.

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Liquidity risk

As a corporate and investment bank, Natixis has few liquidity positions in undated accounts. Almost all its liquidity transformation is based on contractually dated transactions.

Centralization of the overall refinancing requirements in a large number of foreign currencies within the treasury department in the short, medium and long term helps to minimize liquidity costs on a permanent basis for the Group as a whole. This approach helps to facilitate an issuance policy based on continuous efforts to achieve maximum diversification of debt placement in terms of issues and geographical region.

The treasury department's handling of liquidity transformation is monitored using minimum liquidity gap coverage levels (ratio of assets to liabilities by maturity segment) validated by the ALM committee. These ratios were not changed during 2006.

Segment	Ratio
10 days	85%
1 month	80%
2 months	75%
3 months	70%
4 months	65%
5 months	60%
6 months	55%
7 months	55%
8 months	55%
9 months	55%
10 months	55%
11 months	55%
1 year	55%
2 years	45%
3 years	35%
4 years	30%
5 years	25%
6 years	25%
7 years	20%
8 years	15%
9 years	10%
10 years	5%

Lastly, the liquidity risk monitoring system is rounded out with liquidity stress scenarios, which are currently being prepared.

Structural currency risks

Natixis' structural currency risks are primarily focused on the US dollar. These include risks linked to:

- investments in subsidiaries, capital allowances given to branches and retained earnings not denominated in euros,
- incomes and expenses denominated in a currency other than the euro.

With regard to the first component, the ALM committee has prioritized the purchase of the foreign currency and refinancing in euros for long-term investments (acquisitions of shareholdings, capital allowances, etc.). This policy helps to protect the bank's capital adequacy ratio, the risks of which are denominated partly in a currency other than the euro. It may evolve should the protection level of the ratio move above 100%.

With respect to the second component, the ALM committee approved coverage of the headquarters' USD income as forecast in the budgeting procedure through forward sales of the US dollar against the euro, which are reversed as and when the USD income accrues.

Structural interest rate, currency and liquidity risk at Ixis-CIB

Structural balance sheet risks, structural interest rate risk, structural currency risk and liquidity risk are overseen and managed by Ixis Corporate & Investment Bank's balance sheet management committee. This committee, which notably comprises representatives from the finance and risk management departments, is chaired by a member of the Management Board.

Structural interest rate risk

The structural interest-rate risk has a VaR limit of €18 million. Use of this limit is calculated on a daily basis by the risk management department, with the finance department monitoring and overseeing management of the risk.

In addition, the balance sheet management committee uses monthly indicators concerning the structural interest rate position on banking book activities, in particular the static gap by maturity category, as well as sensitivity analysis of the net present value on the basis of several yield curve scenarios (increases or decreases, steepening, flattening, development of factors in a multi-factor model).

The interest-rate gap used is the difference, for each plot, between fixed-rate liabilities and assets (i.e. including fixing for revisable rates). A negative (or positive) gap indicates exposure to an increase (or decrease) in interest rates.

Liquidity risk

Short-term liquidity requirements are monitored on the basis of three factors:

- the liquidity ratio, with a target ratio of a minimum of 120%. This is estimated daily by the finance department on a company basis and monthly on a consolidated basis;
- current account limits: these limits are managed by the financing committee, which comprises representatives of the main users, as well as the treasury and risk management departments;
- stress scenarios: scenarios are updated once a month and presented to the balance sheet management committee.

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Medium to long-term liquidity requirements are monitored on a monthly basis by the same committee.

Structural currency risks

Since Ixis CIB has chosen to finance its foreign currency assets through borrowings in the corresponding currency, the position exposed to structural interest rate risk is therefore entirely in euros, excluding foreign currency income, which is subject to specific management.

Currency risk is hedged within the VaR limits set by business lines. Structural currency risk is reported to the balance sheet management committee.

Management of market risks and hedging

As referred to previously, the objectives of Natixis' (scope of the former Natexis Banques Populaires) and Ixis-CIB's strategy for the management of financial risks – namely interest rate and liquidity risks – are based on the centralization of these risks with the treasury department. Since Natixis' entities enjoy operational autonomy in terms of managing their interest rate and liquidity risk as a result of delegation of authority from the ALM committee, they have their own treasury or balance sheet management committee. The interest rate risk of Natixis and of its main subsidiaries is subject to maximum exposure limits, which are defined and validated annually by the ALM committee.

Within the framework of its structural interest rate risk management, Natixis uses primarily plain vanilla interest rate swaps as hedging instruments.

11.6 - Insurance risks

Since Natixis Assurances sells mainly savings products, the main risks arising from insurance contracts are financial in nature.

■ Risk of not being able to meet the minimum contractual payout rate in the event of a fall in interest rates

To contend with this risk, ABP Vie has for several years only sold contracts with no guaranteed minimum payout rate, which account for 84% of contracts. The average guaranteed minimum payout rate stands at 0.53%.

■ Risk of the buyback of contracts if interest rates rise

ABP Vie has identified the population of policyholders for which the buyback risk is high. The discriminating factors are age, tax record and amount of capital involved.

ABP Vie was thus able to restrict the scope requiring hedging with caps to around one-third of its fixed-income assets. In addition, it purchased variable-rate bonds with minimum guaranteed yields.

The liability adequacy test conducted in accordance with IFRS 4 showed that insurance liabilities valued under French GAAP were higher at fair value, taking into account the buyback option embedded in the contracts. The test carried out was based on a stochastic technique of measuring discounted future cash flows.

■ Financial risk if interest rates rise

The sensitivity of the Group's equity to changes in interest rates is attenuated by the classification of around €7 billion of fixed-income securities in the "held-to-maturity financial assets" category.

The sensitivity analysis performed at year-end 2006 shows that a one-point increase in bond yields would have a negative impact of €23 million on equity, i.e. 3% of total capital.

■ Market risks

To contend with the provisioning risk in the event of a steep fall in the equity market, ABP View limits its equity investment and also invests in real estate.

The sensitivity analysis carried out at year-end 2006 shows that:

- a 10% decline in the equity market would have a negative impact of €15 million on equity, i.e. 2% of capital;
- a 10% decline in the real estate market would have a negative impact of €4 million on equity, i.e. 0.5% of capital.

In addition, ABP Vie has reinsured 100% of the minimum guarantee granted on unit-linked contracts.

■ Credit risk

Counterparty risk is monitored and managed in accordance with Natixis' internal standards and limits, as defined by the risk management committee, as well as by the regulatory constraints on insurance companies.

As a result, over 95% of the fixed-income portfolio is invested in securities rated above A-.

In **personal risk insurance**, the risks insured are short-cycle risks, since reserves liquidated over a period of more than one year do not represent a very significant amount.

The personal risk insurance business is covered by an annual reinsurance plan. This plan seeks to diversify reinsurers and to deal only with parties with a high-quality rating. No reinsurance treaties are entered into or renewed with parties that do not have an investment grade rating. In practice, the Group's reinsurers have a rating of between A- and AA-.

■ Mortality and morbidity risks

To reduce mortality and morbidity risks, Natixis Assurances conducts an advance medical assessment of its new policyholders.

The reinsurance plan enables it to curb its exposure notably to the dispersion risk of guaranteed capital and to the frequency risk of losses linked to absence from work and invalidity. A reinsurance treaty covering the scenario of an epidemic or pandemic has also been arranged to curb exposure resulting from the increase in mortality rates that would ensue.

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Concentration of risks

The nature of insured risks combined with reinsurance does not result in any particular exposure in terms of the concentration of insurance risks.

Given the nature of its activities, Coface is exposed to two main types of risk

Technical risk

Credit risk (technical risk) is the risk of losses generated by the insurance policy portfolio. A distinction is made between frequency risk and target risk:

- frequency risk represents the risk of a sudden and substantial increase in outstanding debts due from a large number of debtors. This risk is measured for each business unit by monitoring the loss ratio (claims to premiums ratio), by business sector (domestic credit), by country (export credit) or by product line (guarantees, single risks etc.). The loss ratios of the various underwriting centers are also monitored at Group level, as are the amounts and number of outstanding debts per month;
- target risk represents the risk of unusually high losses from a single debtor or group of debtors, or accumulated losses in the same country.

In addition to monthly monitoring of each underwriting center, a procedure is in place at group level based on:

- a centralized system for reporting potential loss claims above a certain amount (currently €0.5 million for all underwriting centers, increased to €1 million for the two main centers – Coface SA and Coface Kredit), with the intervention of a subsidiary specializing in recovery (RBI);
- the "major risks committee", which sets the maximum amount of risk for Coface accepted out of the group's 400 largest risks (commitments of over €80 million and severity of over €25 million) and sets maximum levels for each emerging market;
- a rating system for corporate risks and country risks;
- a system for the statistical assessment of "severity" (potential maximum loss in the event of a loss claim) by debtor, group of debtors or emerging market.

Diversification of the credit risk portfolio

Coface maintains a diversified credit risk portfolio in order to minimize the risks of default by a debtor, the slowdown in a particular business sector or an unfavorable event in a particular country, which may have a disproportionate impact on Coface's overall loss ratio. In addition, the majority of risks to which Coface is exposed are short-term in nature, which enables it to reduce the risk on a particular debtor or group of debtors relatively quickly after deterioration in their solvency is observed.

The group's total theoretical outstandings amount to €332 billion, comprising €309 billion for credit, €14 billion for guarantees and €9 billion for investment and single risks.

Exposure to non-payment risk

Coface insures the non-payment risks of nearly 1.9 million companies worldwide. At December 31, 2006, the average risk per debtor was €169,770. Individually, the vast majority of debtors pose an insignificant risk in relation to Coface's total portfolio, since no single debtor represents more than 1% of Coface's total outstandings.

The following table shows the breakdown of credit insurance debtors as at December 31, 2006, based on the total level of risk borne by Coface in thousands of euros:

OUTSTANDING LOANS BY LOAN SIZE AS AT DECEMBER 31, 2006 (AGREED POLICIES)

Loan size in thousands of euros	Outstandings (In € millions)	Total number of limits (in thousands)	Total number of purchasers
Refused	0	376,474	298,866
1 – 10	3,086	414,731	392,244
11 – 20	5,535	362,168	309,829
21 – 50	12,444	505,816	333,924
51 – 100	15,937	397,764	197,678
101 – 300	35,586	598,197	193,194
301 – 500	22,192	254,521	4,530
501 – 800	22,815	212,720	4,454
801 - 1,500	33,487	241,190	9,491
1,501 and over	167,401	487,421	1,753
TOTAL	**318,483**	**3,851,002**	**1,875,963**
Average outstandings per debtor	**€169,770**		

Financial risk

Financial risk is the risk of losses as a result of unfavorable changes in interest rates, exchange rates or the market value of securities or property investments.

Through its business activities, CIFG is exposed to two principal financial risks: credit risk and the risk of fluctuations in credit spreads

Credit risk

This is the basic risk facing any financial guarantor. With each transaction it enters into, CIFG agrees to cover the risk of non-payment by the issuer of the principal and interest payments due under the debt security guaranteed. This risk is moderated by the fact that the financial guarantor continues (in the event of default) to make payments in line with the borrower's original schedule, without any acceleration.

To reduce and manage this risk as effectively as possible, CIFG has put in place a risk control performed by an autonomous and centralized function overseen by a risk management department reporting directly to the Group's CEO.

Risks are controlled in line with the following principles:

- zero-risk underwriting (the premium does not represent reward for risk);
- transactions are at least rated BBB- prior to issuance of the guarantee (i.e. they are investment grade issues);
- the approach is in line with standards and practices accepted by rating agencies for financial guarantees. The review of operations covers all types of transaction and all geographical regions on a centralized basis to guarantee consistency, ensure compliance with limits and control the portfolio's diversity.

Risk control is a critical aspect of all transactions. After an analysis of transactions by the business lines, the risk control department verifies the quality of the risk models used, their correct use and the quality of the risk underwriting.

The risk management and investment policies implemented are conservative, in keeping with the CIFG group's triple A rating. CIFG continuously ensures that its underwriting policy is in keeping with the constraints imposed by rating agencies to preserve its AAA/Aaa/AAA ratings. It maintains contact and meets with the rating agencies on a very regular basis, enabling it to ensure that each transaction has been reviewed properly by the agencies.

In addition, CIFG verifies the intrinsic diversification of its risk portfolio. Using proprietary models and models replicating rating agencies' analysis, it performs continuous analysis of the overall risks and also of the individual risks deriving from underlying assets to verify their characteristics and assess the probabilities of default and severity.

Risk of fluctuations in credit spreads

When CIFG grants protection against a credit risk in the form of a credit derivative (credit default swap), market conditions can lead to changes in the carrying amount of these transactions at a given date. Although financial guarantors are by definition obliged to pursue a buy and hold strategy, this change in market conditions has to be measured in line with IFRSs.

For each relevant transaction, CIFG models the impact of credit spreads on possible losses and verifies that the resulting change in value remains minimal relative to the terms of the transaction. The credit committee is supplied with this information when it reviews the transaction.

NOTE 12 PAYROLL COSTS, NUMBER OF EMPLOYEES, COMPENSATION AND EMPLOYEE BENEFITS

12.1 - Payroll costs

Payroll costs amounted to €1,610 million in 2006.

Payroll costs not only include wages and salaries net of rebilled expenses but also employee benefits such as pensions (defined benefit plans) and share-based payments in accordance with IFRS 2.

The annual charge for defined benefit plans comprises:

- additional entitlements vested with all employees;
- interest costs (discount effect);
- the gross yield on plan assets;
- amortization of actuarial gains and losses (application of the so-called corridor approach) and past service cost.

12.2 - Number of employees

By number	Dec. 31, 2006 EU IFRS(1)	Dec. 31, 2005 EU IFRS(2)	Dec. 31, 2004 2004 IFRS(2)
Number of employees	21,138	14,098	13,465

(1) Full-time equivalents active within the Natixis group at December 31, 2006.

(2) Average number of full-time equivalents.

12.3 - Employee benefits

The main provisions for employee-related liabilities concern:

- CAR supplementary banking pension;
- Natexis Banques Populaires supplementary banking pension;
- end-of-career awards and allowances;
- long service awards.

The Banque Populaire group's CAR ('Caisse Autonome des Retraites') pension fund, for which Natixis employees from the former Caisse Centrale des Banques Populaires were also eligible, was closed on December 31, 1993, in accordance with the professional agreement of September 13, 1993, applicable to the Banque Populaire banks under the Group agreement of January 7, 1994.

Pension liabilities to active and retired employees comprise supplementary pensions specific to the Banque Populaire group and a residual supplementary banking pension calculated on the basis of the difference between banking rights at December 31, 1993, and social security pensions.

As regards pension funds specific to Natixis, the former BFCE fund is at breakeven, while the former Crédit National fund shows a small deficit between reserves and discounted commitments.

For end-of-career allowances, consolidated entities cover all or part of their commitments through insurance policies with ABP Vie, the life insurance subsidiary of Natixis, which is fully consolidated.

Provisions are booked for all subsidiaries' commitments not covered by insurance policies.

A ministerial decree of July 18, 2005, resulted in the modification of the end-of-career award system. Departures on the initiative of the employer before the age of 65 are no longer subject to social security contributions where a special agreement or relevant collective bargaining agreement provides for offset measures in terms of jobs and professional training. An agreement of this type was entered within the Banque Populaire group in 2005. The impact of this change was treated as a past service cost, spread out over the remaining vesting period determined for each entity.

The Social Security financing act for 2007 alters the conditions under which employees may be retired before the age of 65. Allowances paid in connection with employees who take early retirement before the age of 65 after January 1, 2014 will be subject to social security contributions. Analyzed under IAS 19 as a change in scheme, the impact of this new legislation on the amount of obligations will be recognized on a deferred basis over the vesting period of entitlements starting on January 1, 2007, since the Act entered force in late 2006.

The main actuarial assumptions made as at December 31, 2006, are as follows:

	Supplementary pensions	End-of-career allowances	Long service awards
Discount rate	4.04%	3.72%	3.65%
Return on plan assets	6.00%	3.70%	///

The drift rate for healthcare expenses is 4.5%, of which 2% relates to inflation and 2.5% to the "generation" effect.

For end-of-career awards 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.

(In € millions)	Supplementary pensions	End-of-career allowances	Long-service awards	Other	Total
IAS liabilities at January 1, 2006					
Impairment	46	117	29	49	242
Items not recognized under IAS 19	16	30		7	53
Remaining changes in pension schemes		(12)			(12)
TOTAL LIABILITIES AT JANUARY 1, 2006	**62**	**135**	**29**	**57**	**283**
Benefits paid over the period	(3)	(4)	(2)	(3)	(12)
Benefits vested over the period		5	2	2	9
Interest charge	10	4	1	2	17
Expected gross return on plan assets	(6)	(1)			(7)
Change in management fees	0	0			0
Payment to fund					
Charges on payments					
Change in scheme recognized over the period	2	(1)	0		2
Actuarial gains and losses	0	2	0	(6)	(4)
Other items	(5)	1	0	(4)	(8)
Change taken to income	**(2)**	**7**	**0**	**(9)**	**(4)**
Actuarial gain or loss on liabilities	2	(2)		(1)	(1)
Actuarial gain or loss on return on plan assets	0	0			0
Other actuarial gains or losses	8	1			9
Change in actuarial gains or losses not recognized	**10**	**(1)**		**(1)**	**7**
Change in scheme over the period		15			15
Other items				4	4
Other changes not recognized		**15**		**4**	**18**
Other items	4	2	0	28	34
Other changes	**4**	**2**	**0**	**28**	**34**
Liabilities at December 31, 2006					
Impairment	47	126	30	69	272
Items not recognized under IAS 19	26	28		6	60
Remaining changes in pension schemes		3		4	7
TOTAL LIABILITIES AT DECEMBER 31, 2006	**73**	**157**	**30**	**78**	**338**

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12.4 - Share-based payment plans

IFRS 2 covers four plans allocated after November 7, 2002, rights to which had not yet vested as at January 1, 2006.

Each plan runs for a period of four years.

Year	Allocation date	Number of options allotted	Exercisable as of	Expiry date	Exercise price	Options in circulation at end 2006	Fair value
2002	20/11/2002	3,311,100	10/09/2006	09/09/2009	7.247	1,564,670	20.70
2003	19/11/2003	4,068,900	10/09/2007	09/09/2010	8.325	3,928,600	22.30
2004	17/11/2004	4,277,500	17/11/2008	16/11/2011	8.910	4,190,000	13.31
2005	15/11/2005	4,970,000	15/11/2009	14/11/2012	11.924	4,962,000	24.60

Year *In thousands of euros*	2006 charge
2002	563
2003	1,427
2004	833
2005	1818
TOTAL	**4,641**

This charge concerns share-based payment plans allocated within the scope of Natixis

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NOTE 13 SEGMENT AND GEOGRAPHICAL ANALYSES

13.1 - Segment analysis

13.1.1 - Income statement

(In € millions)	Dec. 31, 2006 EU IFRS							
	Retail banking	Corporate and Investment Banking	Asset Management	Private Equity and Private Banking	Services	Receivables Management	Other businesses	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	
Net banking income		**1,788**	**419**	**420**	**688**	**824**	**99**	**4,238**
2006/2005 change	n/a	42%	151%	59%	23%	5%	60%	37%
Operating expenses		**(1,080)**	**(266)**	**(103)**	**(435)**	**(584)**	**(402)**	**(2,870)**
2006/2005 change	n/a	49%	202%	14%	24%	7%	59%	40%
Gross operating income	**0**	**708**	**153**	**317**	**253**	**240**	**(303)**	**1,368**
2006/2005 change	n/a	33%	91%	83%	24%	2%	(59%)	32%
Income before tax	**51**	**793**	**153**	**310**	**257**	**234**	**(430)**	**1,368**
2006/2005 change	n/a	68%	91%	95%	27%	5%	(523%)	28%

13.1.2 - Balance sheet

(In € millions)	Retail banking	Corporate and Investment Banking	Asset Management	Private Equity and Private Banking	Services	Receivables Management	Other businesses	Intragroup & interbank	Other amounts	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]			
Financial assets at fair value through profit and loss		165,496	651	1,214	9,315	164	791	(728)		176,903
Available-for-sale financial assets		6,476	51	620	17,408	1,023	5,852	(287)		31,143
Due from banks		131,899	210	1,087	3,544	14	6,105	(27,980)		114,879
Customer loans		83,102	4	551	3,982	4,825	6,388	(5,482)		93,370
Held-to-maturity financial assets					7,051	112		(126)		7,037
Goodwill		83	1,384	27	471	462	5			2,432
Other assets	52	12,609	(798)	(450)	1,836	527	19,176	(83)		32,869
TOTAL ASSETS	**52**	**399,665**	**1,502**	**3,049**	**43,607**	**7,127**	**38,317**	**(34,686)**	**0**	**458,633**

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(In € millions)	Retail Banking	Corporate and Investment Banking	Asset Management	Private Equity and Private Banking	Services	Receivables Management	Other businesses	Intragroup & interbank	Other amounts	Total
	[1]	[2]	[3]	[4]	[5]	[6]	[7]			
Financial liabilities at fair value through profit and loss		134,429		2	115		59	(1,213)		133,392
Due to banks		152,831	73	787	2,675	959	14,231	(29,642)		141,914
Customer deposits		39,291		767	4,380	1,261	5,877	(1,886)		49,690
Debt securities in issue		53,013		121		803	409	(93)		54,253
Technical reserves of insurance companies		6			29,857	990	205			31,058
Subordinated debt		6,487		10	532	25	2,936	(1,220)		8,770
Other liabilities	52	14,396	1,200	1,180	5,487	1,138	1,090	(632)	15,645	39,556
TOTAL LIABILITIES AND EQUITY	**52**	**400,453**	**1,273**	**2,867**	**43,046**	**5,176**	**24,807**	**(34,686)**	**15,645**	**458,633**

The key income statement lines shown above are broken down into six business segments, reflecting the six business lines identified in Natixis' organization structure:

- Retail banking [1] encompasses the Banque Populaire and Caisse d'Epargne activities, which are accounted for by Natixis through its 20% shareholding;
- Corporate and Investment Banking [2] houses the financing and capital markets activities serving large corporate customers. It brings together Ixis CIB's expertise in capital markets with Natixis' know-how in financing;
- Asset Management [3] holds the asset management activities performed by various subsidiaries including Ixis AMG and Natixis Asset Management;
- Private Equity and Private Banking [4] comprises private equity (Natixis Private Equity) and wealth management (Banque Privée Saint Dominique, La Compagnie 1818-Banquiers Privés and Natexis Private Banking Luxembourg);
- the Services business [5] houses the remaining activities: Securities back-office services (CACEIS and Gestitres strengthening Natixis' position), Payments, Insurance (Natixis Assurances), Employee benefits planning (Natixis Interépargne), Consumer finance (Novacrédit, CEFI), Financial guarantees and bonds (contributed in full by the Caisse d'Epargne group through Natixis Garanties);
- Receivables Management [6] encompasses the credit insurance and credit management services provided by Coface plus the factoring businesses of Natixis Factor and GCE Affacturage;
- other businesses [7] are a category housing Natixis activities that are not directly operational, notably its own holding company activities serving its direct subsidiaries. Net banking income derives from the management of its corporate treasury, real estate income and institutional activities performed on behalf of the French State. General operating expenses reflect overhead not allocated to the individual business lines. The Other businesses category also includes certain consolidation adjustments that cannot be assigned to business segments.

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13.2 - Geographical analysis

13.2.1 - Income statement

	France	Other EU	North America	Other OECD	Other countries	Intragroup & inter-regional	Total
Net banking income	2,735	816	514	19	165	(11)	4,238
Operating expenses	(1,983)	(432)	(296)	(12)	(61)	11	(2,773)
Amortization, depreciation and impairment	(71)	(15)	(7)	0	(4)	0	(97)
Gross operating income	681	369	211	7	100	0	1,368
Impairment charges and other credit provisions	(155)	70	18	0	(7)	0	(74)
Operating income	526	439	229	7	93	0	1,294
Share of income of associates	59	3	1	0	1	0	64
Gains or losses on other assets	4	2	5	0	0	0	11
Change in value of goodwill	0	0	(1)	0	0	0	(1)
Income before tax	589	444	234	7	94	0	1,368
Income taxes	(115)	(135)	(91)	(2)	(26)	0	(369)
Consolidated net income	474	309	143	5	68	0	999
Minority interests	(41)	(1)	(5)	0	(9)	0	(56)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OFTHE PARENT	**433**	**308**	**138**	**5**	**59**	**0**	**943**

13.2.2 - Balance sheet

(In € millions)	France	Other EU	North America	Other OECD	Other countries	Intragroup & inter-regional	Total
Financial assets at fair value through profit and loss	137,780	12,485	25,732	828	1,593	(1,515)	176,903
Available-for-sale financial assets	27,365	2,067	1,865	44	90	(288)	31,143
Due from banks	106,384	9,491	31,216	428	4,992	(37,632)	114,879
Customer loans	62,701	15,315	15,365	185	1,564	(1,761)	93,369
Held-to-maturity financial assets	6,956	81	0	0	0	0	7,037
Goodwill	2,463	312	1,998	11	3	(2,354)	2,433
Other assets	27,652	2,476	422	84	372	1,863	32,869
TOTAL ASSETS	**371,301**	**42,227**	**76,598**	**1,580**	**8,614**	**(41,687)**	**458,633**

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(In € millions)	France	Other EU	North America	Other OECD	Other countries	Intragroup & inter-regional	Total
Financial liabilities at fair value through profit and loss	103,333	10,331	17,975	726	1,230	(203)	133,392
Due to banks	137,240	20,686	17,984	540	4,233	(38,769)	141,914
Customer deposits	31,067	6,257	11,519	153	738	(44)	49,690
Debt securities in issue	28,534	608	23,958	43	1,143	(33)	54,253
Technical reserves of insurance companies	29,453	1,547	49	14	57	(62)	31,058
Subordinated debt	7,819	250	1,196	15	26	(536)	8,770
Other liabilities	33,855	2,548	3,917	89	1,187	(2,040)	39,556
TOTAL LIABILITIES AND EQUITY	**371,301**	**42,227**	**76,598**	**1,580**	**8,614**	**(41,687)**	**458,633**

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NOTE 14 COMMITMENTS

14.1 - Guarantee commitments

A financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payments when due. The exercise of these rights is subject to the occurrence of an uncertain future event.

IAS recognizes three types of financial guarantee:

- guarantees granted (received) upon the transfer of financial assets/liabilities;
- financial guarantees treated as derivative financial instruments; these are credit derivatives (see table on derivative financial instruments for details);
- financial guarantees meeting the definition of an insurance contract and covered by sufficient technical reserves.

Amounts shown represent the nominal value of the commitment given.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Guarantees given			
To banks	*3,513*	*2,011*	*1,459*
- Confirmed documentary credits	1,234	1,322	906
- Other guarantees	2,279	689	553
To customers	*151,638*	*16,767*	*15,283*
o/w institutional activities	*0*	*1*	*2*
- Real estate guarantees	651	672	709
- Tax and other bonds	830	1,001	1,118
- Other bonds and endorsements	124,580	5,399	5,393
- Other guarantees	25,577	9,695	8,063
TOTAL GUARANTEES GIVEN	**155,151**	**18,778**	**16,742**
Guarantees received from banks	**15,567**	**5,666**	**7,023**

14.2 - Financing commitments

In accordance with IAS 39 (§ 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 practice of reselling or securitizing credits just after they are issued, these loans are subject to IAS 39 from the commitment phase;
- those which are subject to settlement (i.e. disposal);
- those which result in a loan below market conditions.

If the financial conditions of a commitment are below market conditions, a discount is recognized in expenses, with a corresponding entry under accruals. This discount is then integrated into the loan and in the calculation of the effective interest rate.

Other financing commitments are covered by IAS 37.

A financing commitment given is a contingent liability, defined by IAS 37 as:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
- present obligation arising from past events but which is not recognized because it is not probable that an outflow of economic benefits will be required to settle the obligation; or
- a reliable estimate of the amount of the obligation cannot be made.

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Jan. 1, 2005 EU IFRS
Financing commitments given			
To banks	*5,541*	*3,115*	*2,448*
To customers	*51,019*		
- Documentary credits	2,141	1,947	942
- Other confirmed lines of credit	42,319	25,455	18,426
- Other commitments	6,559	728	1,521
TOTAL FINANCING COMMITMENTS GIVEN	**56,559**	**31,245**	**23,337**
Total financing commitments received			
- financial institutions	15,830	7,278	5,872
- customers	0	0	0
Total financing commitments received	**15,830**	**7,278**	**5,872**

NOTE 15 OTHER INFORMATION

15.1 - Maturity of outstanding assets and liabilities

IAS 32 requires information about exposure to interest rate risk. The following table shows assets and liabilities by remaining contractual maturity.

Assets and liabilities without a maturity date, such as accrued interest receivable and payable, ordinary accounts or immediately due receivables are shown in the "Demand deposits" column.

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Assets (In € millions)	Demand deposits	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indefinite	Total
Cash due from banks	236	45	2	0	0	40	323
Financial assets at fair value through profit and loss	79,470	13,982	9,261	24,835	40,144	9,211	176,903
Hedging instruments	25	66	79	222	229	0	621
Available-for-sale financial assets	2,022	3,195	3,177	4,694	6,839	11,217	31,143
Due from banks (L&R)	55,817	12,816	28,743	6,549	10,948	5	114,879
Loans and advances to customers (L&R)	26,949	25,599	10,883	14,537	14,282	1,119	93,369
Held-to-maturity financial assets (HTM)	0	0	405	2,678	3,954	0	7,037
TOTAL ASSETS	**164,519**	**55,704**	**52,550**	**53,515**	**76,396**	**21,592**	**424,276**

Liabilities (In € millions)	Demand deposits	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indefinite	Total
Due to central banks	66	315	277	0	0	0	658
Financial liabilities at fair value through profit and loss	69,689	3,258	7,198	24,939	28,307	1	133,392
Hedging instruments	40	20	62	212	96	0	431
Deposits from banks	74,224	21,715	31,978	7,476	6,520	1	141,914
Customer deposits	27,225	10,960	2,316	4,457	4,683	48	49,690
Debt securities in issue	5,400	30,095	9,409	7,870	1,479	0	54,253
Subordinated debt	124	72	80	2,036	6,313	144	8,770
TOTAL LIABILITIES	**176,769**	**66,436**	**51,321**	**46,991**	**47,399**	**194**	**389,109**

15.2 - Breakdown of assets and liabilities by currency

	Total	Euros	US dollars	Sterling	Yen	Swiss francs	Other
Total assets	458,633	342,585	84,251	11,743	1,578	5,565	12,911
Total liabilities	458,633	339,565	72,281	14,936	1,460	5,677	24,714

15.3 - Information about finance leases and operating leases

15.3.1 - Leases as lessor

Leases as lessor *(In € millions)*	Residual duration Less than 1 year	> or equal to 1 year and < 5 years	> 5 years	Unassignable	Total
Finance leases					
Gross investment	814	3,062	3,135		7,011
Present value of minimum lease payments	193	2,145	2,039		4,377
Unearned finance income				497	497
Contingent rents recognized				-	
Provisions for irrecoverability of minimum lease payments				-	
Operating leases					
Minimum payments due under irrevocable contracts	14	112	199		325
Contingent rents recognized					

Leases as lessor	Property	Equipment	Intangible assets	Total
Finance leases				
Unguaranteed residual value accruing to lessor	141	96	-	237

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15.3.2 - Leases as lessee

Leases as lessee *(In € millions)*	Residual duration Less than 1 year	> or equal to 1 year and < 5 years	> 5 years	Unassignable	Total
Finance leases					
Minimum future lease payments	8	12	-	-	20
Aggregate present value of minimum lease payments			-	-	-
Contingent rents recognized as expenses for the period				-	
Minimum future sub-letting payments expected under sub-letting contracts				-	
Operating leases					
Minimum future lease payments	-	-	-	-	-
Minimum future sub-letting payments expected under sub-letting contracts				-	
Minimum lease payments recognized as expenses				-	
Contingent rents recognized as expenses				-	
Sub-letting revenues				-	

Leases as lessee	Property	Equipment	Total
Finance leases			
Net carrying amount	66		66

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15.4 - Relations between consolidated companies

Relations between consolidated companies

The principal transactions between Natixis and consolidated companies (the Banque Populaire group including Banque Fédérale and its subsidiaries, the Caisse d'Epargne group including CNCE and its subsidiaries and the Caisses d'Epargne banks and their subsidiaries, proportionally consolidated investments with respect to the portion not eliminated for consolidation purposes and all equity associates) are described below:

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(In € millions)	Dec. 31, 2006 EU IFRS				Dec. 31, 2005 EU IFRS			Dec. 31, 2004 2004 IFRS		
	Banque Populaire Group (incl. BP CCIs)	Caisse d'Epargne group (incl. CEP CCIs)	Proportionally consolidated companies	Associates (excl. BP and CEP CCIs)	Banque Populaire Group	Proportionally consolidated companies	Associates	Banque Populaire Group	Proportionally consolidated companies	Associates
ASSETS										
Financial assets at fair value through profit and loss	2,135	1,874	10		859			127		
Available-for-sale financial assets	2,362	329			2,951	2		1,644	5	
Due from banks	11,031	6,761	236		8,075	10		6,303	10	
Customer loans	664	1			313			166		
Held-to-maturity financial assets	155	2			154					
EQUITY & LIABILITIES										
Financial liabilities at fair value through profit and loss	478	3,631	14		391			31		
Deposits from banks	5,674	16,064	490		5,401	18		3,726	60	
Customer deposits	772	5			535			152		
Debt securities in issue	855	5			520			521		
Subordinated debt	925	81			978			991		
INCOME										
Interest and similar income	494				294			186		
Interest and similar expenses	(123)				(153)		(1)			(1)
Net fee and commission income	(227)			(1)	(189)			(162)		
Net gains or losses on financial instruments at fair value through profit and loss	(64)				(96)			(75)		
Net gains/(losses) on available-for-sale financial assets	1				1			0		
Income and expenses from other activities	83				70			52		
Operating expenses	(16)				(6)			(5)		
COMMITMENTS										
Commitments given										
Commitments received										

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Management compensation

In euros	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Natixis' directors[1]	583,385	181,475	179,340
Executive Management[2]	4,781,978	3,776,559	3,457,097

(1) In 2006, as in previous years, directors' fees paid to Board members and members of the Supervisory board included a fixed portion (€1,525 per year and per person) and a variable portion (€1,220 per Board meeting and per person). The directors sitting on the audit committee and remuneration committees received a payment of €915 per meeting and per person. This compensation is paid in full at the end of the year.

(2) Total gross compensation paid to members of Natixis' Executive Management Committee during their term of office during the period, including members of the Management Board. Number of members of the Management Board: 13 in 2006, 11 in 2005, 11 in 2004.

Executive officer compensation

Total gross compensation paid to executive officers was as follows:

In euros	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Philippe Dupont, Executive Chairman of Natixis	463,002	338,000	338,000
François Ladam, Member of Natixis' Management Board	737,462	487,292	484,730
Dominique Ferrero, Chief Executive Officer and Member of Natixis' Management Board (compensation from November 17, 2006)	120,048		
Anthony Orsatelli, Member of Natixis' Management Board	687,975		

The number of stock options allotted in respect of offices held in the issuing company and associated undertakings was as follows:

Number of options allotted	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Philippe Dupont, Executive Chairman of Natixis	None.	14,000	12,500
François Ladam, Member of Natixis' Management Board	None.	14,000	13,000
Dominique Ferrero, Chief Executive Officer and Member of Natixis' Management Board	None.		
Anthony Orsatelli, Member of Natixis' Management Board	None.		

Number of options exercised	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Philippe Dupont, Executive Chairman of Natixis	None.	20,000	-
François Ladam, Member of Natixis' Management Board	None.	4,500	-
Dominique Ferrero, Chief Executive Officer and Member of Natixis' Management Board	None.		
Anthony Orsatelli, Member of Natixis' Management Board	None.		

Retirement allowances

Messrs Dupont and Ladam of Natixis belong to the supplementary group pension scheme open to all executive officers of the Banque Populaire group, in accordance with the provisions of the status accorded to this category.

In this regard, the aggregate amount of pensions paid to directors may not exceed 60% of revenues for the period, up to a maximum of €335,000. For directors appointed after January 1, 2005, this has been lowered to 50%.

This scheme was implemented before May 1, 2005, i.e. before the introduction of law 2005-842 of July 26, 2005.

This scheme is open to the Chairman in respect of his functions at Banque Fédérale des Banques Populaires and at Natixis.

Early retirement allowances

In the event of the early retirement of a director (apart from in the case of gross misconduct), the Banque Populaire group shall pay an allowance equal to one year's compensation, plus one-twelfth of annual compensation per year of service at the Group, and possibly one-twelfth of the same compensation per year as an executive officer. The maximum amount payable may not exceed 42/12ths of annual compensation.

On retirement or early retirement, a payment is made equal to one-fortieth of annual compensation per year of service at the Banque Populaire group, up to a maximum of 40/40ths of annual compensation.

15.5.1 - Results of insurance companies

The companies within Natixis' scope using the insurance format are: Coface and its subsidiaries (credit insurance, business information and debt management services), Natixis Assurance and its subsidiaries (life insurance, personal risk insurance, non-life insurance), Foncier Assurance (life insurance), Natixis Garanties (legal guarantees and bonds) and CIFG (financial guarantees).

The following table shows a reconciliation between the financial statements of insurance businesses and how these financial statements translate into the financial statements in the banking format.

It also shows the consolidated contribution made by insurance companies in the banking format.

The main reclassifications concern general operating expenses, which are analyzed by destination in the insurance format and by nature in the banking format.

At the level of net banking income, insurance income and expenses that are similar to banking income and expenses (principally interest and fees) are reclassified under related line items in the banking format, in the interests of consistency. Movements in technical reserves and loss expenses are deducted from net banking income and not recognized as impairment losses.

Reclassifications on the balance sheet were not very significant. Most of the balance sheet line items specific to insurance companies are shown under "insurance company investments" on the asset side and under "technical reserves of insurance companies" on the liabilities side. Accrued interest receivable and payable, which is shown under accrued income and prepaid expenses and/or deferred income and accrued charges in the insurance format, is reclassified on the same lines as the principal in the banking format.

(In € millions)	Dec. 31, 2006 Insurance format	Dec. 31, 2006 Banking format Net banking income	General operating expenses	Gross operating income	Tax	Sub-consolidation adjustments	Net income
Individual or sub-consolidated financial statements							
Premium income	5,231	5,231	-	5,231	-	-	5,231
Investment income	1,388	1,392	(4)	1,388	-	-	1,388
Mark-to-market gains on assets	263	263	-	263	-	-	263
Other underwriting income	7	7	1	7	-	-	7
Loss expenses	(2,129)	(2,125)	(4)	(2,129)	-	-	(2,129)
Technical reserves	(2,862)	(2,862)	-	(2,862)	-	-	(2,862)
Policyholder dividends	(749)	(749)	-	(749)	-	-	(749)
Acquisition and administration costs	(643)	(286)	(357)	(643)	-	-	(643)
Investment expenses	(255)	(255)	(1)	(255)	-	-	(255)
Mark-to-market losses on assets held to cover linked liabilities	(19)	(19)		(19)	-	-	(19)
Other underwriting expenses	13	77	(64)	13	-	-	13
Investment income transferred out of the technical account	-	-	-	-	-	-	-
Underwriting income	**245**	**674**	**(429)**	**245**	**0**		**245**
Investment income transferred from the technical account							
Other non-underwriting income	280	274	6	280	-	-	280
Other non-underwriting expenses	(186)	-	(186)	(186)	-	-	(186)
Impairment charges and other credit provisions	(8)	-	-	-	-	(8)	(8)
Share in income of associates	11	-	-	-	-	11	11
Non-recurring items	6	-	6	6	-	-	6
Employee profit-sharing	(2)	-	(2)	(2)	-	-	(2)
Corporate income tax	(127)	-	-	-	(127)	-	(127)
Goodwill amortization	-	-	-	-	-	-	0
Minority interests	(4)	-	-	-	-	(4)	(4)
NET INCOME	**215**	**948**	**(605)**	**344**	**(127)**	**(1)**	**215**

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15.5.2 - Insurance companies' contribution to the consolidated income statement

(In € millions)	Dec. 31, 2006 EU IFRS	Dec. 31, 2005 EU IFRS	Dec. 31, 2004 2004 IFRS
Interest and similar income	964	820	779
Interest and similar expenses	(66)	(22)	(38)
Fee and commission income	130	98	88
Fee and commission expense	(320)	(310)	(242)
Net gains or losses on financial instruments at fair value through profit and loss	(627)	91	(148)
Net gains or losses on available-for-sale financial assets	189	242	23
Income from other activities	5,485	4,475	3,536
Expenses from other activities	(4,806)	(4,521)	(3,261)
Net banking income	**948**	**875**	**738**
Operating expenses	(582)	(533)	(495)
Amortization, depreciation and impairment of property, plant and equipment and intangible assets	(23)	(21)	(18)
Gross operating income	**344**	**321**	**225**
Impairment charges and other credit provisions	(7)	(7)	(5)
Net operating income	**336**	**314**	**221**
Share of income of associates	11	8	8
Gains or losses on other assets	(1)	(1)	0
Change in value of goodwill	0	0	1
Income before tax	**346**	**322**	**230**
Income tax	(127)	(107)	(86)
Net income	**219**	**215**	**144**
Minority interests	(4)	(1)	(2)
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**215**	**213**	**142**

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Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2006

Dear Shareholders,

In accordance with our appointment as Statutory Auditors at the annual general meeting, we have audited the accompanying consolidated financial statements of Natixis SA for the year ended December 31, 2006.

The consolidated financial statements have been approved by the Management Board. Our responsibility is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting methods used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 financial position and the assets and liabilities of the group and the results of its operations in accordance with IFRS as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Art. L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we draw your attention to the following matters:

Assessment of the accounting treatment of transfers of assets

Note 3.5 to the financial statements describes the accounting treatment used for the transfers of assets from Caisse Nationale des Caisses d'Epargne at the extraordinary shareholders' meeting of November 17, 2006.

We verified that the accounting treatment used does not go against the general principles of IFRS as adopted by the European Union and that note 3.5 gives appropriate information in this respect.

Pro forma information

The pro forma information provided in notes 6.3 and 6.4 to the financial statements has been prepared in order to illustrate the effects that the transactions described in note 5 may have had on Natixis's consolidated balance sheet to December 31, 2006, and December 31, 2005, had they taken place as at January 1, 2005.

We verified that the basis for the establishment of this pro forma information is consistent with the items described in note 5 to the financial statements concerning the pro forma accounts, of examining the evidence supporting the pro forma restatements and collecting information and explanations from Natixis's executive management that we have deemed necessary.

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Estimates made within the context of banking activities

Natixis uses significant estimates within the context of its banking activities:

- the Group records provisions to cover the risks inherent in its business (notes 7.3 and 11.4 of the notes to the financial statements). We examined the control procedures applicable for monitoring credit risks, provisioning methodologies, assessing the risks of non-recovery and determining the related specific and collective provisions;
- the Group uses internal models and methodologies to measure financial instruments that are not traded on active markets, as well as to book certain provisions and assess the relevance of their designation as hedging instruments (in particular financial assets and liabilities at fair value through profit or loss, available-for-sale assets and financial instruments recognized at amortized cost, the fair value of which is presented in note 7.1 of the notes to the financial statements). We have examined the control procedures relating to the verification of the models and determination of the parameters used.

Other estimates

The Group records provisions to cover employee benefits *(see note 7.13 of the notes to the financial statements)*. We examined the methodology used to value these commitments, as well as the assumptions and parameters used.

The Group reviewed its material intangible assets and goodwill recorded in the consolidated balance sheet (notes 7.7 and 3.5 of the notes to the financial statements). We obtained an understanding of its conclusions and verified that they had been taken into consideration in preparing the consolidated balance sheet.

We have assessed the reasonable nature of these estimates.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the unqualified opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We also verified the information provided in the management report, in accordance with professional standards applicable in France.

We have nothing to report regarding the fairness of this information and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, April 6, 2007

The Statutory Auditors

DELOITTE & ASSOCIÉS	SALUSTRO REYDEL	MAZARS & GUERARD
Damien Leurent	Member of KPMG International	Charles de Boisriou
	Michel Savioz	Michel Barbet-Massin

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PARENT COMPANY FINANCIAL STATEMENTS AND NOTES

PARENT COMPANY BALANCE SHEETS

In € millions

Notes	Year ended December 31	2006	2005	2004
	ASSETS			
1	Cash and balances with central banks and post offices	44	24	15
1	Government securities and equivalent	3,977	4,894	5,775
1	Loans and advances to banks	54,110	65,174	47,782
16	*of which institutional activities:*	*166*	*250*	*333*
2	Customer deposits	42,743	32,326	26,056
16	*of which institutional activities:*	*400*	*697*	*1,133*
3	Bonds and other fixed-income securities	15,586	13,934	11,228
3	Equities and other variable income securities	3,873	1,339	977
4	Investments in associates and other securities held for investment	8,996	162	165
4	Investments in subsidiaries	14,107	4,248	3,857
2	Finance leases	-	-	37
2	Operating leases	-	-	26
5	Intangible assets	87	44	36
5	Property, plant & equipment	90	80	81
	Share capital subscribed not paid in	-	-	-
4	Treasury stock	-	230	160
6	Other assets	3,812	3,128	2,565
6	Accrued income and prepaid expenses	1,011	1,842	1,827
	TOTAL ASSETS	**148,435**	**127,425**	**100,587**

Notes	Off-balance sheet items - Commitments received	2006	2005	2004
31	**Financing commitments**	**14,368**	**3,814**	**4,613**
	Commitments received from financial institutions	14,243	3,795	3,744
	Commitments received from customers	125	19	869
31	**Guarantee commitments**	**13,338**	**6,442**	**7,783**
	Commitments received from financial institutions	10,555	3,564	5,143
	Commitments received from customers	2,783	2,878	2,640
16	*of which institutional activities:*	*183*	*263*	*345*
31	**Commitments on securities**	**195**	**120**	**74**
31	**Other commitments received**	**1,613**	**2,000**	**1,109**

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Notes	Year ended December 31	2006	2005	2004
	LIABILITIES AND EQUITY			
7	Due to central banks and post offices	613	412	22
7	Deposits from banks	50,267	54,106	39,847
16	*of which institutional activities:*	*239*	*322*	*408*
8	Customer loans	13,039	19,826	16,157
16	*of which institutional activities:*	*523*	*727*	*1,166*
9	Debt securities in issue	48,484	34,463	29,007
10	Other liabilities	7,741	7,533	5,607
10	Deferred income and accrued charges	2,924	2,376	2,456
16	*of which institutional activities:*	*3*	*2*	-
11	Provisions for contingencies and charges	1,067	934	796
12	Subordinated debt	5,894	3,842	3,040
	Fund for general banking risks		239	233
13	Equity	18,407	3,694	3,422
14	Share capital	1,952	784	772
14	Share premium	14,897	1,856	1,796
14	Reserves	704	578	542
	Revaluation surplus	-	-	-
13b	Regulated reserves & government grants	94	106	111
16	*of which institutional activities:*	*78*	*93*	*100*
14	Retained earnings	17	(89)	(13)
14	Net income	744	459	214
	TOTAL LIABILITIES AND EQUITY	**148,435**	**127,425**	**100,587**

Notes	Off-balance sheet items - Commitments given	2006	2005	2004
31	**Financing commitments**	**37,807**	**30,141**	**22,525**
	Commitments given to financial institutions	8,797	3,165	2,451
	Commitments given to customers	29,010	26,976	20,074
31	**Guarantee commitments**	**20,385**	**19,900**	**17,979**
	Commitments given to financial institutions	3,016	2,839	2,020
	Commitments given to customers	17,369	17,061	15,959
16	*of which institutional activities:*	-	*1*	*2*
31	**Commitments on securities**	**183**	**103**	**46**
31	**Other commitments given**	**52**	**272**	**204**

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PARENT COMPANY INCOME STATEMENTS

In € millions

See Note	Year ended December 31	2006	2005	2004
17	**Interest and similar income**	**5,416**	**4,471**	**3,807**
	Interbank transactions	2,813	2,232	1,949
	Customer transactions	1,985	1,463	1,154
	Finance lease transactions	0	9	13
	Operating lease transactions	0	9	5
	Bonds and other fixed-income securities	448	443	476
	Other interest and similar income	170	315	210
18	**Interest and similar expenses**	**(5,318)**	**(3,979)**	**(3,302)**
	Interbank transactions	(2,663)	(2,072)	(1 802)
	Customer transactions	(655)	(539)	(497)
	Finance lease transactions	0	(7)	(12)
	Operating lease transactions	0	(8)	(4)
	Bonds and other fixed-income securities	(1,770)	(1,075)	(704)
	Other interest expense	(230)	(278)	(283)
19	**Income from variable income securities**	**433**	**294**	**198**
20	**Fee and commission income**	**719**	**638**	**562**
	Fee and commission expense	**(216)**	**(241)**	**(201)**
21	**Net gains/(losses) on trading account securities**	**883**	**161**	**92**
	Net gains/(losses) on trading account securities	165	74	257
	Net foreign exchange gains/(losses)	584	269	41
	Net gains/(losses) on financial instruments	134	(182)	(206)
22	**Net gains/(losses) on securities held for sale**	**(5)**	**117**	**68**
23	**Other banking revenues**	**44**	**42**	**67**
	Other banking expenses	**(91)**	**(60)**	**(32)**
	NET BANKING INCOME	**1,865**	**1,443**	**1,259**
24	**Operating expenses**	**(1,197)**	**(901)**	**(798)**
	Payroll costs	(654)	(544)	(483)
	Other administrative costs	(543)	(357)	(315)
	Depreciation, amortization and impairment of property, plant & equipment and intangible assets	**(30)**	**(21)**	**(27)**
	GROSS OPERATING INCOME	**638**	**521**	**434**
25	**Impairment charges and other credit provisions**	**(141)**	**(76)**	**(82)**
	OPERATING INCOME	**497**	**445**	**352**
26	**Net gains/(losses) on disposals of non-current assets**	**73**	**32**	**(108)**
	INCOME BEFORE EXCEPTIONAL ITEMS AND TAX	**570**	**477**	**244**
27	**Exceptional items**	**0**	**82**	**(1)**
28	**Corporate income tax**	**(55)**	**(100)**	**(28)**
13	**Net (charge to)/reversal of fund for general banking risks and regulated provisions**	**231**	**(0)**	**(1)**
	NET INCOME (LOSS)	**744**	**459**	**214**

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NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Significant events of the financial year

The highlight of the 2006 financial year was the formation of Natixis, the new name for Natexis Banques Populaires, notably including the contribution by the Caisse Nationale des Caisses d'Epargne of shares in the following companies:

- Ixis CIB with a value of €4.4 billion;
- IAMG with a value of €3.6 billion;
- CACEIS with a value of €0.5 billion;
- Natixis Garanties with a value of €0.5 billion;
- CIFG with a value of €0.4 billion;
- CEFI with a value of €0.2 billion;
- La Cie 1818 with a value of €75 million;
- Gestitres with a value of €32 million;
- GCE FS with a value of €29 million;
- GCE Bail with a value of €39 million;
- GCE Affacturage with a value of €9 million;
- Foncier Assurance with a value of €33 million;
- The Cooperative Certificates of Investment held by the Caisses Epargne Prévoyance with a value of €4.5 billion.

The amounts shown are the contribution values at November 17, 2006, the date on which Natixis was formed.

In addition, Natixis subscribed to the issue of Cooperative Certificates of Investment (CCIs) by Banques Populaires for €4.2 billion.

Except for the Banques Populaires CCIs refinanced by the issue, the contribution of these assets gave rise to an equivalent increase in equity (increase in Natixis' share capital and share premium).

The costs arising from these contributions and the restructuring of Natixis were recognized under operating expenses.

Accounting policies and valuation methods

The Natixis financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions, including standard CRC 2000-03 on financial statement presentation.

1 - Customer loans

Loans are carried at their face value. Undrawn amounts on loans already committed and agreed are included in off-balance sheet items under the heading "financing commitments given". Performing and non-performing loans are identified separately.

2 - Loan impairment

Since 2000, Natixis has provided for loan impairment at three levels:

2.1 - Specific provisions

2.1.1 - Loan principal

Where there is a risk of partial or total non-recovery of loans or non-compliance with loan terms or covenants, impairment charges or provisions are recognized in income under the heading "impairment charges and other credit provisions". These impairment charges are determined on a case-by-case and country-by-country basis and adjusted at quarterly intervals, based on an analysis of the related risk and available collateral. With lease financing transactions, capital gains and losses on disposal and charges to and reversals of provisions (leased assets and temporarily unleased assets) are recognized in net banking income. Termination compensation is booked as interest and similar income. Only the principal amount of payments on non-performing leases is provided for under impairment charges and other credit provisions.

The impairment charge is calculated as the difference between the carrying amount and the estimated recoverable amount discounted at the original effective interest rate.

Non-performing loans are identified and accounted for in accordance with standard CRC 2002-03 and the opinion issued by the CNC Urgent Issues Task Force on December 18, 2003, which set out the rules for classifying loans as non-performing and irrecoverable.

Irrecoverable loans include loans where an event of default has occurred, restructured loans where the borrower has once again defaulted and loans classified as non-performing for more than one year once a write-off has been envisaged.

2.1.2 - Loan interest

In accordance with banking regulations:

- unpaid accrued interest on loans to borrowers subject to bankruptcy proceedings is deducted from the interest account in which it was initially recorded. If the interest is subsequently recovered, it is credited to income upon receipt through the same account;
- interest on non-performing loans three, or where applicable, six or nine months past due is also provided for in full by deduction from the interest account in which it was initially recorded;
- all other loans made to these customers are also classified as non-performing, even where the risk appraisal does not call for an impairment charge against the principal amount outstanding;
- the same rules apply to lease financing transactions, where a provision is taken for the amount outstanding when a lease payment or any incidental costs are more than three months (equipment) or six months (real estate) past due.

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2.1.3 - Restatement of former BFCE sovereign risks

In 1991 and 1992, a defeasance transaction was carried out and a put option was purchased on BFCE sovereign risks. The defeasance structure, Edval Investment Ltd, and the vehicle set up to hold the put option, Worledge Investment Ltd, were consolidated for the first time at December 31, 2002. In accordance with paragraph 10052 of standard CRC 99-07, consolidation of these two entities led to an adjustment of provisions covering at-risk loans covered by the put option.

On the assets side of the balance sheet, the net outstanding balance of the loans concerned by the put option is covered by zero-coupon bonds held by the two entities. The results of the two entities consist solely of annual accruals to recognize the value appreciation of the zero-coupon bonds up to their redemption value in 2014, when the bonds mature and the defeasance structure will be wound up. Over this period, the value appreciation exactly matches the provisions required to write down the full amount of the loans covered by the put option. Consequently, the operation has no impact on the income statement and the cash required to refinance the transactions is offset by a cash inflow.

2.2 - Industry and country risk provisions

These provisions cover certain businesses of Natixis that carry potential future risks. These businesses are reviewed quarterly and where necessary included in the basis of provisioning for sound exposure in countries or industries likely to experience difficulties. During these quarterly reviews, the country and industry provisioning rates are adjusted according to Natixis' perception of how the businesses will evolve, either negatively or positively. In 2003, additional provisions of €90 million were taken to cover potential risks arising as a result of major issues in the European marketplaces. This sum was maintained in the balance sheet at December 31, 2004.

As of January 1, 2005, assets that are not specifically identified as impaired are divided into groups of assets with similar credit risk characteristics on an industry by industry basis. Each group of assets is assessed for objective evidence of impairment based on observable data indicating a probable decrease in the estimated recoverable cash flows for that group of assets. Collective provisions are taken to cover any estimated losses. Assets that are subsequently specifically identified as impaired are no longer included in the groups of assets assessed collectively.

The impairment provision is based on the expected loss at maturity.

2.3 - Fund for General Banking Risks (FGBR)

A fund for general banking risks, consisting of amounts set aside from post-tax income, completes Natixis' range of provisions for general risks. At December 31, 2006, the entire amount of the fund for general banking risks was reversed.

3 - Securitization transactions

Securitizations are transactions that transfer credit risk without disposing of the underlying portfolios. They consist of synthetic securitizations based on credit derivatives carried out jointly with third party banks and special purpose vehicles. In substance, the credit derivatives are equivalent to credit insurance protecting Natixis against the risk of borrower default or debt rescheduling.

4 - Conversion of assets and liabilities in foreign currencies

Assets, liabilities and off-balance sheet commitments denominated in foreign currencies are converted into euros at the year-end exchange rates. Realized and unrealized exchange gains and losses are taken to the income statement.

Exchange differences arising on conversion of borrowings for which the currency risk is guaranteed by the State or which relate to institutional activities are recorded in an accruals account.

5 - Securities portfolio

5.1 - Securities transactions (trading account securities, securities held for sale, debt securities held for investment)

Securities are classified according to the purpose of the transaction regardless of their legal form (equities, bonds and notes, treasury bills, certificates of deposit, negotiable instruments, money market securities, etc.), based on the following rules:

- trading account securities are securities traded on liquid markets, which are bought or sold with the intention of reselling or repurchasing them within a short period. They are carried in the balance sheet at cost, including transaction expenses and accrued interest. At the period-end, they are marked to market and the resulting unrealized gain or loss is recognized in income. Trading account securities that are still in the portfolio six months from the date of acquisition are transferred to "securities held for sale" at their market price on the transfer date;
- securities held for sale are securities acquired with the intention of holding them for a period of more than six months. They are valued individually at the year-end at the lower of cost or estimated fair value. An impairment charge is taken for unrealized losses but unrealized gains are not recognized. Premiums and discounts, corresponding to the difference between the cost of fixed-income securities (excluding accrued interest) and their redemption price, are taken to income over the remaining life of the securities;
- debt securities held for investment are fixed-income securities acquired with the intention of being held in principle to maturity. They are either match-funded or hedged against interest rate risk. They are recorded at cost (excluding accrued interest), and any premium or discount between cost and redemption price is deferred and taken to income over the remaining life of the securities.

  In accordance with French banking regulations, provisions are not systematically taken for unrealized losses, unless there is an intention to dispose of the securities in the short term. In this case, provisions for market risk are charged to “net gains/(losses) on disposals of non-current assets” and provisions for counterparty risk to “impairment charges and other credit provisions”;

- treasury shares are purchased for different purposes: i) to regulate the market price under a liquidity agreement, ii) to pay for acquisitions and iii) for their cancellation through a reduction in the share capital. To this end, all the shares held in the treasury stock portfolio at November 28, 2006 (15,552,460 shares) were cancelled through a reduction in share capital.

5.2 - Investments in associates and equity securities held for investment

- *Consolidated investments:* Natixis valued its investments in consolidated subsidiaries at December 31, 2006.

  Consolidated investments were valued at their net present value using the discounted cash flow method based on business plans drawn up by management of the main subsidiaries and validated by Natixis Executive Management.

  The discount rate used for each subsidiary was based on the following:

  - the average 10-year OAT (French government bond) yield;
  - the risk premium in the subsidiary’s market;
  - a beta value based on a sample of comparable companies.

  The results of this method were corroborated using other methods such as standard market comparisons and restated net asset value.

- *Non-consolidated investments* are valued individually at the lower of cost and value in use at the year end. Value in use is determined on the basis of criteria such as restated net asset value and profitability.

- *Equity securities held for investment* are securities acquired with the intention of being held in the medium to long-term in order to sell them at a profit. They are booked at cost and an impairment charge taken if their net book value is higher than their estimated value (based on recent transaction values, profitability, market price for listed securities or other valuation methods used at the time of acquisition).

6 - Income, value adjustments and gains or losses on securities

- Income from variable-income securities is recorded on a cash basis.

- Income from fixed-income securities is recorded on an accruals basis.

- Value adjustments and gains or losses on disposal of securities appear under different headings depending on the nature of the transaction:

  - trading account securities, securities held for sale and equity securities held for investment: value adjustments and gains or losses are recorded in net banking income;
  - debt securities held for investment: value adjustments and gains or losses are recorded under “impairment charges and other credit provisions” where they reflect counterparty risk, and “net gains/(losses) on disposals of non-current assets” where they reflect market risk or the result of disposal;
  - investments in associates and other long-term equity investments: value adjustments and gains or losses are recorded under “net gains/(losses) on disposals of non-current assets”.

7 - Property, plant & equipment and intangible assets

7.1 - Measurement on initial recognition

Fixed assets of the former Crédit National purchased prior to December 31, 1976 are stated at fair value as determined at the time of the 1976 legal revaluation. Assets purchased since 1976 are stated at cost. Fixed assets of the former BFCE are carried in the balance sheet at their fair value as determined at the time of BFCE’s acquisition by Crédit National. Fixed assets of the former Caisse Centrale des Banques Populaires were transferred at their net book value following the partial asset contribution.

New acquisitions are recognized at cost plus directly attributable transaction costs (transfer duties, fees, commissions and registration expenses). Borrowing costs are not capitalized.

Internally-generated computer software is measured at the total cost of development, including related hardware costs, service costs and personnel costs directly attributable to the production and preparation of the software. Expenses incurred during the development phase are only recognized as intangible assets if they meet conditions of technical feasibility, intention to complete the asset for internal use or sale, probability of future economic benefits, availability of resources and ability to measure the development expenditure reliably. Expenses incurred during the research phase are recognized in income when they are incurred.

7.2 - Subsequent measurement

After recognition, assets are carried at cost less any accumulated depreciation, amortization and impairment losses.

7.3. - Amortization and depreciation

Assets are depreciated or amortized over their estimated useful lives either on a straight-line basis or on a diminishing balance basis where this better reflects the pattern of consumption of future economic benefits. The residual value of the asset is deducted from its depreciable or amortizable amount where it can be measured reliably. Natixis does not believe it can reliably measure the residual value of items other than land

and indestructible elevations. They are therefore assigned a nil residual value.

In line with the new standards, a specific deprecation 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 items as a whole. For buildings used in the business and investment property, the following significant components and depreciation periods have been identified:

- land: n/a;
- indestructible elevations: n/a;
- walls, roof, waterproofing: 20 to 40 years;
- foundations, framework: 30 to 60 years;
- external rendering: 10 to 20 years;
- equipment and installations: 10 to 20 years;
- internal fixtures and fittings: 8 to 15 years.

Other items of property, plant and equipment are depreciated over their estimated useful lives, which range from five to ten years.

Purchased software is amortized over its estimated useful life, which in most cases is less than five years. Internally-generated software is amortized over a period which may not exceed fifteen years.

Other intangible assets primarily comprise purchased goodwill with an indefinite useful life, which is not amortized but tested for impairment at least annually.

8 - Perpetual and dated subordinated notes

Natixis has issued perpetual and dated subordinated notes, which in the event of the issuer's liquidation, rank behind all other creditors.

Where perpetual subordinated loan notes are treated as equivalent to debt repayable in installments, each periodic payment is broken down between the repayment of principal, which is deducted from the outstanding debt, and interest, which is recognized in income as interest and similar expenses.

9 - Participating notes

Remuneration paid in respect of participating notes is treated as interest payable and recognized in income on an accruals basis.

10 - Interest, premiums, fees and commission

Interest, together with premiums, fees and commissions treated as interest income, is recognized in income on an accruals basis. Other fees and commissions are accounted for on a cash basis.

11 - Interest rate revision charges and prepayment penalties

Interest rate revision charges and prepayment penalties are treated as deferred interest income and recognized in income over the life of the loan in proportion to the interest income lost in each year based on the original loan repayment schedule.

12 -Debt and share issuance costs

With effect from January 1, 1994, Natixis elected to defer all debt issuance expenses over the life of the debt, as permitted by tax legislation (law of August 8, 1994) and in line with trends in the nature of such expenses, which are in substance an additional financing cost.

The cost of share issuance by Natixis is offset, net of tax, against the issue premium.

13 -Financial futures and options held for own account

The notional amount of these instruments is recorded off-balance sheet for internal monitoring and regulatory purposes, but they are not included in the published statement of off-balance sheet items. Further details are provided in the notes to the financial statements.

The accounting treatment depends on the instrument involved and the purpose of the transaction (hedging or trading).

13.1 - Interest rate instruments

These instruments are classified according to the purpose for which they are acquired:

- micro-hedging (hedging of specific transactions or positions);
- macro-hedging (structural balance sheet management);
- speculative position-taking;
- specialized management of a trading portfolio.
  - The first two categories are treated for income statement purposes as equivalent to lending/borrowing transactions and the amounts received or paid are recognized in income on an accruals basis.
  - The accounting treatment of speculative positions is identical with respect to interest flows. Positions are marked to market at the period end and a provision taken against any unrealized losses.
  - In the case of specialized management of a trading portfolio, each instrument is marked to market on an individual basis. Changes in value during the period are recognized immediately in income. Valuations are adjusted for counterparty risk and the discounted present value of future contractual management costs.

13.2 - Currency instruments

- Spot currency transactions outstanding at the year end are valued at the year-end rate.
- Forward currency hedging transactions are recognized in income on an accruals basis, either as premiums or discounts where they are intended to hedge commercial transactions, or as accrued interest where they are intended to hedge long-term assets and liabilities denominated in foreign currencies.

13.3 - Interest rate, currency and equity options and forward contracts

The notional value of the instrument underlying the option or forward contract is recorded off-balance sheet, with hedging and trading transactions identified separately.

Income and expenses on hedging transactions are recognized in income on a symmetrical basis with the income and expenses on the hedged items.

In the case of non-hedging activities, positions in a class of option or forward contract are marked to market at the period end. Changes in value during the period are recognized immediately in income. For over-the-counter instruments, a discount may be taken against the market value in respect of modeling risks or uncertainty over parameters, via a charge to provisions for financial instruments.

13.4 - Institutional activities

Commitments given to banks that grant export credits financed in foreign currencies in order to fix the exchange rate of their foreign currency borrowings are not included in published off-balance sheet commitments. Income and expenses arising on institutional activities (swaps and exchange rate guarantees) are charged to or paid to the French Treasury in accordance with agreed terms and conditions.

14 - Exceptional items

Exceptional income and expenses are items of income and expense that are unusual in terms of their nature, amount or frequency.

15 - Corporate income tax

The tax charge for the year comprises current taxes payable in France at the rate of 34.43%, and at the local corporate tax rate for foreign branches.

16 - Employee-related liabilities and post-retirement benefits

The main provisions for employee-related liabilities concern:

- end-of-career awards and allowances;
- supplementary banking pension;
- early-retirement and supplementary pension benefits;
- “CATS” early retirement plan benefits;
- employer’s contributions to private health insurance companies for retirees and early retirees;
- long service awards.

Natixis uses independent actuaries to measure its main liabilities, as well as the supplementary banking pension.

The provision recognized in the balance sheet is equal to:

- the amount of the actuarial liability in respect of post-retirement and similar benefits for employees and retirees;
- less the market value of plan assets;
- less or plus any actuarial losses or gains arising from:
  - experience adjustments in respect of demographic variables,
  - changes in actuarial assumptions such as the discount rate, employee turnover and future salary increases,
  - differences between the actual return and expected return on plan assets.

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.

In accordance with CNC recommendation R. 2003-01, Natixis provides for the entire amount of employee benefit obligations.

The French Pensions Act of August 21, 2003 reformed the terms and conditions of retirement applicable to employees. In accordance with opinion 2004-A issued by the CNC Urgent Issues Task Force, this reform was treated as a change of applicable regime and its effect deferred over the employees’ remaining working lives.

17 - Changes in accounting method

Natixis abandoned the previous method used to account for forward currency positions (deferral of the premium/discount) and now marks these positions to market (valuation using the exchange rate for the remaining term). The impact of this change of method (positive impact of €9.6 million) was recognized through opening 2006 equity.

In accordance with the current wording of CRBF regulation 90-01 and instruction CB 94-07, premiums and discounts on debt securities held for investment are deferred over the residual term to maturity of the debt securities using either an actuarial or straight-line method. Previously, Natixis had opted for straight-line amortization, but following the changeover to new software, it is now using the actuarial method. The impact of this change of method (negative impact of €1 million) was recognized through opening 2006 equity.

18 - Notes to the financial statements

Unless otherwise stated, the figures shown in the notes to the parent company financial statements are expressed in millions of euros.

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NOTE 1 INTERBANK AND MONEY MARKET ASSETS

In € millions	2006	2005	2004
Cash and balances with central banks and post offices	**44**	**24**	**15**
Government securities and equivalent	**3,977**	**4,894**	**5,775**
Trading account securities	3,117	3,451	3,471
Securities held for sale	516	1,060	1,890
accrued interest receivable	*20*	*30*	*59*
impairment charges	*(1)*	*(5)*	*(5)*
Debt securities held for investment	344	383	414
accrued interest receivable	*9*	*10*	*8*
Loans and advances to banks	**54,110**	**65,174**	**47,782**
Demand	7,158	3,956	2,486
accrued interest receivable	2	11	41
non-performing loans	1	1	1
impairment charges	-	-	-
Time (*)	46,952	61,218	45,296
accrued interest receivable	532	484	244
non-performing loans	40	81	85
impairment charges	(26)	(51)	(48)
INTERBANK AND MONEY MARKET ASSETS	**58,131**	**70,092**	**53,572**
(*) subordinated loans:	*120*	*121*	*120*
performing	*114*	*118*	*118*
non-performing	*1*	*1*	*0*
accrued interest receivable	*5*	*2*	*2*
securities received under repurchase agreements:	*19,186*	*36,582*	*28,502*
accrued interest receivable	*329*	*332*	*179*

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NOTE 2 CUSTOMER LOANS AND LEASE FINANCING

In € millions	2006	2005	2004
Current accounts in debit	**5,315**	**4,347**	**4,238**
accrued interest receivable	18	13	13
non-performing loans	81	200	78
impairment charges	(40)	(79)	(47)
Commercial loans	**646**	**751**	**625**
accrued interest receivable	-	11	-
non-performing loans	27	20	19
impairment charges	(4)	(2)	(5)
Other loans to customers	**36,782**	**27,228**	**21,193**
Short-term loans and consumer loans	18,159	15,949	12,149
accrued interest receivable	81	47	41
Equipment loans	2,182	2,166	2,213
accrued interest receivable	10	8	8
Export loans	942	660	1,025
accrued interest receivable	12	5	8
Home loans	240	122	120
accrued interest receivable	-	-	-
Securities purchased under resale agreements	2,158	544	0
accrued interest receivable	10	5	-
Subordinated loans	754	571	446
accrued interest receivable	4	4	3
non-performing loans	-	-	-
impairment charges	-	-	-
Other loans	12,347	7,216	5,240
accrued interest receivable	88	41	28
non-performing loans	592	561	755
impairment charges	(438)	(424)	(515)
CUSTOMER LOANS	**42,743**	**32,326**	**26,056**
Equipment finance leases	0	**0**	**37**
Outstandings	-	-	37
Temporarily unleased assets and non-performing loans	-	-	-
Accrued interest receivable	-	-	-
Asset impairment	-	-	-
Loan impairment	-	-	-
Operating leases	**0**	**0**	**26**
Outstandings	-	-	26
Temporarily unleased assets and non-performing loans	-	-	-
Accrued interest receivable	-	-	-
Asset impairment	-	-	-
Loan impairment	-	-	-
LEASE FINANCING	**0**	**0**	**63**

NOTE 3 BONDS, EQUITIES AND OTHER FIXED AND VARIABLE INCOME SECURITIES

In € millions	2006	2005	2004
Trading account securities	8,598	5,651	4,119
Securities held for sale	3,594	4,272	2,902
Debt securities held for investment	3,384	3,991	4,176
Non-performing securities	10	20	31
cost	*45*	*88*	*118*
impairment charges	*(35)*	*(68)*	*(87)*
BONDS AND OTHER FIXED-INCOME SECURITIES	**15,586**	**13,934**	**11,228**
Equities and other variable income securities	3,873	1,339	977
Trading account securities	3,220	736	618
Securities held for sale	653	603	358
Non-performing securities	0	0	1
cost	-	-	8
impairment charges	-	-	(7)
EQUITIES AND OTHER VARIABLE INCOME SECURITIES	**3,873**	**1,339**	**977**

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NOTE 3B NON-PERFORMING AND IRRECOVERABLE ASSETS AND IMPAIRMENT CHARGES

	2006		2005		2004	
In € millions	Non-performing	Irrecoverable	Non-performing	Irrecoverable	Non-performing	Irrecoverable
Financial institutions	**6**	**8**	**32**	**1**	**36**	**1**
Assets	14	26	57	27	59	26
Impairment charges	(8)	(18)	(25)	(26)	(23)	(25)
Customers	**217**	**1**	**232**	**37**	**256**	**29**
Assets	360	336	388	386	486	369
Impairment charges	(143)	(335)	(156)	(349)	(230)	(340)
TOTAL	**223**	**9**	**264**	**38**	**292**	**30**

Breakdown of loans between non-performing and irrecoverable

At December 31, 2004, in accordance with the opinion issued by the CNC Urgent Issues Task Force on December 18, 2003, irrecoverable loans comprise loans where an event of default has occurred and loans classified as non-performing for more than one year, where a write-off is envisaged.

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NOTE 4 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, OTHER SECURITIES HELD FOR INVESTMENT AND TREASURY STOCK

In € millions	2006	2005	2004
Investments in associates	**8,915**	**108**	**143**
Carrying value	8,924	117	159
Shareholders' advances	-	-	-
Translation differences	1	1	2
Impairment charges	(10)	(10)	(18)
Securities loaned	-	-	-
Other securities held for investment	**81**	**54**	**22**
Carrying value	115	91	63
Shareholders' advances	-	-	-
Translation differences	-	-	-
Impairment charges	(34)	(37)	(41)
Securities loaned	-	-	-
Accrued interest receivable	**0**	**0**	**0**
INVESTMENTS IN ASSOCIATES AND OTHER SECURITIES HELD FOR INVESTMENT	**8,996**	**162**	**165**
Investments in subsidiaries	**14,107**	**4,248**	**3,857**
Carrying value	14,187	4,370	3,970
Shareholders' advances	6	6	14
Translation differences	39	25	46
Impairment charges	(125)	(153)	(173)
Securities loaned	-	-	-
Accrued interest receivable	**0**	**0**	**0**
INVESTMENTS IN SUBSIDIARIES	**14,107**	**4,248**	**3,857**
Treasury stock	**0**	**230**	**160**
Trading account securities	-	226	156
Securities loaned	-	-	-
Long-term investments (*)	-	4	4
TREASURY STOCK	**0**	**230**	**160**
(*) impairment charges	*0*	*0*	*0*

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NOTE 4.1 INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2006

In euros	Number of shares	Carrying value
I - INVESTMENTS IN SUBSIDIARIES		
A) Banking and credit institutions		
CACEIS Crédit Agricole Caisse d'Epargne Investor Services	3,972,653	529,000,000.00
CEFI Caisse d'Epargne Financement	3,819,000	178,220,000.00
CFDI Caisse Française de Développement Industriel	29,994	4,572,555.82
CIFG Holding	50,008,720	430,204,244.00
Compagnie 1818	370,629	75,203,876.00
GCE Affacturage	500,000	9,000,000.00
GCE Bail	3,419,843	39,000,000.00
GCE Financial Services	32,237,000	29,000,000.00
GCE Garanties	221,021	475,000,000.00
IFCIC	37,708	574,854.75
Interfinance Natexis NV	29,997	23,865.00
Ixis Asset Management Group	56,507,306	3,536,313,137.42
Ixis Corporate and Investment Bank (Ixis CIB)	125,207,265	4,407,850,069.20
Natexis Algérie (ex-Natexis Al Amana Banque)	2,096,266	24,783,317.72
Natexis Arbitrage	4,019,846	60,614,602.32
Natexis Bleichroeder Inc (formerly Arnhold & Bleichroeder Inc.)	100	146,745,815.42
Natexis Bleichroeder SA (formerly Natexis Capital)	673,541	50,548,024.75
Natexis Coficine (formerly Coficiné)	111,311	29,000,060.15
Natexis Factorem (formerly Factorem)	1,494,854	127,459,107.02
Natexis Funding (formerly Sofingest)	170,127	3,880,977.60
Natexis Interepargne	555,653	57,053,064.89
Natexis Lease (formerly Bail B.P.)	16,670,494	399,595,042.46
Natexis Lease Madrid	32,134	514,000.00
Natexis Luxembourg SA (formerly Natexis B.P. Luxembourg)	999,999	100,636,720.29
Natexis Moscow (formerly Zao Natexis B.P.)	111,618	36,743,030.55
Natexis Paiements (formerly Banque pour les Paiements on line)	4,076,219	22,086,690.50
Natexis Transport Finance (formerly SBFI)	1,244,314	177,127,048.32
Novacredit	263,986	15,839,160.00
B) Financial institutions		
Aivelys Asset Management (formerly Ecrinvest 10)	99,994	999,940.00
Contango Trading SA (formerly Ecrinvest 2)	9,994	223,415.30
Financière Cladel	607,894	10,099,315.45
Gestitres	322,782	32,352,941.00
Invest Kappa (formerly Line Bourse)	576,133	7,459,352.84
Investima 6 SAS	690,922	6,562,719.00
Natexis AMBS (New York)	287,051	217,957,479.12
Natexis Asset Management (formerly BPAM)	1,718,980	176,992,632.98
Natexis Asset-Backed Management Corporation	100	10,028,858.60
Natexis Commodity Markets (formerly Natexis Metals Ltd)	20,000,000	24,037,340.85

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In euros	Number of shares	Carrying value
Natexis Finance	164,993	2,557,939.82
Natexis Funding USA (New York)	100	75,930.14
Natexis Investment Corp	3,217	2,552,930.38
Natexis Private Equity	19,063,294	512,991,498.39
Natexis Servicos E Informaticoes LTDA	599,960	2,204,874.54
Natexis SLIB	748,693	12,696,610.03
Natexis US Finance Corporation (New York)	1	49,354.59
NBP Preferred Capital 2 (New York)	10,000	7,593,570.26
NBP Preferred Capital 3 (New York)	11,500	8,731,966.59
NTX Asset Managmt Immo (formerly Real Estate Investment/Fructiger)	89,693	1,254,667.11
SAGP	990	15,092.45
Saint Dominique Radio (formerly Investima 4)	3,850	38,500.00
SPAFIC	2,494	651,221.92
SPAFICA	42,822	63,472,920.48
Val “A”	1,672,000	282,160,453.47
C) Other		
COFACE	18,123,093	813,916,324.61
Co-Assur	2,494	282,570.47
Creninvest 1	4,994	76,133.04
Creninvest 7	2,494	38,020.78
Foncier Assurance	765,030	33,001,294.00
GIE Omnium Natexis (formerly Natexis Marché Primaire)	1,250	19,056.13
GIE Restauprise	14,740	22,470.99
Invest Alpha	14,994	228,582.06
Invest Delta	14,994	1,228,582.06
Invest Gamma	2,494	32,807.63
Invest Omega	2,494	25,744.43
Investima 11	3,850	38,500.00
Investima 12	3,700	37,000.00
Investima 14	52,000	501,533.00
Investima 16	52,000	505,628.00
Investima 17	230,000	2,266,087.00
Investima 18	226,000	2,242,020.00
Investima 19	220,000	2,194,374.00
Investima 20	3,700	37,000.00
Investima 25 SAS	3,700	37,000.00
Investima 26 SAS	3,700	37,000.00
Investima 27 SAS	3,700	37,000.00
Investima 28 SAS	3,700	37,000.00
Investima 29	3,700	37,000.00
Investima 3	3,850	38,500.00
Investima 30 SAS	3,700	37,000.00
Investima 31 SAS	3,700	37,000.00
Investima 32 SAS	3,700	37,000.00

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In euros	Number of shares	Carrying value
Investima 33 SAS	3,700	37,000.00
Investima 34 SAS	3,700	37,000.00
Investima 35 SAS	3,700	37,000.00
Investima 5	3,850	38,500.00
Investima 8 SAS	3,850	19,250.00
Investima 9 SAS	3,850	19,250.00
Issy-Sf2 - Titres Cadeaux	27,000	260,894.87
Lugdunum Gestion	7,995	289,653.21
Natexis Altair (Formerly Plus X Altair)	6,274,984	14,445,341.25
Natexis Assurances (formerly Assurances B.P.)	8,608,250	673,602,945.44
Natexis Immo Développement	92,674	6,775,636.78
Natexis Immo Exploitation (formerly Invest Sigma)	7,674,462	124,002,112.22
Natexis Investor Servicing (formerly Investima 1)	110,896	5,324,166.67
Natexis Private Banking (formerly Natexis Formation)	4,496,388	53,970,638.71
NXBP 1 (formerly Natexis Gestion)	2,590	39,484.30
Partecis SAS	1,250	1,250,000.00
Reacomex	4,999	5,651,288.63
SAMIC “Société Anonyme Monaco Internat Com”	250	1,804,187.29
SAS Valmy Liberté Conseil	2,476	67,104.78
SCI Antin Haussmann	18	274,408.23
SCI Haussmann 90	1,809	2,757,802.72
SDGP 41	2,493	37,949.73
SDGP 43	2,493	37,949.73
Turbo SA	8,166	126,847.48
Val “B”	2,494	38,416.68
Vallauris II CLO PLC	400	46,032.40
D) Investments with a carrying value of less than or equal to €15,000	**-**	**15,730.10**
E) Shareholders’ advances		
SCI Altair 1	-	6,274,967.28
SPAFIC	-	2,141,592.06
F) Securities loaned	**-**	**10,956.75**
G) Accrued interest receivable	**-**	
II - INVESTMENTS IN ASSOCIATES AND OTHER SECURITIES HELD FOR INVESTMENT		
A) Banking and credit institutions		
Al Wassit - Intermédiation et conseil financier	9,375	68,683.10
B.P. di Novara	14,400	231,696.78
Banco Finantia	12,115,761	21,385,737.64
Banque Gabonaise de Développement	16,200	67,077.57
CCI BP Atlantique - Nantes	3,270,611	195,023,205.08
CCI BP Bourgogne Franche-Comté - Dijon	2,796,731	263,348,991.45
CCI BP Centre Atlantique - Niort	11,021,750	107,012,854.48
CCI BP Côte d’Azur - Nice	1,375,001	97,118,327.74

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In euros	Number of shares	Carrying value
CCI BP d'Alsace - Strasbourg	2,750,000	134,527,121.74
CCI BP de l'Ouest - Rennes	1,925,521	183,981,107.85
CCI BP des Alpes - Grenoble	3,200,000	184,497,656.50
CCI BP du Massif Central - Clermont-Ferrand	1,100,000	98,674,122.62
CCI BP du Nord - Lille	3,378,126	101,609,028.87
CCI BP du Sud - Perpignan	20,420,135	220,129,055.30
CCI BP du Sud-Ouest - Bordeaux	2,735,294	109,386,437.44
CCI BP Loire et Lyonnais - Lyon	2,382,353	136,667,399.22
CCI BP Lorraine Champagne - Metz	4,468,750	248,558,343.75
CCI BP Occitane - Toulouse	8,562,500	323,272,860.80
CCI BP Provencale et Corse - Marseille	1,017,188	84,056,618.60
CCI BP Rives de Paris	4,975,000	333,341,458.05
CCI BP Val de France - St Quentin en Yvelines	1,175,000	332,739,909.76
CCI BRED-Banque Populaire BRED Banque Populaire	7,562,500	545,710,000.00
CCI CASDEN-Banque Populaire	6,875,000	291,583,046.48
CCI CEP Alpes	1,000,534	127,896,489.00
CCI CEP Alsace	953,968	113,988,575.00
CCI CEP Aquitaine Nord	916,267	132,264,666.00
CCI CEP Auvergne - Limousin	1,214,229	181,454,738.00
CCI CEP Basse-Normandie	619,145	84,338,252.00
CCI CEP Bourgogne - Franche-Comté	1,953,842	245,257,282.00
CCI CEP Bretagne	25,216	133,539,402.00
CCI CEP Centre-Val de Loire	710,293	100,728,527.00
CCI CEP Champagne - Ardenne	750,464	101,840,507.00
CCI CEP Côte d'Azur	1,222,919	179,799,058.00
CCI CEP Flandre	1,004,451	142,274,733.00
CCI CEP Haute-Normandie	1,174,360	167,796,584.00
CCI CEP Île-de-France Nord	660,028	95,951,543.00
CCI CEP Île-de-France Ouest	810,543	129,372,717.00
CCI CEP Île-de-France Paris	3,983,114	431,661,799.00
CCI CEP Languedoc-Roussillon	1,532,768	179,029,041.00
CCI CEP Loire - Drôme - Ardèche	1,338,769	114,534,779.00
CCI CEP Lorraine	1,534,791	186,498,178.00
CCI CEP Midi Pyrénées	2,168,750	232,688,768.00
CCI CEP Pas-de-Calais	1,153,142	129,761,880.00
CCI CEP Pays de la Loire	1,733,417	184,318,894.00
CCI CEP Pays de l'Adour	654,619	75,195,653.00
CCI CEP Pays du Hainaut	699,327	111,180,205.00
CCI CEP Picardie	1,139,197	196,348,504.00
CCI CEP Poitou - Charentes	1,105,138	108,748,342.00
CCI CEP Provence - Alpes - Corse	3,182,967	392,001,971.00
CCI CEP Rhône - Alpes - Lyon	2,398,034	211,924,869.00
CCI CEP Val de France Orléanais	930,000	137,039,444.00
CCI Crédit Coopératif	6,475,001	175,602,027.12

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In euros	Number of shares	Carrying value
I.K.B	2,200,000	29,430,369.72
OSEO (formerly SOFARIS)	133,372	3,242,831.92
Parnassienne de Crédit (consolidated with the BF)	100	76,224.51
Unigrains	5,467	186,978.50
W.G.Z. Bank	8,700	1,091,345.87
B) Financial institutions		
AFH African Financial Holding	7,238	906,018.95
Axeltis Ltd	627,000	1,025,777.75
Banque Internationale Arabe de Tunisie (BIAT)	272,000	3,061,255.69
Banque Populaire Images 7	31	31,000.00
Fiaro	29,166	147,508.98
Immobilière Privée	8,040	1,479,367.24
Maroc Service Intermédiation	10,000	66,814.00
Médiafinance	255,000	4,047,120.84
Natexis Bque Pop. Images 2	7,164	3,904,791.79
PAI Europe 3 FCPR	1,380,413	2,561,308.99
Paris Titrisation	3,999	86,356.02
Patrimoine Europe (SCPI)	2,941	2,767,864.37
PROPARCO	267,300	4,017,739.19
SOFIMAC	221	33,521.89
SOFIPROTEOL	17,501	243,163.03
VILC Vietnam International Leasing Cie	1,000,000	793,563.57
C) Other		
AIT Mauritaus (Singapore)	6,687,402	455,580.87
Assurances Banque Populaire IARD (formerly Fructi-MAAF)	44	132,000.00
Caisse de Garantie Immobilière “CGIFFB”	2,000	15,244.90
Carlyse Europe Partners II LP	8,752,790	8,752,790.00
Clemet	1,000	15,244.90
DMC	662,100	1,648,629.00
Ecrinvest 8 (formerly NAM Gerance)	2,496	38,370.63
Econocom Group	13,252	56,031.24
Embraer	273,120	10,492,370.08
Eurazeo Co-Investment Partners	500	25,000,000.00
Foncière Inea (formerly Irelia)	26,900	999,873.00
GIE Les Jeunes Bois	251,540	251,534.70
GIE Spring Rain	17,599,140	2,682,971.60
GIE Star Trois	149,902,077	228,524.24
GIE Vulcain Energie	24,446	372,676.87
Gold Toe Investment Corp	156,433	154,583.30
Industri Kapital	3,890,156	3,890,156.42
Loxley Public Co Ltd (Singapore)	16,150,000	647,289.29
Lucia	186,000	3,965,687.02

In euros	Number of shares	Carrying value
Millenium Nts Steel (Singapore)	44,938,197	838,575.55
Natexis Pramex International	33,986	600,850.15
OGIF - Omnium de Gestion Financière de l'Île-de-France	77,350	31,556.95
PAI Europe 4 FCPR	2,500,000	19,987,000.00
PAI Europe 4 General	1	2,311,000.00
Parnasse Immo	300	137,204.12
Porcher Industries	506	427,830.10
PT Ades Alfindo (Singapore)	625,157	58,511.77
Pt JAPFA COMFEED (Singapore)	7,930,882	257,258.92
Pt SIERAD (Singapore)	126,906,390	535,037.21
Robinson (Singapore)	7,757,557	1,832,987.07
SDH Développement de l'Horlogerie (Sté)	2,400	36,587.76
SEMAEST - Semi-public company, Paris	2,500	50,000.00
SICOVAM Holding	3,694	30,417,099.22
SNPE	500	36,206.64
Société Concessionnaire du Grand Louvre (SCESCL)	16,009	110,851.32
SOFRANTEM	15,002	388,822.74
Srithai Superware (Singapour)	5,641,456	1,076,992.41
Swift	303	30,822.84
SYSTRA	7,300	1,714,518.00
Transvalor	1,069	16,754.15
Unicéréales	2,750	41,923.48
Val "E"	2,494	38,020.80
D) Investments with a carrying value of less than or equal to €15,000	**-**	**153,698.53**
E) Shareholders' advances		
SAS SFPMEI	-	710.00
F) Securities loaned	**-**	**31,029.99**
G) Accrued interest receivable	**-**	**829.63**
III -TREASURY STOCK		
Natexis Banques Populaires	-	0.00
TOTAL INVESTMENTS AS OF DECEMBER 31, 2006		**23,103,004,453.17**

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NOTE 4.2 DISCLOSURE OF SIGNIFICANT SHAREHOLDINGS IN FRENCH COMPANIES DURING THE YEAR

This information is provided pursuant to the provisions of Article L. 247-1 of the French Commercial Code:

	% at December 31, 2006	Number of shares at December 31, 2006
Additions		
Aivelys Asset Management	99.99%	99,994
Banco Finantia	16.15%	12,115,761
CACEIS	50.00%	3,972,653
CCI CEP Alpes	20.00%	1,000,534
CCI CEP Alsace	20.00%	953,968
CCI CEP Aquitaine Nord	20.00%	916,267
CCI CEP Auvergne - Limousin	20.00%	1,214,229
CCI CEP Basse-Normandie	20.00%	619,145
CCI CEP Bourgogne - Franche-Comté	20.00%	1,953,842
CCI CEP Bretagne	20.00%	25,216
CCI CEP Centre - Val de Loire	20.00%	710,293
CCI CEP Champagne - Ardenne	20.00%	750,464
CCI CEP Côte-d'Azur	20.00%	1,222,919
CCI CEP Flandre	20.00%	1,004,451
CCI CEP Haute-Normandie	20.00%	1,174,360
CCI CEP Ile-de-France Nord	20.00%	660,028
CCI CEP Ile-de-France Ouest	20.00%	810,543
CCI CEP Ile-de-France Paris	20.00%	3,983,114
CCI CEP Languedoc-Roussillon	20.00%	1,532,768
CCI CEP Loire – Drôme - Ardèche	20.00%	1,338,769
CCI CEP Lorraine	20.00%	1,534,791
CCI CEP Midi-Pyrénées	20.00%	2,168,750
CCI CEP Pas-de-Calais	20.00%	1,153,142
CCI CEP Pays de la Loire	20.00%	1,733,417
CCI CEP Pays de l'Adour	20.00%	654,619
CCI CEP Pays du Hainaut	20.00%	699,327
CCI CEP Picardie	20.00%	1,139,197
CCI CEP Poitou-Charentes	20.00%	1,105,138
CCI CEP Provence – Alpes - Corse	20.00%	3,182,967
CCI CEP Rhône – Alpes - Lyon	20.00%	2,398,034
CCI CEP Val de France - Orléanais	20.00%	930,000
CCI BP Atlantique - Nantes	20.00%	3,270,611
CCI BP Bourgogne Franche-Comté - Dijon	20.00%	2,796,731
CCI BP Centre Atlantique - Niort	20.00%	11,021,750
CCI BP Côte d'Azur - Nice	20.00%	1,375,001
CCI BP d'Alsace - Strasbourg	20.00%	2,750,000
CCI BP de l'Ouest - Rennes	20.00%	1,925,521
CCI BP des Alpes - Grenoble	20.00%	3,200,000
CCI BP du Massif Central - Clermont-Ferrand	20.00%	1,100,000
CCI BP du Nord - Lille	20.00%	3,378,126

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	% at December 31, 2006	Number of shares at December 31, 2006
CCI BP du Sud - Perpignan	20.00%	20,420,135
CCI BP du Sud-Ouest - Bordeaux	20.00%	2,735,294
CCI BP Loire et Lyonnais - Lyon	20.00%	2,382,353
CCI BP Lorraine - Champagne - Metz	20.00%	4,468,750
CCI BP Occitane - Toulouse	20.00%	8,562,500
CCI BP Provençal et Corse - Marseille	20.00%	1,017,188
CCI BP Rives de Paris	20.00%	4,975,000
CCI BP Val de France – St Quentin en Yvelines	20.00%	1,175,000
CCI BRED - Banque Populaire	20.00%	7,562,500
CCI CASDEN - Banque Populaire	20.00%	6,875,000
CCI Crédit Coopératif	20.00%	6,475,001
CEFI	67.00%	3,819,000
CIFG Holding	100.00%	50,008,720
Compagnie 1818	57.85%	370,629
Foncier Assurances	60.00%	765,030
GCE Affacturage	100.00%	500,000
GCE Bail	100.00%	3,419,843
GCE Financial services	100.00%	32,237,000
GCE Garanties	100.00%	221,021
Gestitres	100.00%	322,782
Invest Kappa (formerly Line Bourse)	100.00%	576,133
Issy-SF2 - Titres Cadeaux	50.00%	27,000
Ixis Asset Management Group	84.58%	56,507,306
Ixis CIB	100.00%	125,207,265
Natexis Banque Populaire Images 2	90.49%	7,164
Natexis Private Banking (formerly Natexis Formation)	100.00%	4,496,388
Natexis Private Equity	100.00%	19,063,294
Novacrédit	66.00%	263,986
Vallauris II CLO PLC	100.00%	400
Removals		
Antinvest (liquidation)		
Auxiliaire Antin (transfer of all assets to holding company)		
Banque Privée Saint Dominique (contribution)		
Business & Leisure (liquidation)		
Citius Net (liquidation)		
Cladel Maritime (liquidation)		
FIMES- “Messine SA” (liquidation)		
GECOMEX (liquidation)		
Investima 7 SAS (transfer of all assets to holding company)		
Jacquet SA (sale)		
SCI 1, bis avenue G.-Péri (liquidation)		
SDGP 38 (sale)		
SEPIA (transfer of all assets to holding company)		
Société Financière BFCE (transfer of all assets to holding company)		
SOGAFI (liquidation)		
Valmy 1 (transfer of all assets to holding company)		
Vestra Groupe (liquidation)		

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NOTE 4.3 INFORMATION CONCERNING SUBSIDIARIES AND ASSOCIATES

Pursuant to Article L. 233-15 of the French Commercial Code

Company or group of companies	Share capital *Thousands of units*	Reserves *Thousands of units*	Percentage Interest at Dec. 31, 2006
A - Investments with a carrying value in excess of 1% of the share capital of the reporting company			
- Investments in subsidiaries and associates (holdings in excess of 10%)			
NATEXIS ASSURANCES 68-76, quai de la Rapée, 75012 Paris	65,681 EUR	387,787 EUR	100.00%
NATEXIS LEASE 45, rue Saint-Dominique, 75007 Paris	267,242 EUR	135,876 EUR	99.81%
NATEXIS ASSET MANAGEMENT 68-76, quai de la Rapée, 75012 Paris	30,468 EUR	9,223 EUR	87.45%
NATEXIS PRIVATE BANKING 45, rue Saint-Dominique, 75007 Paris	53,957 EUR	1 EUR	100.00%
NATEXIS PAIEMENTS 45, rue Saint-Dominique, 75007 Paris	22,419 EUR	1,584 EUR	100.00%
COFACE 12, cours Michelet, La Défense 10, 92800 Puteaux	69,795 EUR	482,271 EUR	98.26%
NATEXIS COFICINE 26, rue de Montévidéo, 75016 Paris	5,897 EUR	8,520 EUR	94.37%
NATEXIS FACTOREM 4, place de la Coupole, 94600 Charenton-le-Pont	12,000 EUR	137,623 EUR	99.66%
NATEXIS IMMO EXPLOITATION 45, rue Saint-Dominique, 75007 Paris	117,036 EUR	2,754 EUR	100.00%
INVEST KAPPA (formerly Line Bourse) 45, rue Saint-Dominique, 75007 Paris	5,761 EUR	1,699 EUR	100.00%
NATEXIS ALGÉRIE 62, chemin Mohamed Drareni, Hydra, Algiers	2,500,641 DZD	322,988 DZD	91.29%
NATEXIS ARBITRAGE 115, rue Montmartre, 75002 Paris	60,298 EUR	(9,690) EUR	100.00%
NATEXIS LUXEMBOURG SA 51, avenue J.F. Kennedy L-1855 Luxembourg	100,000 EUR	18,379 EUR	100.00%
NATEXIS BLEICHROEDER INC 1345, avenue of the Americas, NY 10105, New York	151,503 USD	(20,997) USD	100.00%
NATEXIS BLEICHROEDER SA 100, rue Réaumur, 75002 Paris	73,636 EUR	(26,669) EUR	100.00%
NATEXIS INTERÉPARGNE 68, quai de la Rapée, 75012 Paris	8,891 EUR	18,610 EUR	100.00%
NATEXIS COMMODITY MARKET (ex Natexis Metals) 47-53, Cannon Street, London EC4M 5SH	35,788 USD	(2,744) USD	100.00%
NATEXIS PRIVATE EQUITY 5-7, rue de Monttessuy, 75007 Paris	438,456 EUR	147,622 EUR	100.00%
NATEXIS TRANPORT FINANCE (SBFI) 45, rue Saint-Dominique, 75007 Paris	95,626 EUR	80,037 EUR	100.00%
FONCIER ASSURANCE 19, rue des Capucines, 75001 Paris	48,483 EUR	4,712 EUR	60.00%

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Book value of investment		Outstanding loans and advances	Guarantees given	Total revenues in previous year	Net income or loss in previous year	Dividends received in 2006	
Cost *Thousands of euros*	Net *Thousands of euros*	*Thousands of euros*	*Thousands of euros*	*Thousands of units*	*Thousands of units*	*Thousands of euros*	Comment
673,603	673,603	-	-	95,471 EUR	93,104 EUR	80,268	*
399,595	399,595	1,948,341	-	38,873 EUR	31,097 EUR	17,337	*
176,993	176,993	-	-	158,454 EUR	51,207 EUR	35,239	*
53,971	53,971	-	-	(3,999) EUR	(4,030) EUR	-	*
22,087	22,087	26,579	-	121,296 EUR	16,783 EUR	15,286	*
813,916	813,916	-	-	621,341 EUR	40,705 EUR	116,867	*
31,500	29,000	-	150,005	11,005 EUR	3,587 EUR	-	*
127,459	127,459	260,000	-	113,125 EUR	34,951 EUR	15,995	*
124,002	124,002	-	-	69,736 EUR	(2,216) EUR	- *	
20,195	7,459	-	-	54 EUR	150 EUR	-	*
24,783	24,783	2,570	26,890	1,262,611 DZD	282,092 DZD	-	*
60,615	60,615	-	-	3,290 EUR	(6,597) EUR	-	*
100,637	100,637	388,086	241,447	5,096 EUR	7,213 EUR	-	*
193,309	146,746	140,471	4,000	94,070 USD	6,583 USD		- *
75,679	50,548	-	524,291	72,609 EUR	8,103 EUR	-	*
57,053	57,053	-	-	70,468 EUR	6,809 EUR	1,945	*
21,777	24,037	681,093	-	70,054 USD	19,630 USD	-	*
512,991	512,991	-	-	68,151 EUR	50,160 EUR	60,099	*
177,127	177,127	1,979,029	-	20,298 EUR	12,780 EUR	9,580	*
33,001	33,001	-	-	10,565 EUR	1,222 EUR	-	*

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Company or group of companies	Share capital *Thousands of units*	Reserves *Thousands of units*	Percentage Interest at Dec. 31, 2006
SPAFICA 115, rue Montmartre, 75002 Paris	685 EUR	62,859 EUR	99.98%
VAL A 115, rue Montmartre, 75002 Paris	167,200 EUR	180,256 EUR	100.00%
NATEXIS MOSCOW Business Center Parus, 1th Tverskaya, Yanskaya Street 23/1 125047 Moscow, Russia	1,153,089 RUR	181,382 RUR	100.00%
NATEXIS AMBS (New York) 645, Fifth Avenue, NY 10022, New York	562,050 USD	(4,623) USD	100.00%
CEFI 87-89, quai Panhard-et-Levassor, 75634 Paris Cedex	60,090 EUR	(1,147) EUR	67.00%
CIFG HOLDING 31, rue de Mogador, 75009 Paris	450,078 EUR	44,237 EUR	100.00%
COMPAGNIE 1818 50, avenue Montaigne, 75008 PARIS	48,346 EUR	77,053 EUR	57.85%
CACEIS 1, place Valhubert, 75013 Paris	300,000 EUR	201,921 EUR	50.00%
GCE BAIL 32, rue Beaujon, 75008 Paris	45,448 EUR	(7,097) EUR	100.00%
GCE FINANCIAL SERVICIES 74, avenue du Docteur-Arnold-Netter, 75012 Paris	8,058 EUR	(657) EUR	100.00%
GCE GARANTIES 42, rue Raymond Poincaré, 75782 Paris	10,109 EUR	142,103 EUR	100.00%
Ixis ASSET MANAGEMENT GROUP 21, quai d'Austerlitz, 75013 Paris	66,809 EUR	2,193,125 EUR	84.58%
Ixis CORPORATE & INVESTMENT BANK (Ixis CIB) 47, quai d'Austerlitz, 75648 Paris Cedex 13	1,909,411 EUR	1,360,076 EUR	100.00%
GESTITRES 24, vla Baudran, 94742 Arcueil	28,504 EUR	4,684 EUR	100.00%
BANQUES POPULAIRES RÉGIONALES (Somme)	4,431,517 EUR	7,961,689 EUR	20.00%
CAISSE D'ÉPARGNE ET DE PRÉVOYANCE (Somme)	3,780,588 EUR	11,142,108 EUR	20.00%
B - Other interests			
- Other interests not included under A			
21 - France (aggregate)			
22 - Other (aggregate)			

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	Book value of investment		Outstanding loans and advances	Guarantees given	Total revenues in previous year	Net income or loss in previous year	Dividends received in 2006	
	Cost *Thousands of euros*	Net *Thousands of euros*	*Thousands of euros*	*Thousands of euros*	*Thousands of units*	*Thousands of units*	*Thousands of euros*	Comment
	63,473	63,473	-	-	7,258 EUR	10,947 EUR	10,279	*
	282,160	282,160	-	-	4,423 EUR	7,149 EUR	-	*
	30,857	36,743	180,292	19,742	290,811 RUR	88,631 RUR	-	*
	217,958	217,958	-	-	30,095 USD	30,075 USD	-	*
	178,220	178,220	-	-	65,664 EUR	11,906 EUR	-	*
	430,204	430,204	-	-	(3,657) EUR	(3,907) EUR	-	*
	75,204	75,204	-	-	32,749 EUR	501 EUR	-	*
	529,000	529,000	-	-	51,070 EUR	37,394 EUR	-	*
	39,000	39,000	-	-	13,411 EUR	(573) EUR	-	*
	29,000	29,000	-	-	3,509 EUR	60 EUR	-	*
	475,000	475,000	-	-	19,395 EUR	12,910 EUR	-	*
	3,536,313	3,536,313	-	-	12,825 EUR	54,686 EUR	-	*
	4,407,850	4,407,850	-	-	1,243,476 EUR	556,380 EUR	-	*
	32,353	32,353	-	-	88,967 EUR	4,014 EUR	-	*
	4,166,838	4,166,838	2,480,273	199,600	5,003,209 EUR	814,240 EUR	-	*
	4,627,438	4,627,438	-	-	5,968,250 EUR	1,659,033 EUR	-	*
	376,598	337,889	12,105,833	3,283			23,947	
	34,972	22,696	11,933,478	16,109			-	

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NOTE 4.4 TREASURY STOCK - ASSETS

	Quantity purchased	Purchase price	Average purchase price	Quantity sold or cancelled	Selling price	Average selling price	Closing stock	% of share capital
At January 1, 2006	**1,848,072**	**165,796,967**	**89.71**	**193,467**	**20,313,935**	**105.00**	**1,654,605**	**3.38%**
share price regulation	124,695	23,919,648	191.83	224,054	29,086,983	129.82	-	-
At November 17, 2006	**1,972,767**	**189,716,615**	**96.17**	**417,521**	**49,400,918**	**118.32**	**1,555,246**	**3.17%**

	Quantity purchased	Purchase price	Average purchase price	Quantity sold or cancelled	Selling price	Average selling price	Closing stock	% of share capital
At November 17, 2006	**1,972,767**	**189,716,615**	**96.17**	**417,521**	**49,400,918**	**118.32**	**1,555,246**	**3.17%**
10-for-1 stock split	**19,727,670**	**189,716,615**	**9.62**	**4,175,210**	**49,400,918**	**11.83**	**15,552,460**	**3.17%**
share price regulation	-	-	-	15,552,460	314,153,419	20.20	-	-
At December 31, 2006	**19,727,670**	**189,716,615**	**9.62**	**19,727,670**	**363,554,337**	**18.43**	**-**	**0.00%**

NOTE 5 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

	2006			2005			2004		
In € millions	Cost	Depreciation, amortization & impairment	Net	Cost	Depreciation, amortization & impairment	Net	Cost	Depreciation, amortization & impairment	Net
Property, plant & equipment and intangible assets used in the business	**347**	**(172)**	**175**	**286**	**(165)**	**121**	**272**	**(161)**	**111**
Intangible assets	134	(47)	87	87	(43)	44	83	(47)	36
Property, plant & equipment	213	(125)	88	199	(122)	77	189	(114)	75
Non-operating assets	**8**	**(6)**	**2**	**9**	**(6)**	**3**	**9**	**(3)**	**6**
Intangible assets	-	-	-	-	-	-	-	-	-
Property, plant & equipment	8	(6)	2	9	(6)	3	9	(3)	6
INTANGIBLE ASSETS	**134**	**(47)**	**87**	**87**	**(43)**	**44**	**83**	**(47)**	**36**
PROPERTY, PLANT & EQUIPMENT	**221**	**(131)**	**90**	**208**	**(128)**	**80**	**198**	**(117)**	**81**

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	Year-end 2005	Acquisitions	Disposals	Other	Year-end 2006
Cost					
Intangible assets used in the business	**87**	**53**	**(5)**	**(1)**	**134**
purchased goodwill	21	-	-	-	21
software	40	17	(5)	-	52
other	26	36	-	(1)	61
Property, plant & equipment used in the business	**199**	**32**	**(17)**	**(1)**	**213**
land and buildings	101	11	(6)	-	106
other	98	21	(11)	(1)	107
Non-operating property, plant & equipment	**9**	**0**	**(1)**	**0**	**8**
land and buildings	6	-	-	-	6
other	3	-	(1)	-	2
TOTAL	**295**	**85**	**(23)**	**(2)**	**355**

	Year-end 2005	Charges and reversals	Disposals	Other	Year-end 2006
Amortization, depreciation and impairment					
Intangible assets used in the business	**43**	**9**	**(5)**	**0**	**47**
purchased goodwill	(2)	-	-	3	1
software	33	8	(5)	-	36
other	12	1	-	(3)	10
Property, plant & equipment used in the business	**122**	**21**	**(17)**	**(1)**	**125**
land and buildings	49	9	(6)	-	52
other	73	12	(11)	(1)	73
Non-operating property, plant & equipment	**6**	**0**	**0**	**0**	**6**
land and buildings	5	-	-	-	5
other	1	-	-	-	1
TOTAL	**171**	**30**	**(22)**	**(1)**	**178**

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NOTE 6 ACCRUED INCOME, PREPAID EXPENSES AND OTHER ASSETS

In € millions	2006	2005	2004
Purchased options	2,504	2,075	1,610
Settlement accounts	184	193	141
Other receivables	1,121	859	812
Inventory accounts	3	1	2
OTHER ASSETS	**3,812**	**3,128**	**2,565**
Collection accounts	9	3	12
Adjustment accounts	75	505	208
Losses on financial instruments	-	-	1
Deferred charges or prepayments	107	80	94
Accrued income	346	594	578
Other	474	660	934
PREPAYMENTS AND ACCRUED INCOME	**1,011**	**1,842**	**1,827**

NOTE 7 INTERBANK AND MONEY MARKET LIABILITIES

In € millions	2006	2005	2004
Due to central banks and post offices	**613**	**412**	**22**
Deposits from banks	**50,267**	**54,106**	**39,847**
Demand deposits	14,648	10,987	8,564
accrued interest payable	*5*	*2*	*2*
other amounts due	*1*	*25*	*27*
Time deposits (*)	35,619	43,119	31,283
accrued interest payable	*344*	*426*	*207*
INTERBANK AND MONEY MARKET LIABILITIES	**50,880**	**54,518**	**39,869**
(*) including securities delivered under repurchase agreements:	*21,577*	*31,474*	*23,747*
accrued interest payable	*239*	*346*	*162*

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NOTE 8 CUSTOMER DEPOSITS

In € millions	2006	2005	2004
Special savings accounts	**60**	**63**	**55**
Other liabilities	**12,979**	**19,763**	**16,102**
Demand deposits	5,967	6,065	5,550
accrued interest payable	*6*	*4*	*2*
other amounts due	*3*	*66*	*69*
Time deposits (*)	7,012	13,698	10,552
accrued interest payable	*24*	*111*	*64*
guarantee deposits	*145*	*112*	*131*
CUSTOMER DEPOSITS	**13,039**	**19,826**	**16,157**
(*) including securities delivered under repurchase agreements:	*1,108*	*7,324*	*7,252*
accrued interest payable	*6*	*80*	*49*

NOTE 9 DEBT SECURITIES IN ISSUE

In € millions	2006	2005	2004
Interbank market instruments and money market instruments	**46,396**	**30,238**	**25,855**
accrued interest payable	*437*	*184*	*143*
Bonds	**2,087**	**4,224**	**3,151**
accrued interest payable	*26*	*41*	*41*
Retail certificates of deposit and savings bonds	**1**	**1**	**1**
accrued interest payable	-	-	-
DEBT SECURITIES IN ISSUE	**48,484**	**34,463**	**29,007**

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NOTE 10 DEFERRED INCOME, ACCRUED CHARGES AND OTHER LIABILITIES

In € millions	2006	2005	2004
Sundry payables	1,940	1,763	1,563
Securities transactions	3,745	4,122	2,389
trading account securities	-	-	-
liabilities on trading account securities	*3,735*	*4,101*	*2,361*
accrued interest payable	-	-	-
Sold options	1,936	1,451	1,430
Securities settlement accounts	120	197	225
OTHER LIABILITIES	**7,741**	**7,533**	**5,607**
Unavailable accounts	45	70	90
Adjustment and suspense accounts	468	514	696
Gains on financial instruments	-	-	1
Deferred income	52	43	39
Accrued charges	724	630	718
Other	1,635	1,118	912
ACCRUED CHARGES AND DEFERRED INCOME	**2,924**	**2,375**	**2,456**

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NOTE 11 PROVISIONS FOR CONTINGENCIES AND CHARGES

In € millions	Em-ployee benefits	Off-balance sheet commitments	Country risks	Specific credit risks	Provisions for litigation	Industry risks	Tax-driven provisions	Financial instrument risks	Sundry risks	Total
At January 1, 2004	**51**	**18**	**248**	**47**	**12**	**200**	**203**	**35**	**17**	**831**
Charges	39	10	23	14	3	7	61	17	12	186
Reversals	(26)	(19)	(29)	(26)	-	(16)	(39)	(44)	(11)	(210)
Translation differences	-	-	(7)	-	-	(1)	(1)	-	-	(9)
Other changes	2	-	-	(3)	-	-	-	8	(9)	(2)
Movements in 2004	**15**	**(9)**	**(13)**	**(15)**	**3**	**(10)**	**21**	**(19)**	**(8)**	**(35)**
Balance at December 31, 2004	**66**	**9**	**235**	**32**	**15**	**190**	**224**	**16**	**9**	**796**
At January 1, 2005	**66**	**9**	**235**	**32**	**15**	**190**	**224**	**16**	**9**	**796**
Charges	14	22	17	14	7	53	45	16	2	190
Reversals	(12)	(20)	(17)	(5)	(12)	(14)	(36)	(14)	(6)	(136)
Translation differences	-	-	16	-	1	4	1	-	-	22
Other changes	77	2	-	-	(5)	(13)	2	-	(1)	62
Movements in 2005	**79**	**4**	**16**	**9**	**(9)**	**30**	**12**	**2**	**(5)**	**138**
Balance at December 31, 2005	**145**	**13**	**251**	**41**	**6**	**220**	**236**	**18**	**4**	**934**
At January 1, 2006	**145**	**13**	**251**	**41**	**6**	**220**	**236**	**18**	**4**	**934**
Charges	7	20	89	10	1	188	71	45	-	431
Reversals	(14)	(18)	(77)	(7)	(2)	(91)	(68)	(4)	(2)	(283)
Translation differences	-	-	(13)	-	-	(2)	(1)	-	-	(16)
Other changes	2	-	-	-	-	5	(6)	-	-	1
Movements in 2006	**(5)**	**2**	**(1)**	**3**	**(1)**	**100**	**(4)**	**41**	**(2)**	**133**
Balance at December 31, 2006	**140**	**15**	**250**	**44**	**5**	**320**	**232**	**59**	**2**	**1,067**

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NOTE 12 LONG-TERM SUBORDINATED DEBT

In € millions	2006	2005	2004
Dated subordinated debt	**5,217**	**3,182**	**2,662**
Subordinated notes	4,699	2,514	1,950
Subordinated loans	518	668	712
Perpetual subordinated debt	**614**	**615**	**335**
Participating loans	-	-	-
Subordinated notes	586	587	307
Subordinated loans	28	28	28
Accrued interest payable	**63**	**45**	**43**
LONG-TERM SUBORDINATED DEBT	**5,894**	**3,842**	**3,040**

NOTE 13 FUND FOR GENERAL BANKING RISKS

In € millions	Euro FGBR	Foreign currency FGBR	Foreign currency provision	Total
At January 1, 2004	**190**	**24**	**22**	**236**
Charges	-	-	-	-
Reversals	-	-	-	-
Translation differences	-	(1)	(2)	(3)
Other changes	-	-	-	-
Movements in 2004	**0**	**(1)**	**(2)**	**(3)**
Balance at December 31, 2004	**190**	**23**	**20**	**233**
At January 1, 2005	**190**	**23**	**20**	**233**
Charges	-	-	-	-
Reversals	-	-	-	-
Translation differences	-	6	-	6
Other changes	-	-	-	-
Movements in 2005	**0**	**6**	**0**	**6**
Balance at December 31, 2005	**190**	**29**	**20**	**239**
At January 1, 2006	**190**	**29**	**20**	**239**
Charges	-	-	-	-
Reversals	(190)	(23)	(21)	(234)
Translation differences	-	(6)	1	(5)
Other changes	-	-	-	-
Movements in 2006	**(190)**	**(29)**	**(20)**	**(239)**
Balance at December 31, 2006	**0**	**0**	**0**	**0**

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NOTE 13B REGULATED PROVISIONS

In € millions	Revaluation reserve for depreciable assets	Provisions for investment	Accelerated depreciation	Total
At January 1, 2004	**0**	**10**	**0**	**10**
Charges	-	2	-	2
Reversals	-	(1)	-	(1)
Translation differences	-	-	-	0
Other changes	-	-	-	0
Movements in 2004	**0**	**1**	**0**	**1**
Balance at December 31, 2004	**0**	**11**	**0**	**11**
At January 1, 2005	**0**	**11**	**0**	**11**
Charges	-	-	1	1
Reversals	-	-	-	0
Translation differences	-	-	-	0
Other changes	-	-	-	0
Movements in 2005	**0**	**0**	**1**	**1**
Balance at December 31, 2005	**0**	**11**	**1**	**12**
At January 1, 2006	**0**	**11**	**1**	**12**
Charges	-	6	-	6
Reversals	-	(2)	-	(2)
Translation differences	-	-	-	0
Other changes	-	-	-	0
Movements in 2006	**0**	**4**	**0**	**4**
Balance at December 31, 2006	**0**	**15**	**1**	**16**

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NOTE 14 SHARE CAPITAL, SHARE PREMIUM, RESERVES AND RETAINED EARNINGS

In € millions	Share capital	Share premium	Legal reserve	General reserve	Long-term capital gains reserve	Other reserves	Retained earnings	Total
At January 1, 2004	**769**	**1,786**	**53**	**266**	**140**	**11**	**(9)**	**3,016**
Appropriation of 2003 income	-	-	11	9	52	-	129	201
Dividends paid in 2004	-	-	-	-	-	-	(116)	(116)
Exercise of stock options	3	10	-	-	-	-	-	13
Changes in accounting methods	-	-	-	-	-	-	(12)	(12)
Exit tax	-	-	-	-	-	-	(5)	(5)
Movements in 2004	**3**	**10**	**11**	**9**	**52**	**0**	**(4)**	**81**
Balance at December 31, 2004	**772**	**1,796**	**64**	**275**	**192**	**11**	**(13)**	**3,097**
At January 1, 2005	**772**	**1,796**	**64**	**275**	**192**	**11**	**(13)**	**3,097**
Appropriation of 2004 income	-	-	10	31	-	-	173	214
Dividends paid in 2005	-	-	-	-	-	-	(154)	(154)
Capital increase	4	26	-	-	-	-	-	30
Exercise of stock options	8	34	-	-	-	-	-	42
Changes in accounting methods	-	-	-	-	-	-	(100)	(100)
Transfer of long-term capital gains reserve	-	-	-	-	(192)	187	5	0
Movements in 2005	**12**	**60**	**10**	**31**	**(192)**	**187**	**(76)**	**32**
Balance at December 31, 2005	**784**	**1,856**	**74**	**306**	**0**	**198**	**(89)**	**3,129**
At January 1, 2006	**784**	**1,856**	**74**	**306**	**0**	**198**	**(89)**	**3,129**
Appropriation of 2005 income	-	-	5	121	-	-	342	468
Dividends paid in 2006	-	-	-	-	-	-	(245)	(245)
Capital increase	1,188	13,313	-	-	-	-	-	14,501
Reduction in share capital	(25)	(289)	-	-	-	-	-	(314)
Set-off of expenses	-	(4)	-	-	-	-	-	(4)
Exercise of stock options	5	21	-	-	-	-	-	26
Changes in accounting methods	-	-	-	-	-	-	9	9
Movements in 2006	**1,168**	**13,041**	**5**	**121**	**0**	**0**	**106**	**14,441**
Balance at December 31, 2006	**1,952**	**14,897**	**79**	**427**	**0**	**198**	**17**	**17,570**

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NOTE 15 INTERGROUP TRANSACTIONS

In € millions	2006	2005	2004
ASSETS			
Loans and advances to banks	25,520	15,940	9,608
Customer loans	4,281	2,718	3,374
Bonds and other fixed-income securities	34	390	190
Equities and other variable income securities	2,325	648	635
LIABILITIES			
Deposits from banks	27,141	13,817	10,683
Customer deposits	1,798	1,459	1,911
Debt securities in issue	176	245	50
Subordinated debt	349	350	296
OFF BALANCE SHEET			
Financing commitments given to			
credit institutions	3,250	2,023	890
customers	8	-	2
Guarantees given on behalf of			
credit institution	1,063	702	648
customers	522	690	1,008

NOTE 16 STATEMENT OF ASSETS, LIABILITIES AND COMMITMENTS RELATED TO MANAGEMENT OF PUBLIC PROCEDURES

In € millions	2006	2005	2004
Interbank and money market assets	166	250	333
Customer loans	400	697	1,133
Other assets	-	-	-
TOTAL ASSETS	**566**	**947**	**1,466**
Interbank and money market liabilities	239	322	408
Customer deposits	523	727	1,166
Debt securities in issue	-	-	-
Other liabilities	81	95	100
TOTAL LIABILITIES	**843**	**1,144**	**1,674**
Commitments given			
Financing commitments given	-	-	-
Guarantees given	-	1	2
TOTAL COMMITMENTS GIVEN	**0**	**1**	**2**
Commitments received			
Total financing commitments received	-	-	-
Guarantees received	183	263	345
TOTAL COMMITMENTS RECEIVED	**183**	**263**	**345**

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NOTE 17 INTEREST INCOME

In € millions	2006	2005	2004
Interbank transactions	2,813	2,232	1,949
Customer transactions	1,985	1,463	1,154
Finance lease transactions	-	9	13
Operating lease transactions	-	9	5
Bonds and other fixed-income securities	448	443	476
Other interest and similar income	170	315	210
TOTAL	**5,416**	**4,471**	**3,807**

NOTE 18 INTEREST EXPENSE

In € millions	2006	2005	2004
Interbank transactions	(2,663)	(2,072)	(1,802)
Customer transactions	(655)	(539)	(497)
Finance lease transactions	-	(7)	(12)
Operating lease transactions	-	(8)	(4)
Bonds and other fixed-income securities	(1,770)	(1,075)	(704)
Other interest expense	(230)	(278)	(283)
TOTAL	**(5,318)**	**(3,979)**	**(3,302)**

NOTE 19 INCOME FROM VARIABLE INCOME SECURITIES

In € millions	2006	2005	2004
Investments in subsidiaries	429	292	195
Securities held for sale	4	2	3
TOTAL	**433**	**294**	**198**

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NOTE 20 NET FEE AND COMMISSION INCOME

In € millions	2006	2005	2004
Net fee and commission income			
Customer transactions	137	97	86
Securities transactions	-	(1)	-
Off-balance sheet items:			
Financial instruments	(14)	(10)	(12)
Financing commitments	26	20	35
Guarantee commitments	20	19	13
Other commitments given	9	3	5
Other	(4)	(1)	-
Foreign exchange transactions	-	(1)	(1)
Other financial services	62	65	45
Payment services	11	21	23
Ancillary income	211	145	130
Other	45	40	37
TOTAL	**503**	**397**	**361**
Fee and commission income			
Customer transactions	142	103	90
Securities transactions	3	2	5
Off-balance sheet items:			
Financial instruments	15	11	9
Financing commitments	26	20	35
Guarantee commitments	36	38	25
Other commitments given	9	3	5
Other	-	-	-
Foreign exchange transactions	1	-	-
Other financial services	156	229	177
Payment services	71	45	49
Ancillary income	211	145	130
Other	49	42	37
TOTAL	**719**	**638**	**562**
Fee and commission expense			
Customer transactions	(5)	(6)	(4)
Securities transactions	(3)	(3)	(5)
Off-balance sheet items:			
Financial instruments	(29)	(21)	(21)
Guarantee commitments	(16)	(19)	(12)
Other	(4)	(1)	
Foreign exchange transactions	(1)	(1)	(1)
Other financial services	(94)	(164)	(132)
Payment services	(60)	(24)	(26)
Other	(4)	(2)	-
TOTAL	**(216)**	**(241)**	**(201)**

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NOTE 21 NET GAINS/(LOSSES) ON TRADING ACCOUNT SECURITIES

In € millions	2006	2005	2004
Net gains/(losses) on trading account securities	165	74	257
Net gains/(losses) on foreign exchange transactions	584	269	41
Net gains/(losses) on financial instruments	134	(182)	(206)
TOTAL	**883**	**161**	**92**

NOTE 22 NET GAINS/(LOSSES) ON SECURITIES HELD FOR SALE

In € millions	2006	2005	2004
Gains on disposal	37	104	61
Losses on disposal	(39)	(13)	(47)
Impairment charges	(60)	(58)	(91)
Reversals of impairment charges	57	84	145
TOTAL	**(5)**	**117**	**68**

NOTE 23 OTHER BANKING REVENUE AND EXPENSE

In € millions	2006	2005	2004
Expenses on commitments	(17)	(32)	(14)
Expenses on income sharing arrangements	(22)	(10)	(10)
Ancillary income	3	2	2
Share of income in banking joint ventures	2	-	16
Transfers of banking expenses	-	34	41
Other	(13)	(12)	-
TOTAL	**(47)**	**(18)**	**35**

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NOTE 24 GENERAL OPERATING EXPENSES

In € millions	2006	2005	2004
Payroll costs	**(654)**	**(544)**	**(483)**
Wages and salaries	(415)	(331)	(297)
Social security contributions (1)	(188)	(158)	(142)
Incentive and profit-sharing plans	(46)	(36)	(24)
Payroll taxes	(40)	(33)	(30)
Expenses rebilled	29	18	12
Charges to provisions for contingencies and charges (pension commitments)	6	(4)	(2)
Other administrative costs	**(543)**	**(357)**	**(315)**
Finance leases	(9)	(11)	(12)
Taxes other than on income	(22)	(11)	(15)
External services	(565)	(361)	(308)
Expenses rebilled	53	26	20
Depreciation, amortization and impairment of property, plant & equipment and intangible assets	**(30)**	**(21)**	**(27)**
TOTAL	**(1,227)**	**(922)**	**(825)**
(1) Including pension costs.	*(51)*	*(47)*	*(44)*

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NOTE 25 IMPAIRMENT CHARGES AND OTHER CREDIT PROVISIONS

In € millions	2006	2005	2004
Deducted from assets			
Non-performing loans:	**(39)**	**(37)**	**(84)**
Impairment charges	(60)	(87)	(151)
Reversals of impairment charges	98	152	163
Losses covered by impairment charges	(82)	(110)	(104)
Losses not covered by impairment charges	(11)	(5)	(6)
Recovery of bad debts written off	16	13	14
Securities:	**27**	**4**	**(32)**
Impairment charges	(5)	(17)	(53)
Reversal of impairment charges	32	52	21
Losses covered by impairment charges	-	(31)	-
Losses not covered by impairment charges	-	-	-
Recovery of bad debts written off	-	-	-
Net charge deducted from assets	**(12)**	**(33)**	**(116)**
Recognized as liabilities			
Country risks:	**(28)**	**(7)**	**5**
Charges to provisions	(89)	(17)	(23)
Reversals from provisions	77	17	28
Losses covered by impairment charges	(16)	(8)	-
Losses not covered by impairment charges	-	-	-
Recovery of bad debts written off	-	1	-
Contingencies & charges:	**(101)**	**(36)**	**29**
Charges to provisions	(198)	(50)	(24)
Reversals from provisions	97	14	53
Losses covered by impairment charges	-	-	-
Losses not covered by impairment charges	-	-	-
Recovery of bad debts written off	-	-	-
Net provision charge recognized as liabilities	**(129)**	**(43)**	**34**
TOTAL	**(141)**	**(76)**	**(82)**

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NOTE 26 NET GAINS/(LOSSES) ON DISPOSALS OF NON-CURRENT ASSETS

In € millions	2006	2005	2004
Long-term investments			
Gains			
Investments in associates and other securities held for investment	85	13	8
Debt securities held for investment	4	2	4
Losses			
Investments in associates and other securities held for investment	(3)	(18)	(33)
Debt securities held for investment	(21)	(1)	(7)
Impairment charges			
Investments in associates and other securities held for investment	(5)	(5)	(129)
Debt securities held for investment	-	-	-
Reversal of impairment charges			
Investments in associates and other securities held for investment	9	38	45
Debt securities held for investment	-	-	4
Charges to provisions for contingencies and charges			
Investments in associates and other securities held for investment	2	3	(2)
TOTAL	**71**	**32**	**(110)**
Property, plant & equipment and intangible assets	**2**	**0**	**1**
TOTAL	**73**	**32**	**(109)**

NOTE 27 EXCEPTIONAL ITEMS

In € millions	2006	2005	2004
Payroll costs			
Reversal from provision for departures under the employee assistance program	1	2	4
Transfer of personnel costs in connection with the employee assistance program	(1)	(2)	(4)
Other exceptional items			
Other exceptional charges	-	-	(1)
VAT reassessment	-	-	-
Other exceptional income (1)	-	82	-
Recovery of VAT from BP regional banks	-	-	-
TOTAL	**0**	**82**	**(1)**

(1) Compensation on termination of lease contract over the Liberté 2 building.

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NOTE 28 CORPORATE INCOME TAX

In € millions	2006	2005	2004
Tax at standard rate	(61)	(49)	(37)
Surtax and annual fixed tax charge	-	(2)	-
Tax at reduced rates	-	-	
Tax reassessments	(19)	(31)	(34)
Impact of foreign branch income taxed at different rates	(5)	(3)	(3)
Tax credits	11	8	6
Impact of group tax relief	23	(24)	14
Other	(4)	1	26
TOTAL	**(55)**	**(100)**	**(28)**

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NOTE 29 CHANGE IN AVERAGE NUMBER OF EMPLOYEES

	2006	2005	2004
Technicians	1,863	1,897	2,078
Managers	3,209	2,851	2,676
TOTAL EMPLOYEES	**5,072**	**4,748**	**4,754**

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NOTE 30 OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

In € millions	2006	2005	2004
Organized markets	**65,653**	**61,010**	**41,918**
Swaps			
Forward transactions	-	-	-
Options	-	-	-
Other			
Forward transactions	65,579	57,915	32,981
Options	74	3,095	8,937
Over-the-counter	**892,190**	**620,183**	**512,446**
Swaps			
Forward transactions	663,547	478,625	63,644
Options	-	-	-
Other			
Forward transactions	77,991	60,795	387,643
Options	150,652	80,763	61,159
INTEREST RATE INSTRUMENTS	**957,843**	**681,193**	**554,364**
Organized markets	**13**	**29**	
Swaps			
Forward transactions	-	-	-
Options	-	-	-
Other			
Forward transactions	13	-	-
Options	-	29	-
Over-the-counter	**239,584**	**192,836**	**117,612**
Swaps			
Forward transactions	1,963	236	-
Options	-	-	-
Other			
Forward transactions	-	-	533
Options	237,621	192,600	117,079
CURRENCY INSTRUMENTS	**239,597**	**192,865**	**117,612**
Organized markets	**8,017**	**5,727**	**6,005**
Swaps			
Forward transactions	-	-	-
Options	-	-	-
Other			
Forward transactions	899	325	217
Options	7,118	5,402	5,788
Over-the-counter	**19,583**	**14,959**	**17,084**
Swaps			
Forward transactions	129	21	13
Options	-	-	-
Other			
Forward transactions	29	25	-
Options	19,425	14,913	17,071
OTHER INSTRUMENTS	**27,600**	**20,686**	**23,089**

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NOTE 31 OFF-BALANCE SHEET COMMITMENTS AND FOREIGN CURRENCY TRANSACTIONS

COMMITMENTS

In € millions	2006	2005	2004
Financing commitments given to	**37,807**	**30,141**	**22,525**
Financial institutions	8,797	3,165	2,451
Customers	29,010	26,976	20,074
Guarantees given on behalf of	**20,385**	**19,900**	**17,979**
Financial institutions	3,016	2,839	2,020
Customers	17,369	17,061	15,959
Commitments on securities	**183**	**103**	**46**
Other commitments	**52**	**272**	**204**
TOTAL COMMITMENTS GIVEN	**58,427**	**50,416**	**40,754**
Financing commitments received from	**14,368**	**3,814**	**4,613**
Financial institutions	14,243	3,795	3,744
Customers	125	19	869
Guarantees received from	**13,338**	**6,442**	**7,783**
Financial institutions	10,555	3,564	5,143
Customers	2,783	2,878	2,640
Commitments on securities	**195**	**120**	**74**
Other commitments	**1,613**	**2,000**	**1,109**
TOTAL COMMITMENTS RECEIVED	**29,514**	**12,376**	**13,579**

FOREIGN CURRENCY TRANSACTIONS

In € millions	2006	2005	2004
Spot transactions			
Foreign currencies purchased not received	5,827	6,759	8,258
Foreign currencies sold not delivered	5,836	6,673	8,205
Foreign currency lending/borrowing			
Foreign currencies loaned not delivered	-	-	116
Foreign currencies borrowed not received	-	-	267
Forward currency			
Euros receivable/currencies deliverable	63,974	59,864	35,045
Currencies receivable/euros deliverable	98,101	71,600	42,745
Currencies receivable/currencies deliverable	31,491	22,383	22,450
Currencies deliverable/currencies receivable	31,288	22,483	21,150
Premium/discount receivable	-	277	189
Premium/discount payable	-	260	259

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Five year summary of financial data

Pursuant to Articles 133, 135 and 148 of the Commercial Companies Decree

Category	2002	2003	2004	2005	2006
Financial position at year end					
Share capital (in euros)	759,085,392.00	768,722,224.00	772,095,392.00	783,927,680.00	1,951,782,928.00
Number of shares issued	47,442,837	48,045,139	48,255,962	48,995,480	1,219,864,330
Number of bonds redeemable in shares	0	0	0	0	0
Number of convertible bonds	0	0	0	0	0
Results of operations (in euros)					
Operating revenue net of tax	13,524,841,592.82	10,423,289,253.40	11,705,235,507.71	12,725,811,668.81	24,125,749,761.01
Income before tax, depreciation, amortization and provisions	269,073,078.06	213,068,968.00	280,959,662.75	457,665,461.91	677,795,500.73
Corporate income tax	45,145,504.15	29,916,523.44	(28,338,400.20)	(99,996,625.19)	(55,322,327.37)
Income after tax, depreciation, amortization and provisions	206,037,266.02	200,728,250.83	213,582,296.25	459,177,494.14	744,399,468.97
Dividends paid	71,164,255.50	120,112,847.50	159,244,674.60	244,977,400.00	1,049,083,323.80
Per share data (in euros)					
Income after tax, but before depreciation, amortization and provisions	6.62	5.06	5.24	7.30	0.51
Income after tax, depreciation, amortization and provisions	4.34	4.18	4.43	9.37	0.61
Dividend	1.50	2.50	3.30	5.00	0.86
Employee data					
Number of employees	4,670	4,701	4,754	4,748	5,072
Total payroll costs (in euros)	269,249,235.67	273,353,038.75	295,556,511.38	331,173,385.69	415,344,933.38
Social security, pension costs and other employee benefits (in euros)	130,778,397.65	144,067,570.23	166,610,951.72	193,645,949.43	233,880,070.04

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AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

Year ended December 31, 2006

Dear Shareholders,

In accordance with our appointment as Statutory Auditors at the annual general meeting, we hereby present our report for the year ended December 31, 2006 on:

- our audit of the accompanying financial statements of Natixis;
- justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Management Board. Our responsibility is to express an opinion on these financial statements based on our audit.

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1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. 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 financial position and the assets and liabilities of the company and the results of its operations, in accordance with accounting principles generally accepted in France.

Without qualifying our opinion, we draw your attention to paragraph 17 of the section on accounting policies and valuation methods in the notes to the financial statements concerning changes in accounting methods.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Art. L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we draw your attention to the following matters:

- **Changes in accounting methods**

Paragraph 17 of the section on accounting policies and valuation methods in the notes to the financial statements describes the changes in accounting methods adopted during the year, which resulted in overall positive impact of €8.6 million on shareholders' equity at January 1, 2006, resulting mainly from the adoption of the fair value method for forward currency transactions instead of the carry-forward method.

As part of our assessment of the accounting policies used by the company, we verified the appropriateness of the basis for and presentation of these changes.

- **Estimates made within the context of banking activities**

Natixis uses significant estimates within the context of its banking activities:

- the company records provisions to cover the credit risks inherent in its business (paragraph 2 of the section on accounting policies and valuation methods). We examined the control procedures applicable for monitoring credit risks, provisioning methodologies, assessing the risks of non-recovery and determining the related specific and collective provisions;
- the company uses internal models and methodologies to measure financial instruments that are not traded on active markets, as well as to book certain provisions (paragraph 13 of the section on accounting policies and valuation methods). We have examined the control procedures relating to the verification of the models and determination of the parameters used.

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■ Other estimates

Natixis records provisions to cover employee benefits (paragraph 16 of the section on accounting policies and valuation methods). We examined the methodology used to value these commitments, as well as the assumptions and parameters used. We have assessed the reasonable nature of these estimates.

The company reviews the value of its investments in subsidiaries (paragraph 5.2 of the section on accounting policies and valuation methods). We verified that the forecast data used was consistent with the medium-term plans drawn up by the Group.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the unqualified opinion expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS AND DISCLOSURES

We also conducted the specific verifications required by law, in accordance with professional standards applicable in France.

We have no comments to make on:

- the fairness and consistency with the annual financial statements of the information provided in the management report and in the documents addressed to the shareholders with respect to the company’s financial position and statements;
- the fairness of information provided in the management report concerning compensation and employee benefits paid to executive officers concerned, as well as benefits granted on taking up, cessation or change of functions or subsequent to such events.

As required by law, we verified that the management report contains the appropriate disclosures concerning the acquisition of participating and controlling interests and the identity of the company’s shareholders.

Paris La Défense and Neuilly-sur-Seine, April 6, 2007

DELOITTE & ASSOCIES	SALUSTRO REYDEL	MAZARS & GUERARD
Damien Leurent	Member of KPMG International	Charles de Boisriou
	Michel Savioz	Michel Barbet-Massin

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AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS

Year ended December 31, 2006

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In our capacity as Statutory Auditors, we hereby present our report on related-party agreements.

As required by article L. 225-88 of the French Commercial Code (Code de commerce), we have been advised of those agreements which were subject to prior authorization by the Board of directors until November 17, 2006, or by the Supervisory Board after this date.

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. 225-58 of the French Commercial Code, it is the shareholders' responsibility to determine whether the agreements are appropriate and should be approved.

We conducted our investigations in accordance with the professional standards applied in France. Those standards require that we verify the consistency of the information given to us with the contents of the source documents.

Agreements approved during the year:

Authorization of a protocol agreement of June 6, 6006, and the implementation agreement of October 2, 2006, concerning the issuance of CCI certificates (cooperative investment certificates) of September 26, 2006

These agreements, which were subject to prior authorization by the Board of Directors on June 2 and September 14, 2006, were approved by the combined general meeting of November 17, 2006, and were executed until December 31, 2006, in particular:

- Natixis subscribed to the issuance of Banque Populaire CCI certificates representing 20% of the share capital of each Banque Populaire bank, for a total price of €4.167 million on November 17, 2006;
- the transaction carried out in December 2006 consisted of the placement on the market by CNCE and SNC Champion of some of their Natixis shares in order to increase Natixis's free float while maintaining a strict balance between the respective stakes held by the Banque Populaire Group and the Caisse d'Epargne Group. After the transaction, BFBP and CNCE each owned 34.44% of the Group's share capital.

The directors concerned by these agreements are: Mr Dupont, BFBP represented by Mr Desvergnes, Mr Brevard, Mr Clochet, Mr Comas, Mr Cordel, Mr Gentili, Mr Gevin, Mr Jeannin, Mr de la Porte du Theil and Mr Tourret.

Authorization of the global security and investment agreement between Natixis, Banque Fédérale des Banques Populaires, SNC Champion, Caisse Nationale des Caisses d'Epargne et de Prévoyance and the financial institutions guaranteeing the transaction

Natixis, Banque Fédérale des Banques Populaires, SNC Champion, Caisse Nationale des Caisses d'Epargne and the financial institutions guaranteeing the transaction, including Natexis Bleichroeder and IXIS Corporate & Investment Bank, have signed a global security and investment agreement.

The agreement was approved by the Supervisory Board on December 6, 2006.

The directors concerned are: Mr Milhaud, Mr Tourret, Mr Comolet, Mr Comas, Mr Cordel, Mr Crequit, Mr Gentili, Mr de La Porte du Theil, Mr Mettling, Banque Fédérale des Banques Populaires, represented by Mr Goudard, Caisse Nationale des Caisses d'Epargne, represented by Mr Mérindol.

Natixis did not incur any income or expenses in respect of this agreement during the year.

Authorization of the agreement between Natixis and the selling shareholders, SNC Champion and Caisse Nationale des Caisses d'Epargne, concerning the sharing of expenses relating to the transaction

Natixis and the selling shareholders have signed an agreement concerning the sharing of expenses relating to the Offer.

The agreement was approved by the Supervisory Board on December 6, 2006.

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The directors concerned are: Mr Milhaud, Mr Tourret, Mr Comolet, Mr Comas, Mr Cordel, Mr Crequit, Mr Gentili, Mr de La Porte du Theil, Banque Fédérale des Banques Populaires, represented by Mr Goudard, Caisse Nationale des Caisses d'Epargne, represented by Mr Mérindol.

In respect of this agreement, expenses incurred by Natixis amounted to €8,078,000 excluding tax out of a total of €24,265,000 excluding tax.

Authorization of the framework agreement between Natexis Bleichroeder and Natixis formalizing the implementation of counter-guarantee demands

Natixis and Natexis Bleichroeder have signed a framework agreement formalizing the implementation of counter-guarantee demands from Natexis Bleichroeder, notably in respect of the global security and investment agreement relating to the Offer.

The agreement was approved by the Supervisory Board on December 6, 2006.

The director concerned is Banque Fédérale des Banques Populaires, represented by Mr Goudard.

The counter-guarantee granted from December 6 to December 12, 2006, amounted to €586,950,000. This gave rise to the payment of a commission fee of €9,782.50 by Natexis Bleichroeder.

Authorization of a protocol agreement with the financial institutions guaranteeing the open price offer

Acting as global coordinator, Natixis has signed a protocol agreement with the financial institutions guaranteeing the open price offer, including Natexis Bleichroeder and IXIS Corporate & Investment Bank. The purpose of this protocol agreement is to set out certain rights and obligations of the financial institutions guaranteeing the open price offer in addition to those stipulated in the global security and investment agreement relating to the Offer.

This protocol agreement was approved by the Supervisory Board on December 6, 2006.

The directors concerned are: Mr Milhaud, Mr Comolet, Banque Fédérale des Banques Populaires, represented by Mr Goudard, Caisse Nationale des Caisses d'Epargne, represented by Mr Mérindol.
Natixis did not incur any income or expenses in respect of this agreement during the year.

Agreements approved in prior years and still in effect during the year:

Collateralized Loan Obligation, to which Natixis, Natexis Asset Management and Vallauris CLO plc are party

Natixis received €1,510,468 in fees from Vallauris CLO plc, of which €151,047 was passed on to Natexis Asset Management.

Paris La Défense and Neuilly-sur-Seine, April 6, 2007

The Statutory Auditors

DELOITTE & ASSOCIES	SALUSTRO REYDEL	MAZARS & GUERARD
Damien Leurent	Member of KPMG International	Charles de Boisriou
	Michel Savioz	Michel Barbet-Massin

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7 CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL (ARTICLE L.225-68 OF THE FRENCH COMMERCIAL CODE)

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This report has been prepared and signed by Charles Milhaud, Chairman of Natixis' Supervisory Board as at December 31, 2006, having been informed in advance by Philippe Dupont, Chairman of the Management Board from January 1 to November 17, 2006, of the company's corporate governance system and its internal control procedures over the period.

Corporate Governance

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Information concerning conditions for the preparation and organization of the Board's work is provided in the section on corporate governance.

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Internal Control Procedures

INTRODUCTION

Formerly Natexis Banques Populaires, Natixis was formed from the merging of the corporate and investment banking and services arms of the Banque Populaire Group and the Caisse d'Epargne Group on November 17, 2006, after obtaining authorization from the CECEI on October 11, 2006. Natixis' shareholders and future central bodies are Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

Natixis' internal control system is organized in accordance with the report of September 15, 2006, concerning the characteristics of the bank's internal control system and approved by the CECEI in its decision of October 11, 2006. It complies with the legal and regulatory requirements arising in particular from CRBF rule n° 97-02, as amended, under which applicable companies must implement a consolidated internal control system able to ensure:

- permanent checks of compliance, security and validation of transactions, as well as other requirements relating to the monitoring of all types of risk resulting from transactions;
- periodic checks in the form of enquiries and audits of the compliance of transactions, conformity with procedures and the effectiveness of permanent control systems.

In reference to its regulatory requirements and commitments made to the CECEI, Natixis has structured its internal control system around a periodic control body carrying out audits and units in charge of permanent compliance and transaction security checks, as well as verifying the effectiveness of the bank's risk control and monitoring procedures.

Natixis is also subject to the joint controls of its two shareholders and future central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, which each have to ensure that risk monitoring requirements are respected by the respective groups on a consolidated basis. Structures and systems for the coordination of permanent and periodic controls, required to ensure overall consistency, have therefore been implemented within the framework of the creation of Natixis. Similarly, the Risk Management, Compliance and Audit departments are integrated into the corresponding business units of each of the two shareholders.

GENERAL ORGANIZATION

The continuous and periodic controls implemented by Natixis are organized as operational or functional first-tier controls, up to the highest level. Their structure is based on three core principles:

- Natixis separates its functions between risk-taking and control functions, as well as between the different control levels, which results in:
  - distinction between front and back office functions,
  - the existence of first-tier controls at an operational level,
  - distinction between periodic and permanent controls.

  Although responsibility for first-tier controls falls to the heads of operational or functional departments, second-tier permanent controls and periodic controls are carried out by independent central functional departments, the heads of which, within the meaning of Articles 7 and 11 of CRBF rule n° 97-02, report directly to Natixis' executive body within the meaning of Article 4 of the same rule;
- Natixis organizes its internal control functions into global units in order to ensure consistency throughout the Group. The internal control system therefore covers all risks and extends to all business lines and subsidiaries of the Natixis Group. Local permanent and periodic control functions within the Group's subsidiaries or business lines report to Natixis' corresponding central control departments, either on a functional basis in the case of subsidiaries or on a hierarchical basis in the case of business lines. The "risk", "compliance" and "inspection/audit" units constitute separate business units;
- Natixis' control system is organized in accordance with the principles set out by the Caisse d'Epargne Group and the Banque Populaire Group, with the aim of ensuring a consolidated approach to risk within the framework of the joint control exercised by the bank's shareholders and future central bodies, as well as monitoring requirements on a consolidated basis in accordance with CRBF rule n° 97-02, as amended.

INTERNAL INVOLVEMENT IN CONTROL

First-tier control

First-tier permanent controls are an essential foundation of Natixis' internal control system.

These controls are carried out by the operational or functional departments under managerial supervision. These entities are responsible in particular for:

- verifying the compliance of transaction handling procedures;
- providing supporting evidence for the accounting balances of account movements relating to transactions carried out.

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Depending on the situation and activities, these first-tier controls are carried out by the operating units themselves or by ad-hoc control units, such as middle office or accounting control units.

First-tier controls are documented in formal written procedures.

Second-tier control

The main departments involved in Natixis' second-tier control are Risk Management (counterparty, market, country, operational risk etc.), Information Systems Security (IT clearances, information systems fraud etc.) and Group Compliance.

These departments are supported by the Internal Control department.

Internal control department

The Internal Control department is structured into five sub-departments covering all business lines and support functions of the former Natexis Banques Populaires (parent company, subsidiaries and branches). Since November 17, 2006, the Internal Control department has reported to Natixis' Risk Management and Control department. It is unique in that it is decentralized. Team members are based locally in all operating entities, reporting hierarchically (parent company) or functionally (subsidiaries and branches) to the Internal Control department. Functional ties are strong, as the head of Internal Audit approves the appointment and departure of team members, as well as setting their targets, plans, budgets, evaluations and promotions.

The role of the Internal Control department's second-tier permanent controls is set out in a detailed instruction issued by the Chief Executive Officer on November 18, 2003. Its key responsibility is to ensure that the business lines comply with internal regulations. It is also involved in monitoring operational risks (including non-compliance), arising primarily from credit or capital market activities, and provides second-tier accounting controls. The department is also responsible for following up the implementation of recommendations resulting from internal and external audit assignments.

This mission has been drilled down to operating unit level in the form of a charter setting out the rights and duties of both parties. At the end of 2006, 40 charters had been signed covering almost all of the entities of the former Natexis Banques Populaires (excluding Coface). The department has been built up steadily over the last three years and will continue to expand further in 2007, notably extending its control duties to the subsidiaries transferred by the Caisse d'Epargne Group at the time of the creation of Natixis, which do not have a similar organization of their own.

In 2006, the Internal Control department continued with the roll-out of tools and working methods intended to improve the efficiency of the internal control officers. An IT application, accessible via the intranet, allows for management of the entire cycle of an assignment, from planning to the following up of recommendations. It is currently used by all entities in France and was rolled out abroad in 2006.

In addition, a sampling methodology was established in mid-2005, ensuring that all samples used in survey-based controls are representative, thereby allowing for more precise assessment of the reliability of results.

Finally, as regards IT queries relating to controls, efforts to make databases available continued in 2006. They now form part of the developments made in the context of a data warehouse project dedicated to control functions, for which production began in the second half of 2006.

At the end of 2006, the Internal Control department initiated two projects that will be continued in 2007:

- formalizing relations with other permanent control functions (the Ethics and Compliance, Risk Management and Finance departments) in the form of charters setting out the rights and duties of each party;
- extending the scope of its controls, notably to the subsidiaries transferred by the Caisse d'Epargne Group as part of the creation of Natixis.

The Finance department is responsible for the quality of financial reporting. In 2004, the entire financial reporting control system was radically restructured. A three-tier control system was established. The first level comprises accounting controllers based in and reporting to each business line. Their reports are then centralized and analyzed at the second level by internal control officers working in the Internal Control department. Third-tier control is the responsibility of the Finance department's accounting control teams. All of these reports are produced using leading-edge shared information systems tools.

Group Compliance

General objectives of compliance control procedures

The purpose of the compliance control procedures implemented at Natixis in the context of carrying out its activities is to prevent risks of non-compliance as defined in CRBF rule n° 97-02.

On an operational level, the aim of these procedures is to ensure:

- the compliance of transactions and activities with regulatory requirements and professional standards applicable to the company;
- the safe development in accordance with current regulations of new products/packages/activities;
- the organization of activities and operations in order to prevent any conflicts of interest.

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As regards ethics and compliance, Natixis is subject to the following requirements:

- **legislative or regulatory provisions and professional practices**
  - as a credit institution, the provisions of the French Monetary and Financial Code and CRBF rule n° 97-02 relating to internal control;
  - as an investment services provider, the provisions of the General Regulations of the Autorité des Marchés Financiers (AMF), including the best practice rules applicable to capital market operations and customer relations;
  - legislative and regulatory provisions relating to the fight against money laundering and financing of terrorism;
  - professional codes of conduct, in particular those recommended by the AMF;
  - as regards the company's branches and subsidiaries outside France, activities carried out locally are governed by local regulations, in particular those of the regulator of the country concerned (*Financial Services Authority* in the United Kingdom, *Bundesanstalt für Finanzdienstleistungsaufsicht* in Germany, *Banca d'Italia* in Italy, *Securities and Exchange Commission* in the United States, *Comision Nacional de Mercados de Valores* in Spain, *Commission de Surveillance du Secteur Financier* in Luxembourg etc.).
- internal regulations

  Natixis' compliance control system is centered around several sets of internal rules:
  - the compliance charter,
  - governing compliance procedures setting out rules for personal and professional ethics applicable to Natixis employees,
  - compliance procedures for business lines, subsidiaries and branches, which represent the operational level of governing procedures.

Duties of the Group Compliance department

The actions of the Group Compliance department are centered around two core responsibilities:

- prevention of non-compliance risk, which comprises:
  - legal supervision,
  - defining Natixis' internal standards, in accordance with legislative and regulatory requirements applicable to banking and financial activities,
  - compliance with best practice rules relating to customers and professional standards applicable to Natixis' various activities,
  - advising staff about operational procedures,
  - systematic pre-approval of new products and processes,
  - training and raising the awareness of employees about compliance issues;
- continuous supervision, through three types of checks:
  - checks of the conformity of procedures;
  - *ad hoc* checks of operations conducted as a result of warning tools;
  - checks of the correct application of compliance procedures.

Organization of group compliance systems

Natixis' Group Compliance was created at the end of 2005 in accordance with new regulatory requirements, in particular those set out in CRBF rule n° 97-02. Until Natixis was created, this department reported to the General Secretary of Natexis Banques Populaires, who was a member of the executive committee and responsible for continuous checks; it is now under the direct authority of the Chairman of Natixis' Management Board.

2006 saw the implementation of a compliance control unit, organized as a decentralized structure. Each compliance officer in the company's business lines and entities is responsible for compliance checks. These can be carried out directly or delegated to the Internal Control department, which reports on its observations and recommendations.

In practice, due to the relatively new nature of this function, apart from certain checks relating to conformity with AMF regulations and employee ethics and compliance, compliance checks have been delegated throughout the group to the Internal Control department.

Procedures have been revised as a result of the link-up with subsidiaries transferred from Caisse Nationale des Caisses d'Epargne. For this purpose, working parties have been meeting since the fourth quarter of 2006 in order to propose changes. Business line coordinators have also been appointed in order to ensure convergence.

Main components of Group Compliance control procedures

The Group Compliance department covers the compliance of operations, procedures and organizations with rules applicable to banking and financial activities.

The Group Compliance department is organized according to the following principles:

- separation of advance risk prevention functions and post-operation control functions;
- organization of Group Compliance teams according to Natixis' business lines;
- management by a central department in charge of cross-functional activities;
- high level of functional reporting by the subsidiaries' heads of compliance to the Group Compliance department.

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Natixis' compliance control system is based on three main areas:

Ethics and Compliance

The Ethics and Compliance department is responsible for ensuring the awareness and correct application of regulations applicable to investment services providers, which apply to all Natixis entities, including its subsidiaries, as well as all employees.

In addition to being responsible for general coordination, monitoring of sensitive employees and overseeing financial transactions (surveillance, suspension and insider dealing lists), the Group Compliance department oversees the activities of compliance officers based in the business lines.

The group's standards and procedures form part of a General Procedure, resulting in the adoption in 2006 of the Group Compliance Charter, as well as governing procedures relating to new products and services, market abuse declarations, the preparation and updating of lists of insider dealing in Natixis shares and other financial instruments.

In addition, since April 2006, Natixis' central compliance team has been developing an E-learning training program. This training program is made up of two parts, the first intended for all group employees (awareness module) and the second comprising six business line modules intended for the employees concerned. Training is also provided by the business line compliance teams.

Finally, the functions of the New Products committee have also been changed. The head of compliance of the business line concerned by the launch of a new product or service now systematically provides an opinion thereon. A dedicated procedure has also been implemented for new products launched by Natixis or its subsidiaries and intended for marketing by the Banque Populaire and Caisse d'Epargne bank networks.

Financial Security

The Financial Security department reports to the Group Compliance department and is in charge of measures to counter money laundering and terrorism financing at Natixis. Its resources were enhanced further in 2006 in order to step up the implementation of actions required in order to comply with applicable legal and regulatory requirements.

The department is made up of two teams:

- one is in charge of the various activities relating to combating money laundering and terrorism financing, namely drawing up and updating procedures, checks of unusual transactions, declarations to the relevant authorities (Tracfin and the French Treasury Office) etc.;
- the other is responsible for implementing and updating the software intended either to ensure that the bank respects its obligations in terms of freezing the assets of organizations suspected of financing terrorism and embargos, or to enhance its ability to detect money laundering transactions.

The various measures taken in prior years were continued in 2006: around 1,500 employees underwent training in money laundering issues, including 655 at the parent company.

The plan of action initiated at the end of 2005 to improve the quality of customer records was implemented in the first quarter of 2006.

The filtering of payments in order to detect terrorist financing was also extended and since May 2006 has concerned all SWIFT messages sent and received.

Controls

The central Group Compliance department coordinates the efforts of all compliance officers in order to ensure the success of all compliance missions, as set out in CRBF rule n° 97-02. To this effect, non-compliance risks have been mapped out.

Coordination with other control functions outside the Group Compliance department is ensured by the Control Functions Coordination committee on a regular basis with the Internal Control management teams within each business line.

2006 was dedicated to defining a uniform method of mapping non-compliance risks for the entire group and the roll-out thereof, capitalizing on the work already carried out by heads of Compliance at the various business lines, the Internal Control department and the Operational Risk Management department. The roll-out of this risk mapping has begun and is continuing.

The Group Compliance teams also carry out specific *ad hoc* checks into certain areas of regulation: continuing checks, automated checks or checks based on transaction reporting and checked in situ. A system for detecting market abuses has been rolled out gradually since June 2006. This system uses automated detection tools developed internally and is accompanied by procedures, training and controls.

Finally, in addition to the aforementioned checks, a number of checks relating to transactions, procedures and organizations have been delegated to the Internal Control department. The Group Compliance department receives reports of checks carried out by the Internal Control department and is consulted on its observations and recommendations.

Information Systems Security

General objectives

The information systems security officer plays a central role in designing, developing and overseeing information systems security. His role is as follows:

- devising, on the basis of risks arising, the information systems security policy for all of Natixis' operations;
- promoting this policy and ensuring that it is respected at all levels;
- providing the necessary security services, if applicable;
- verifying that this policy is respected and ensuring global reporting throughout the group.

Natixis' information systems security officer reports hierarchically to the director of Information Systems and Shared Services and functionally to the Management Board, and plays an active role in the main executive committees in charge of the bank's risks, including in particular in 2006:

- internal control overarching committee;
- operational risks committee;
- IT asset protection committee;
- information systems security committee.

It manages the Information Systems Security department, which consisted of 60 employees at the end of 2006.

In carrying out its duties, the department is supported by the bank's technical project management teams and a network of correspondents in all operational and functional sectors.

The Information Systems Security department also plays an active role in the bank's Internal Control system. The actions carried out are in accordance with the recommendations arising from the French Banking Commission's white paper, CRBF rule n° 97-02 and, more generally, the directives of the Basel Committee.

Ongoing responsibilities

The department's main ongoing responsibilities are as follows:

- logical security, covering administrative management of granting rights and supporting local logical security correspondents in defining business profiles;
- ongoing checks into the compliance of security systems with applicable standards and rules;
- helping the business lines to integrate security issues into their projects;
- regulatory supervision, publishing material to raise employees' awareness of legal issues in areas relating to information systems;
- advanced monitoring of risks of damage to the company's image, that of its directors and monitoring new types of threat;
- implementing and testing business recovery plans.

Projects carried out

The department's main actions in 2006 related to:

- **development of the bank's security policy and raising employee awareness:**

  Natixis developed its security policy in 2006, entailing in particular:

  - the roll-out of a program to raise awareness about information systems targeted a large number of employees,
  - adaptation of the security charter for digital and technological information resources intended for the most sensitive IT activities,
  - taking into account security targets for online banking and financial services in order to ensure Natixis' compliance with the internet protection profile implemented by the French Banking Commission and Banque de France;

- **business recovery**

  Natixis' business recovery plan, based on analysis of the risks facing the company by all business lines, entailed the implementation and maintaining on an operational level of the following:

  - a crisis and warning system with the aim of integrating all of the bank's operating and functional activities,
  - shared user emergency rooms in the event of incidents affecting the bank's offices,
  - back-up systems for the most sensitive information and technical resources,
  - contingency plans to limit the effects of incidents.

  Within this context, the Information Systems Security department aimed to achieve the following in 2006:

  - making the various business lines aware of their obligations: implementation of steering committees and systematic training of crisis units,
  - managing all efforts of business line correspondents and within the IT division,
  - bringing all documentation up to standard in order to comply with the chosen method,
  - checking that the various technical and organizational tests are carried out correctly in all areas;

- **management of clearances using centralized profiles**

  The aim of this project was to modernize and improve the control and traceability of the management of electronic clearances by using standardized industrial processes and banking authorization profiles. Significant advances were made in this area in 2006, as demonstrated by:

  - the consolidation of a network of logical security correspondents in all business lines. These correspondents, who report functionally to the head of Information Systems Security, are responsible for implementing the bank's logical security policy on a local level,
  - the continuing review of banking application authorizations (implementation of business profiles), in particular in the "central system" environment. This process was close to completion at the end of 2006. A similar process was initiated in other environments, notably the capital markets division,
  - industrialization of logical authorization management: providing a centralized list of authorizations and rolling out the various procedures;

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- **analysis of information technology risks**

  In 2006, the Information Systems Security department enhanced its checks of new IT projects in order to ensure correct integration of the bank's security policy during the project conception phase.

  The position of Security Manager was created in order to support the various business lines in integrating the bank's security policy into all stages of the project lifecycle.

  Systematic risk assessment is therefore carried out for projects benefiting from this organization. Plans to reduce these risks are devised on the basis of this risk analysis.

- **permanent controls of information system audit trails**

  The aim of this project was to develop the tools necessary for continual detection of attacks on the bank's information system and to monitor use of company resources by implementing tracing and investigation systems (security monitoring, checks of the opening of information systems to external parties, clearance checks and verification of compliance of workstations with security standards, supervision of security equipment etc.).

  More specifically, the program aims to develop permanent controls of information audit trails, monitor the regularity of use of information resources, allow for the detection of internal and external attacks and collect and archive data required for investigations: security monitoring, checks of the opening of information systems to external parties, clearance checks and verification of compliance of workstations with security standards, supervision of security equipment etc.

  The main advances made in 2006 were as follows:

  - rapid remote distribution of security patches to servers and workstations,
  - implementation of operating warning procedures coming from the operational security center. Alerts are raised by the various security equipment in place: anti-virus software, firewalls, probes etc.,
  - installation of a platform for the centralization of security journals,
  - introduction of systematic checks of internet access intrusions and in the electronic banking environment,
  - implementation of a filtering and internet access control system.

Third-tier control

Third-tier or periodic control is the responsibility of the Internal Audit department.

The Internal Audit department reports directly to the Chairman of Natixis' Management Board. It has strong functional ties, of a hierarchical nature, to the internal audit departments of Natixis' shareholders and future central bodies, Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne, as approved by the CECEI in its decision of October 11, 2006. Also in accordance with these principles, the Internal Audit department heads up a global audit unit.

The Internal Audit department is responsible for verifying the bank's controls and is one of the bodies responsible for the correct functioning of the internal control system within the meaning of CRBF rule n° 97-02. In this respect, it is independent from all business lines and support functions. It has no operational role and can therefore never be in the position of both judge and interested party.

The Internal Audit department conducts audit assignments through the entire Natixis group (parent company, subsidiaries and branches), covering all categories of risk involved in the bank's various business activities. It has full and unrestricted access to all information, confidential or otherwise. Its field of investigation encompasses all of Natixis' operational activities, as well as its functional departments - including in particular entities in charge of permanent controls - and outsourced activities.

Internal audit reports are sent to the audited units, with a copy to the members and Chairman of Natixis' Management Board. The internal audit departments of Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne also receive a copy of all internal audit reports issued by Natixis, in accordance with the provisions set out in the file approved by the CECEI in its decision of October 11, 2006.

Audit reports always include recommendations ranked in order of priority.

The Internal Audit department is responsible for following up progress in implementing its recommendations. It conducts follow-up audits, as well as ongoing investigations by continuous control teams delegated by the Internal Audit department.

Consequently, the Internal Audit department's assignments are set out in a yearly audit plan, which itself forms part of a four-year plan setting out the frequency of audits and grading of appropriate methods to be used for the risks to be verified.

It may be revised during the year at the request of Executive Management or if dictated by circumstances.

In addition to conventional audit assignments, the Internal Audit department is also able to carry out *ad hoc* audits in order to address issues arising in the course of the year that were not initially included in the audit plan.

Natixis' yearly and multi-year audit plans are approved by the Chairman of the Management Board and the internal audit departments of the bank's shareholders and future central bodies. The yearly audit plan is examined by Natixis' audit committee.

In 2006, the Internal Audit department continued to diversify its areas of intervention, with the aim of adapting to changes in the banking environment in terms of both risks and regulations.

The Internal Audit department also continued to consolidate its tools, in particular by improving access to the bank's IT applications.

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However, it should be noted that 2006 was the year of the creation of Natixis. Therefore, as of July 2006, the department's efforts applied to several areas:

- a unit for coordinating the internal audit departments of Natixis' shareholders and future central bodies was implemented. This unit met six times in the second half of 2006;
- the structure of Natixis' Internal Audit department - resulting from the merging of the audit teams of the former Natexis Banques Populaires and IXIS CIB - was defined;
- in agreement with the internal audit departments of Natixis' shareholders and future central bodies, the bank's yearly and multi-year audit plans were drawn up, as well as identifying the resources required for their execution. A plan to reinforce the Internal Audit department was defined as a result;
- various reviews were carried out with the aim of rationalizing and standardizing the bank's working methodologies and tools;
- finally, the Internal Audit department devised a group audit charter, which was approved by the internal audit departments of Natixis' shareholders and future central bodies.

Internal control coordination

Until November 2006, the former Natexis Banques Populaires' Executive Management organized a monthly meeting of an overarching committee, comprising the General Secretary, the heads of Internal Control, Risk Management, Internal Audit, Finance, Group Compliance, Ethics and Compliance, Fraud Prevention and Information Systems Security.

The committee dealt with all issues concerning the internal control structure and the results of internal or external audit assignments.

In 2006, the committee reviewed the results of continuous and periodic internal controls and audits carried out by external organizations (Banque Fédérale des Banques Populaires, French Banking Commission etc.).

Following the dissolution of the committee in October 2006 because of operations relating to the merger, the committee's functions will be resumed at Natixis in 2007.

Role of the Executive Bodies

See the chapter on the functioning of the bank's executive bodies.

RISK MONITORING AND CONTROL

In the context of its various business activities, Natixis is exposed to the following risks:

- credit risk;
- market risk;
- interest rate, currency and liquidity risk;
- operational risk,
- non-compliance risk;
- information systems risks.

The Risk Management department plays a key role in the bank's internal control system, with the aim of identifying, measuring and controlling risk. It makes proposals to the Management Board and keeps the Management Board and the Supervisory Board informed about Natixis' commitments and the development thereof.

The Risk Management Committee oversees the bank's risk and defines the key elements of its risk policy, analyzes the main risks and validates the principal standards and methodologies applied.

Natixis' risk management system is coordinated and consistent with those of the Banque Populaire Group and the Caisse d'Epargne Group. This is based on a tripartite agreement and structured around three governing committees:

- the confederal Risk Management Committee;
- the confederal Standards and Methods Committee;
- the confederal Information Systems Risk Committee.

Credit risk

Identification and analysis of credit risk

The Risk Management department is responsible for analyzing the credit risk of counterparties using a formalized credit file for each counterparty and beneficiary group, including all relevant information that is useful in forming an opinion, such as:

- internal information about the client and its business activities; financial data, internal ratings, identification and analysis of the client in accordance with methods validated by the Group Compliance department when entering into business relations etc.;
- external information: external ratings, sector analysis etc.;
- information about commitments, the credit file summarizing all credit risks incurred by the bank, including credit risk on capital market operations;

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- information about the company's profitability.

Credit decisions are made either under authorized limits or using a delegation system integrating a risk-related dimension, or by credit committees on the basis of credit risk analysis.

Authorized limits are set out formally and granted personally, without subdelegation, by the Chief Executive Officer or any person with the appropriate authority. They are graded by category and internal credit rating, as well as the nature and duration of the commitment. The delegation system was revised with the creation of Natixis to implement a single procedure to cover the corporate and investment banking activities of the former Natexis Banques Populaires and IXIS CIB.

In addition to the decision-making system on an individual basis, the Group's Risk Management Committee has set overall limits relating for example to country risk.

Client credit ratings

Natixis bases its credit decisions on an internal rating system.

Natexis Banques Populaires used tools and methods validated by the Banque Populaire Group to rate its clients, while Ixis-CIB used methodologies validated by the Caisse d'Epargne Group. In September 2006, the three parties selected the target methods to be used for their shared asset classes. On November 17, 2006, all measures had been taken to manage the transitional period before the full rerating of clients using target models.

A shared tripartite organization was also developed in collaboration with the Banque Populaire Group and the Caisse d'Epargne Group concerning the roles and rules of play in terms of client ratings, in order to ensure uniformity and consistency in methods used and ratings given.

Monitoring exposure

The bank's commitments are assessed and monitored on a daily basis using consolidation tools.

Since the creation of Natixis, an IT application has been used to ensure consolidation of credit limits and exposure covering Natixis and the majority of its subsidiaries. The creation of counterparty groups is integrated into the Third Party reference system, which is subject to specific maintenance.

At major dates or on a monthly basis, the Risk Management department reports to the Management Board and the bank's business line heads on its analysis of Natixis' business assets, including development reports, management reports etc. Natixis' commitments and the development thereof are presented on the basis of risk indicators.

Compliance with these commitments is monitored over time using procedures concerning disbursements and, in the context of procedures for the assessment, analysis and monitoring of the passing of thresholds.

Natixis maintains a cautious risk management policy.

Monitoring and provisions

Specific provisions

Sensitive, doubtful or disputed risks are monitored by the Special Affairs and Litigation department, which intervenes in the management of difficult cases when necessary. It also handles the recovery of receivables in the event of legal proceedings.

Each core business has a provisioning committee grouping together the relevant departments, which meets quarterly to review any loans that might require provisions and to determine the appropriate level.

Collective provisions

Natixis' provisioning policy includes provisions for country and industry risk, as well as specific provisions. To accompany the transition to IFRS, these provisions were adapted into collective provisions, based on similar assets by asset class:

- credit rating for loans to individuals and small businesses;
- sector risk and geographical risk for other borrowers (corporate, sovereign loans etc.).

In the case of the latter asset class, this typically arises from a combination of micro or macroeconomic factors specific to the industry or country. If necessary, an expert opinion is sought in order to confirm the result obtained.

Risk diversification

Risk diversification represents a fundamental risk management rule. At the former Natexis Banques Populaires, until November 17, 2006, it was governed by external regulations and the internal rules set out by the Banque Populaire Group.

Risk diversification rules were revised on the creation of Natixis and are now included in the scope of the tripartite agreement between Natixis, the Banque Populaire Group and the Caisse d'Epargne Group.

Natixis complied with internal guidance and external regulations at end-December 2006.

Market risk

Natixis' main market risks relate to the Corporate and Investment Banking division of the former Natexis Banques Populaires (parent company and specialist subsidiaries) and its subsidiary IXIS CIB.

On the creation of Natixis, the principles governing the organization of market risk management at IXIS CIB and Natixis were maintained and a reconciliation process was initiated. In addition, existing market risk limits at the various entities comprising Natixis were confirmed. The overall consistency of procedures and the development thereof are ensured by the centralization of key decisions.

Natixis uses IXIS CIB's Scénarisk software, based on VaR measurement and approved by the French Banking

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Commission. Scénarisk is currently implemented throughout IXIS CIB and is being extended to cover the former Natexis Banques Populaires in order to calculate consolidated VaR. After choosing target front office management systems, the VaR calculation is refined to take account of the convexity of positions transferred from the former Natexis Banques Populaires.

Organization of Natixis' market risk management system

The risk supervision system is based on a validated risk measurement method, the allocation of limits of intervention to the various business lines and ex-post checks that these limits are respected.

Natixis' Risk Management department plays a key role in all procedures:

- it provides an independent view during the decision-making process in relation to market risks;
- it defines risk measurement methods and submits them to the market risk committee for approval;
- it proposes limits to the market risk committee or advises the committee thereof, whether on the request of the business lines or on its own initiative;
- it is responsible for the day-to-day analysis and measurement of risks;
- it is responsible for defining, implementing and using market risk measurement tools, with choices validated in principle by the market risk committee.

As regards the setting of limits, a market risk committee was set up on the creation of Natixis, which meets under the chairmanship of the Chief Executive Officer or the Deputy Chief Executive Officer.

A delegatory framework has also been set up in order to ensure the fluidity of decisions between committee meetings.

All requests must be instructed in advance by the Risk Management department.

Global risk reporting is sent to members of the Management Board and front office business line managers.

The Risk Management department carries out daily checks to ensure that limits are respected. A procedure is in place for monitoring any violations.

Structural balance sheet, interest rate, currency and liquidity risks

The Asset & Liability Committee (ALM Committee), which is chaired by the Chief Executive Officer and includes representatives of the Treasury, Finance and Risk Management departments, is responsible for setting out broad guidelines for the management of structural balance sheet risks. It meets once a quarter and its duties are as follows:

- measurement and monitoring of structural interest rate risk;
- measurement and monitoring of liquidity risk;
- measurement and monitoring of structural currency risk;
- management of equity.

The ALM Committee validates agreements and overall limits for the monitoring of structural balance sheet risks before they are approved by the Risk Management committee; overall limits are presented to the Supervisory Board on the proposal of the Risk Management department.

The transformation of risk into structural interest rate and liquidity risk has been centralized using internal agreements within the Treasury department of the Corporate and Investment Banking division. This department is responsible for operational management by delegation of the ALM Committee.

Subsidiaries are refinanced by the Treasury department. They benefit from autonomous management of liquidity and structural interest rate risk by delegation of the ALM Committee and have their own Treasury or ALM committee for the management of rules and limits validated by the group ALM Committee.

Former Natexis Banques Populaires

At the former Natexis Banques Populaires, maximum sensitivity of interest rate maturity schedules to a +/-1% shift in the yield curve is €125 million.
This was amended by the ALM Committee meeting of July 5, 2006. This limit applies to capital market activities, including cash portfolios.

Sensitivity limits for refinancing books are expressed as a percentage of regulatory capital. For sensitivity to a 200 basis point change in interest rates, the Committee set an overall limit of 2.5% of regulatory capital. The Chief Executive Officer may delegate all or part of this limit.

As regards liquidity risk, the centralized refinancing system permits optimum management of liquidity risk through detailed knowledge of the various gaps. Observation ratios have been approved by the ALM Committee. In conjunction with the Finance Department, the refinancing unit is also responsible for monitoring prudential requirements (short-term liquidity ratio and long-term financing ratio) and internal prudential ratios validated by the ALM Committee.

The authorized liquidity gap and maturity mismatch limits are monitored by the ALM Committee.

Currency risk is broken down into two components:

- operational currency risk, generated by trading activities. This risk is monitored by the Market Risks Committee and the ALM Committee. The currency risk limit is €3 million expressed in terms of a one-day potential loss with a 99% confidence level;
- structural currency risk, which is monitored by the ALM Committee.

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Ixis CIB

Ixis CIB's interest rate risk is governed by a VaR limit and associated behavioral limits that are monitored on a daily basis *(see market risk monitoring).*

The VaR limit for the structural interest rate position monitored by the Finance department was updated in 2006 and revised to €18 million. Consumption associated with this limit is calculated daily by Ixis CIB's Risk Management Department.

In addition, the ALM committee uses monthly indicators concerning the structural interest rate position on banking book activities, in particular the static gap by maturity category, as well as sensitivity analysis of the net asset value on the basis of several yield curve scenarios.

Ixis CIB has chosen to finance its foreign currency liabilities through borrowings in the corresponding currency. The position exposed to structural interest rate risk is therefore entirely in euros, excluding the foreign currency margin, which is subject to specific management.

Short-term liquidity requirements are monitored on the basis of three factors:

- liquidity ratio: the target ratio is a minimum of 120%. This is estimated daily by the Finance department on a company basis and monthly on a consolidated basis;
- current account limits; these limits are managed by the financing committee, which comprises representatives of the main users, as well as the Treasury and Risk Management departments;
- stress scenarios: scenarios are updated once a month and presented to the ALM committee.

Medium to long-term liquidity requirements are monitored on a monthly basis by this committee.

Operational risk

On the creation of Natixis, the Operational Risk Management department endeavored to take all appropriate conservative measures to maintain the systems in place (in particular the reporting and analysis of significant incidents and maintaining the operational risk management committees).

Former Natexis Banques Populaires

Implementation of the system was completed at the end of 2006 for the former Natexis Banques Populaires' activities.

This project, placed under the responsibility of the Risk Management department, is based on a bottom-up systematic and homogenous approach, enabling each core business to:

- identify operational risks on a self-assessment basis;
- among these risks, defining the risks to be managed within the business line, implementing a system for monitoring and reducing these risks using indicators and plans of action;
- identify the type of operational risk incidents and losses relating to the business line; define the inflow process for these incidents.

At the end of the pilot phase, each business line implemented its own permanent operational risk management system, based primarily on dedicated human resources (Operational Risk correspondents), an organization, an Operational Risks committee in each business line and a system for reporting to the Risk Management department.

- **Operational Risks committee**

  Its efforts concerned primarily:

  - Natexis Banques Populaires' business recovery plan (BRP): decision-making crisis unit, monitoring of tests, progress in the business recovery plans of the various business lines and international offices, crisis management system, presentation of the BRP audit, reporting on incidents;
  - monitoring of the progress of the business line operational risk management project *(see below);*
  - various issues such as the implementation and supervision of the charter governing use of information, technological and digital resources and logical security management.

- **Losses from operational risk for the former Natexis Banques Populaires**

Analysis of accounting losses at the parent company continued in 2006.

Furthermore, in 2006, each business line implemented a system for the declaration of operational risk losses and incidents. Losses and incidents for each business line are reported to the Risk Management department on a monthly basis.

A warning procedure was also devised to allow the business lines to warn the Risk Management department of any losses in excess of €100,000 or which may have a significant impact, particularly in terms of image.

At end-December 2006, this system covered all activities eligible for Basel II.

Activities transferred from the Caisse d'Epargne Group

Caisse Nationale des Caisses d'Epargne managed the roll-out of an operational risk management and monitoring system throughout the entire Caisse d'Epargne Group.

Ixis Capital & Investment Bank and Ixis Asset Management, the largest entities transferred to Natixis by the Caisse d'Epargne Group, each deployed a structure for the monitoring and management of operational risk. These structures are similar and characteristic of those deployed in other areas.

Ixis CIB had implemented a system for the identification, measurement and control of operational risk, in accordance with the procedure in place within the Caisse d'Epargne Group. Management and supervision of operational risk at Ixis CIB is provided by the Operational Risk division of the Risk Management department.

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At the head office, as at all subsidiaries and branches in France and abroad, responsibility for operational risk is delegated to representatives of the Risk Management department. The actions of the Operational Risk division are relayed to all business lines and support functions by operational risk correspondents and their deputies.

Ixis CIB and Ixis Capital Markets each have their own operating risk management committees, which meet under the chairmanship of the member of the Management Board in charge of Operations at Ixis CIB and the CEO at Ixis Capital Markets.

In addition, the Operational Risk division in Paris and New York plays an active role in the bank's new product and new activities committees.

The operational risk management system implemented by Ixis AM aims to improve the bank's structures and procedures for operational risk management, compliance with banking regulations (Basel II and adaptations), reliability of financial information (income statement/net banking income) and appropriate allocation of capital.

This is ensured by:

- a specific structure comprising a Compliance & Risk Management team within Ixis AM, Operational Risk officers within the bank's subsidiaries and committees (Audit or Compliance & Risk Management);
- an Ixis AM Operational Risk policy, applied within all entities.

All entities transferred from the Caisse d'Epargne Group have access to a central operational risk management tool, which allows for:

- mapping of risks;
- updating of risk mapping;
- monitoring progress in the plans of action implemented on the basis of risk mapping;
- listing incidents using an incident database;
- identifying areas of weakness using group and local indicators;
- evaluating the system on a regular basis, using a synthesized view of the system both in general and by unit, via reporting functions.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Preparation of the consolidated financial statements

The Finance department is responsible for preparing Natixis' consolidated financial statements using the consolidation system and manual developed and administered by Banque Fédérale des Banques Populaires. As a listed company, Natixis is required to prepare its own consolidated financial statements, although it also the main part of a subset that now includes the two consolidation entities formed by the Banque Populaire Group and the Caisse d'Epargne Group.

The consolidation process is operationally autonomous.

The reliability of this process is based on the following core principles:

- definition and communication of accounting principles applicable to Group companies, including new texts issued during the period, in terms of both French accounting standards and IFRS;
- use of the direct consolidation method, now deployed throughout the group, to permit detailed integration of the consolidation packages of consolidated entities according to a formal review process;
- use of a single consolidation system for all sub-consolidations produced within the group, in order to guarantee the internal consistency of scopes of consolidation, definitions, standards, charts of accounts, processing sequences and analysis;
- preparation of consolidated financial statements on a quarterly basis, allowing for a better level of control of half-yearly and annual financial statements, on the basis of projected operations for the year and increased reconciliation of intra-group operations;
- implementation of forecasting processes for half-yearly and annual results and systematic reconciliation between economic and accounting results both within the various group entities and at parent company level;
- an automated control procedure for individual information provided by the consolidated entities, using a package including several thousand accuracy or consistency checks which must be completed for the data to be transmitted;
- item-by-item analysis of all entries that impact consolidated shareholders' equity and production of a tax proof for each consolidated entity in order to provide full evidence of consolidated shareholders' equity and individual justification of deferred taxes;
- an audit trail system to trace the accounting data published in the financial statements and the notes back to the accounts of each consolidated entity and the consolidation adjustments;
- archiving and security procedures including the twice-daily back-up of the unified consolidation database and regular data recovery testing;
- regular support and training of accounting teams at the consolidated entities, promoting the use of best practice throughout the group.

The durability of this procedure allowed for further industrialization and automation of processes for producing the consolidated financial statements.

This solution, which comprises 4,500 checks, allows for a full audit trail between the consolidated financial statements under French accounting standards and those prepared under IFRS on the transition to the new accounting standards.

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The implementation of regular monitoring of statements also reduced the time taken to prepare the financial statements for the first half of 2006. The 2006 full-year statements are unusual due to the recent creation of Natixis.

For the preparation of the 2006 financial statements, a specific system was implemented to create consolidation groups for the entities transferred from the Caisse d'Epargne Group.

The information provided was taken from the financial statements prepared in accordance with IFRS, either directly by the subsidiaries' accounts teams (in the case of consolidation subgroups) or by CNCE's accounts departments (in the case of individual entities).

The accounting and financial information collected concerned both real (statutory financial statements) and pro forma information.

As part of the convergence of accounting policies and valuation methods, five areas were examined in advance, resulting in the harmonization as at December 31, 2006, of:

- company liabilities discounted on the basis of a single reference curve: the OAT curve;
- tax credits recognized in Natixis' financial statements according to the gross revenues principle;
- the parameters used to value financial instruments in order to ensure the quality and consistency of information for the entire scope of consolidation. Convergence related in particular to the choice of reference curves and price sources;
- the parameters used to calculate collective provisions on the basis of convergence efforts of the Risk Management department concerning credit ratings;
- financial communications, in order to adjust the communications of the three groups: CNCE, BFBP and Natixis.

These efforts, as well as other efforts initiated in 2006, are set to continue in 2007, including in particular an extensive review of the methods used to value financial instruments.

In 2006, Natixis also changed its consolidation system, continued with the decentralization of this system within its international entities (installed at three new branches: Milan, Labuan and Shanghai) and, notably, ensured the transparency of Coface, which now allows for the consolidation and monitoring of over 110 additional subsidiaries within the parent company teams.

Internal control processes at the level of the consolidated entities

As part of the regulatory process implemented by the French Banking Commission (CRBF rule n° 97-02) for the prudential monitoring of credit institutions, Natixis' Internal Audit department uses the results of its periodic audits to assess the internal control procedures, in particular the accounting and financial procedures, of all entities within the scope of consolidation, whether or not they have credit institution status.

Reflecting the decentralized nature of the group, as most subsidiaries have their own management and control functions, internal control procedures are tailored to the organization of each of the consolidated entities. In all cases, the process includes several layers of controls:

- basic permanent and local controls are included in processing programs at operational level and formalized in clearly defined working programs;
- second-tier independent checks of processing operations performed by the Finance and Accounting departments, to ensure the accuracy and completeness of accounting data;
- third-tier controls by the Internal Audit department.

These continuous and periodic controls include reviews of account analyses produced by the various departments, checks to ensure that suspense items are cleared, accounting-management reconciliation (for both balance sheet outstandings and the income statement), compliance with rules concerning the correct reporting of income and expenses, the correction of errors identified through these controls and the documentation of analysis thereof.

They are conducted using the various accounting information systems throughout the Group.

For all systems, Natixis and its subsidiaries are continuing to upgrade their accounting and financial control procedures and develop audit trail tools.

For the Natixis parent company, the projects concerning the development of an enterprise systems development plan and the restructuring of the accounting control system continued in 2006.

In order to accompany these phases and define the target organizations and processes, a program dedicated to the transition procedure was initiated in September 2006.

- Natixis' accounting control system is based on:
  - strict separation of recording and accounting control functions;
  - a size suited to the objectives set;
  - a schedule of works and deployment of accounting controls at a balanced rate;
  - management and monitoring by the Finance department.

In 2006, the functions of the IT solution developed by Natixis were extended, thereby meeting the reproduction, synthesis and management requirements of accounting controls.

The integration of a documentary database accessible via Natixis' intranet portal and providing access to all documentation relating to accounting controls (procedures, mapping of controls, instruction notes etc.) satisfied regulatory requirements concerning documentation of internal procedures.

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The system was also reinforced with the roll-out of themed accounting control assignments under the aegis of the Internal Control department, supporting the continuous controls carried out by the business lines; these assignments are managed and monitored by the Finance department.

Finally, a new tool was added for management and monitoring of suspense items, offering new reconciliation functions. Notably, it includes a suspense item control module, allowing for:

- freezing of suspense items at the accounting date and monitoring of their clearing;
- qualification of Natixis' risks on the basis of age and assessment of coverage.

Within the scope of the Natixis group, the change in consolidation tools and the decentralization of inputs have helped to the systematization and quality of controls of accounting and financial information carried out by consolidated entities.

Within Natixis' Finance department, additional human resources have been provided to increase the number of consistency controls and analysis of packages, as well as to ensure the monitoring of second-tier controls carried out by the finance or accounting departments of each entity.

Accounting and financial control procedures at subsidiary Ixis CIB are organized in a similar way, based on two levels:

- tier-one controls decentralized at back office level, for the production of balance supporting evidence and a results service, covering all analysis relating to results.

  These two units report to the central accounts department periodically.
- second-tier controls at a central level, reporting to the Management Board, responsible for the use and analysis of supporting evidence and reporting and carrying out additional controls.

External control

In addition to the self-checking procedures performed by the local finance departments responsible for preparing individual or consolidated accounts, the quality of accounting controls is verified by:

- *ad hoc* audit assignments carried out by internal audit departments of the shareholders and future central bodies (CNCE, BFBP) and Natixis' Internal Audit department;
- audits carried out by the French Banking Commission in its role as banking regulator; the Banque Populaire Group's IFRS restatements were audited in 2006.
- audits carried out by the group's external auditors, who work in collegiate fashion consistently throughout all Group entities and whose opinions are based in part on compliance with the Group's standards and on the effectiveness of local internal control procedures;
- during its annual audit, the external auditors noted the progress made in terms of control procedures, highlighting the automation of processing, monitoring and management of reporting and risk control.

CONCLUSION

While the majority of 2006 (ten and a half months) fell under the Natexis Banques Populaires flag, the Group ended the year as Natixis. 2006 was therefore a year of transition.

Until November 2006, each of Natixis' divisions continued with its strategies to enhance corporate governance, control and risk monitoring procedures, with the aim of continuing to comply with the regulatory, technical and professional standards applicable to its business activities.

However, 2006 was also characterized by major changes relating to operations, resulting in the creation of Natixis.

In becoming Natixis, the bank adopted a Management Board and Supervisory Board, while the former Natexis Banques Populaires was run until November 17, 2006, as a "société anonyme" with a Board of Directors. This change was accompanied by new corporate governance rules stemming from the shareholders' pact signed on November 17, 2006, between Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d'Epargne.

Since the start of the second half of 2006, a number of projects have been launched with the aim of reconciling the permanent and periodic control procedures of the former Natexis Banques Populaires and the entities transferred to Natixis by Caisse Nationale des Caisses d'Epargne, as well as integrating them into control units set up by the shareholders and future central bodies of the bank.

These projects aim to merge and harmonize Natixis' internal control systems, as well as ensuring that they are extended to all of the bank's operations. In this respect, the continuation of these efforts will constitute one of the main challenges for Natixis in 2007.

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Auditors' report on Chairman's report

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH THE FINAL PARAGRAPH OF ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE CHAIRMAN'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Year ended December 31, 2006

Dear Shareholders,

As statutory auditors to Natixis, and in accordance with article L.225-235 of the French Commercial Code, we hereby present our report on the Chairman's report for the year ended December 31, 2006, drawn up in accordance with the provisions of article L.225-37 of the French Commercial Code.

In accordance with the provisions of article L.225-68 of the French Commercial Code, the Chairman is required to report on the company's corporate governance system and its internal control procedures.

It is our responsibility to report to you on the information and statements contained in the Chairman's report with respect to internal control over the financial reporting process.

We conducted our investigations in accordance with the professional standards applied in France. Those standards require that we perform our procedures to assess the fairness of the information contained in the Chairman's report with respect to internal control procedures over the financial reporting process. These procedures principally consisted of:

- familiarizing ourselves with the internal control objectives and general organization, as well as internal controls over the financial reporting process, as presented in the Chairman's report;
- familiarizing ourselves with the procedures underlying the information presented in the report.

On the basis of our investigations, we have no particular comment to make on the information and statements with respect to internal control over the financial reporting process contained in the Chairman's report, prepared in accordance with article L.225-37 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, April 6, 2007

The Statutory Auditors

DELOITTE & ASSOCIES	SALUSTRO REYDEL	MAZARS & GUERARD
Damien Leurent	Member of KPMG International	Charles de Boisriou
	Michel Savioz	Michel Barbet -Massin

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8 ADDITIONAL INFORMATION

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Legal information

GENERAL MEETINGS

Notice of Meeting

Shareholders' meetings are called by the Management Board, or, failing that, under the conditions provided by article 225-103 of the French Commercial Code. Notices of meetings are issued in accordance with current regulations. Meetings take place either at the company's head office or at any other place specified in the notice of meeting.

Admission to Meetings

Shareholders' meetings include all shareholders whose shares are fully paid-up in respect of payments due.

The right to take part in general shareholders' meetings is subject to shares being registered in the name of the shareholder at midnight on the third business day prior to the meeting, either in registered share accounts held by the company or in bearer share accounts held by the appropriate intermediary.

Shareholders may always be represented at general meetings by a properly authorized proxy. Such proxies are not entitled to be replaced by another person.

In accordance with the applicable legal and regulatory provisions, shareholders may send in their proxy forms and postal voting forms either in paper form, or, upon a decision of the Management Board published in the notice of meeting, by electronic means. The Management Board may also decide that shareholders may take part in and vote at any general meeting by videoconferencing or electronic means under the conditions provided by the regulations.

Exercise of voting rights

Pursuant to article 26 of the bylaws, shareholders are entitled to one vote for each share that they own or represent.

Identification of shareholders

Pursuant to article 5 of the bylaws and in accordance with the applicable legal and regulatory provisions, the Company may request any authorized body or intermediary to provide any information about the holders of securities conferring immediate or future voting rights at shareholders' meetings, and in particular as to their identity, nationality and address, the number of securities that they hold and any restrictions attached thereto.

Any natural or legal person that, directly or indirectly, and whether alone or in concert with other natural or legal persons, comes to hold or transfer 1%, or any multiple of that percentage, of the voting rights, must notify the Company of the number of voting rights held or transferred, by registered letter with proof of receipt requested, within a period of fifteen days of their acquisition or transfer.

In the event of failure to comply with the obligation to supply information set out in the foregoing paragraph, and on the application of a shareholder representing at least 1% of the voting rights, duly recorded in the minutes of the meeting, any shares in excess of the threshold, which ought to have been declared, shall be stripped of their voting rights until the expiry of a period of two years commencing on the date on which the notification is properly given.

REPORT OF THE MANAGEMENT BOARD ON THE RESOLUTIONS TO BE PUT TO THE VOTE AT THE ANNUAL GENERAL MEETING

Ordinary Business

In the first resolution, the Management Board seeks approval of Natexis Banques Populaires parent company financial statements for the year ended December 31, 2006, reporting net income for the year of €744,399,468.97.

The second resolution seeks approval of the related party agreements described in the Acting Auditors' special report.

In the third resolution, shareholders are asked to approve the proposed appropriation of earnings and the payment of a dividend. The Management Board is proposing to pay a dividend of €0.86 per share for each of the 1,219,864,330 shares comprising the capital stock. The dividend will be payable as of May 30, 2007.

The fourth resolution seeks approval of the consolidated financial statements presented to the meeting, in accordance with the provisions of the French Commercial Code.

In the fifth resolution, the Management Board is seeking renewal of the authority granted by the General Meeting on November 17, 2006 to trade in the company's own shares under the conditions set out in European Directive 2003/6/EC of January 28, 2003 and in European regulation 2273/2003 of December 22, 2003.

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Extraordinary business

The purpose of the sixth resolution is to renew the authority granted to the Management Board to grant stock options to employees or company officers of the Company or of companies associated with the Company within the meaning of article L.225-180 of the French Commercial Code, the authorization granted on November 17, 2006, having been used in full. The subscription price shall be set in accordance with applicable legal requirements pursuant to Article R. 225-144 of the French Commercial Code." .

The purpose of the seventh resolution is to enable the Management Board to allocate a maximum of 6,600,000 existing shares or shares to be issued to employees or certain categories of employee of the Company and/or of companies directly or indirectly associated with the Company under the conditions provided by article L.225-197-2 of the French Commercial Code, in order to cover all the staff of the groups concerned. This authority cancels and replaces the authority granted by the General Meeting on November 17, 2006 with an upper limit of 6,000,000 shares.

RESOLUTIONS TO BE PUT TO THE VOTE AT THE ANNUAL GENERAL MEETING OF MAY 24, 2007

Ordinary business

First resolution: approval of parent company financial statements

Having received and considered:

- the management report on the operations of Natixis for the year ended December 31, 2006;
- the financial statements for that year;
- the observations of the Supervisory Board on the report of the Management Board and on the financial statements for the for the year ended December 31, 2006; and
- the reports of the Acting Auditors;

the shareholders hereby approve the financial statements as presented, including the following transfers to and from the retained earnings account since December 31, 2005:

- retained earnings at December 31, 2005 €4,299.25:
  - 2005 dividend in respect of treasury shares €7,915,605.00,
  - Change of accounting method in respect of foreign exchange futures €9,625,593.88,
  - Change of accounting method in respect of the for spreading of premiums/discounts (€961,183.63);
- retained earnings at December 31, 2006 €16,584,314.50.

Second resolution: Acting Auditors' report

The shareholders hereby approve the special report of the Acting Auditors on related party agreements governed by article L.225-86 of the French Commercial Code.

Third resolution: appropriation of earnings – dividends

Having considered the appropriation of earnings proposed by the Management Board, the shareholders hereby approve their proposal and resolve as follows:

- first:
  - to allocate the year's net earnings of €744,399,468.97,
  - plus the balance held on retained earnings in the sum of €16,584,314.50,
  - to the legal reserve in the sum of €37,219,973.45,

  leaving a sum available for distribution of €723,763,810.02;
- second:
  - to pay a total dividend of €1,049,083,323.80,
  - by appropriation of the distributable profit in the sum of €723,763,810.02,
  - and by deduction from reserves of the sum of €325,320,000.00,
  - and to allocate the balance to retained earnings, namely €486.22.

The dividend for the year ended December 31, 2006 is therefore €0.86 per share for each of the 1,219,864,330 shares comprising the capital stock.

The dividend will be payable as of May 30, 2007.

For information, as required by law, dividends paid in the previous three years were as follows:

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	2003	2004	2005
Dividend per €16 par value share*	€2.50	€3.30	€5
Number of shares remunerated*	48,045,139	48,255,962	48,995,480

** Before division of the nominal value by 10.*

Fourth resolution: approval of the consolidated financial statements

Having received and considered:

- the management report on the operations of Natixis and its consolidated subsidiaries for the year ended December 31, 2006;
- the consolidated financial statements for that year; and
- the report of the Acting Auditors on the consolidated financial statements;

the shareholders hereby approve the consolidated financial statements as presented.

Fifth resolution: authority to trade in the company's own shares

In accordance:

- with the provisions of articles L.225-209 *et seq.* of the French Commercial Code;
- with the provisions of European Directive 2003/6 and of European regulation 2273/2003 of December 22, 2003;
- with articles 631-1 *et seq.*, and articles 241–1 *et seq.*, of the general regulations of the Autorité des Marchés Financiers;
- with market practices as accepted by the Autorité des Marchés Financiers in two decisions of March 22, 2005;

and having regard to the description of the program published in the manner provided by the Autorité des Marchés Financiers, the shareholders, having received and considered the report of the Management Board, hereby grant it the authority to purchase shares in the company.

This authority, which is granted for a period of eighteen months with effect from the date of this general meeting, is intended to enable the company:

- to ensure liquidity or make a market in the shares through an independent investment service provider acting independently under the terms of a liquidity agreement complying with the Code of Ethics of the AFEI;
- to allot shares to employees under the conditions permitted by the regulations, and particularly in the context of a profit-sharing arrangement, stock option plan, company or group savings plan or free allocation of shares;
- to offer the shares in payment or exchange, particularly with respect to acquisitions;
- to use the shares to cover obligations relating to debt securities giving access to the capital;
- to cancel the shares by way of a reduction in the capital.

The shares may be bought, sold, exchanged or transferred by any means, on the stock market or over-the-counter, including by means of block trading, public tender offers, the use of derivative financial instruments or warrants or negotiable securities conferring a right to shares of the Company, or by the use of options-based strategies, under the conditions provided by market authorities and in accordance with the regulations.

The entire authority may be used to purchase or sell the shares by means of block trading.

Trading may take place at any time within the limits authorized by the regulations in force, including in periods of public tender offers or public exchange offers initiated by the Company or in relation to the Company's shares.

The shareholders resolve that the number of shares that may be purchased pursuant to this resolution may not exceed 5% of the Company's capital stock, namely a total of 60,993,216 shares on the date of this meeting, and that the total investment cost may not exceed €1,830 million.

The shareholders resolve that the purchase price may not exceed €30 per share, on the understanding that in the event of subsequent capital transactions, particularly involving the incorporation of reserves, the free allocation of shares, or a share split or consolidation, the price indicated above will be adjusted accordingly.

For the purpose of implementing this authority, the shareholders confer all necessary powers on the Management Board, including the power to subdelegate as defined in article L.225-209 paragraph 2 of the French Commercial Code, to decide to implement this authority and to determine the manner in which this will take place, particularly in order to adjust the aforementioned purchase price in the event of transactions altering the Company's equity capital or capital stock or the nominal value of its shares; to place any stock market orders and enter into any agreements; to make any declarations and complete any formalities; and, more generally, to do whatever may be necessary.

With effect from the date of this meeting, this authority cancels and replaces any similar authority previously granted.

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Extraordinary business

Sixth resolution: authority to grant stock options

Having received and considered the report of the Management Board and the special report of the Acting Auditors, acting under the conditions as to quorum and majority required for extraordinary general meetings and pursuant to the provisions of articles L.225-177 *et seq.* of the French Commercial Code, the shareholders hereby:

1. resolve to authorize the Management Board, on one or more occasions, to grant options valid for a period of seven (7) years conferring a right to subscribe for new, or to purchase existing, shares of the Company made available as a result of buybacks carried out under the conditions provided by the bylaws and by law, to employees or company officers of the Company or of companies associated with the Company within the meaning of article L.225-180 of the French Commercial Code, or some of them;
2. resolve that the total number of stock options granted pursuant to this authority may not confer a right to subscribe for more than 10,000,000 shares;
3. resolve that the options to subscribe for and/or purchase shares must be granted before the expiry of a period of 38 months from the date of this general meeting;
4. formally acknowledge and, if necessary, resolve, that this authority shall automatically involve a waiver by the shareholders of any preferential subscription rights in respect of the shares to be issued following the exercise of the options, in favor of the beneficiaries of the stock options;
5. confer all necessary powers on the Management Board to implement this authority under the conditions provided by law and by the bylaws, particularly in order:
   - to determine the conditions under which the options will be granted and to draw up a list or the categories of beneficiaries of the options,
   - to determine the price of subscription of the shares (in the case of options to subscribe for shares) and the purchase price of the shares (in the case of options to purchase shares) and the date on which the options will be granted (on the understanding that this price may not be lower than the value arrived at by the application of the current regulations,
   - to adjust the subscription and purchase price of the shares to take account of any financial transactions that may take place before the options are exercised,
   - to determine the period or periods of exercise of the options thus granted,
   - to make provision for temporary suspension of the exercise of options for a maximum period of three months in the event of financial transactions involving the exercise of a right attached to the shares,
   - if necessary, to record the number and the amount of shares issued during the financial year as a result of the exercise of options, at its first meeting following the end of each financial year,
   - in its sole discretion and if it sees fit, to charge the expenses of increases in the capital stock to the amount of premiums referable to those increases, and to deduct from that amount the sums necessary to bring the legal reserve back up to one tenth of the new capital stock after each increase,
   - to complete or arrange for the completion of any acts and formalities necessary to make definitive any capital increases that may be carried out pursuant to the authority granted by this resolution, to make the consequential amendments to the bylaws, and generally, to do whatever may be necessary;
6. formally notes that this authority cancels any previous authority granted for the same purpose.

Seventh resolution: allocation of free shares

The general meeting on November 17, 2006 authorized the Management Board, on one or more occasions, to allocate a maximum of 6,000,000 existing shares or shares to be issued to employees or certain categories of employee of the Company and/or of companies directly or indirectly associated with the Company under the conditions provided by article L.225-197-2 of the French Commercial Code.

The general meeting delegated all necessary powers to the Management Board, including the power to subdelegate to its Chairman and/or and to one of its members with the Chairman's agreement, under the conditions provided by law, to implement this authority, particularly in order to determine the dates and terms of the allocations, and generally to take any necessary steps to complete the envisaged allocations successfully.

Since the number of free shares to be allocated must be adjusted to cover all the staff of the groups concerned, it is proposed to grant authority to the Management Board to allocate an increased number of shares of 6,600,000, and consequently, to replace the resolution adopted on November 17, 2006 with the following resolution:

Having received and considered the report of the Management Board and the special report of the Acting Auditors, in accordance with articles L.225-197-1 and L.225-197-2 of the French Commercial Code, and acting under the conditions as to quorum and majority required for extraordinary general meetings, the shareholders hereby:

1. authorize the Management Board, on one or more occasions, to allocate free shares of the Company or shares of the Company to be issued;
2. resolve that the beneficiaries of the allocations may be employees or certain categories of employee of the Company and/or of companies directly or indirectly associated with the Company under the conditions

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provided by article L.225-197-2 of the French Commercial Code;

3. resolve that the Management Board shall determine the identity of the beneficiaries of the allocations and the conditions, and, if necessary, the criteria for the allocation of shares;
4. resolve that the total number of shares allocated free of charge pursuant to this resolution may not exceed more than 6,600,000 shares on the date of the decision of the Management Board, not including additional shares to be issued or allocated to preserve the rights of the beneficiaries in the event of transactions in relation to the Company's capital during the acquisition period;
5. resolve that the allocation of the shares to their beneficiaries will become definitive after a minimum acquisition period of two years, the minimum duration of the beneficiaries' obligation to retain the shares being two years from the date of definitive allocation of the shares;
6. resolve, by way of exception to the foregoing, that the shares shall be definitively allocated to their beneficiary before the expiry of the acquisition period in the event of the invalidity of the relevant beneficiary within the meaning of the second or third categories provided by article L.341-4 of the Social Security Code, shares allocated early in this way then being freely transferable by the beneficiary notwithstanding the retention period normally applicable;
7. authorize the Management Board, during the acquisition period and if necessary, to make adjustments to the number of free shares allocated in order to preserve the rights of the beneficiaries, according to any transactions in relation to the Company's capital;
8. formally acknowledge that this resolution automatically involves a waiver by the shareholders in respect of the portion of reserves, profits or premiums, as the case may be, which may be incorporated in the capital in the event of the issue of new shares, in favor of the beneficiaries of the free shares;
9. formally notes that, in the event that the Management Board makes use of this authority, it will report to the ordinary general meeting each year on the transactions carried out pursuant to articles L.225-197-1 to L.225-197-3 of the French Commercial Code, in the manner provided by article L.225-197-4 of the said Code.

This authority is granted for a period of 38 months from the date of this meeting.

The shareholders delegate all necessary powers to the Management Board, including the power to subdelegate to its Chairman and/or and to one of its members with the Chairman's agreement, under the conditions provided by law, to implement this authority, particularly in order to determine the dates and terms of the allocations, and generally to take any necessary steps and enter into any agreements to complete the envisaged allocations successfully, to record the resulting increase or increases in the capital resulting from any allocation made pursuant to this authority, and to make any consequential amendments to the bylaws.

With effect from the date of this meeting, this authority cancels and replaces any similar authority previously granted, and in particular that granted by the 21st resolution of the general meeting on November 17, 2006.

Eighth resolution: powers to carry out formalities

All necessary powers are conferred on the holder of a copy or extract of the minutes of this meeting to carry out any filing and publication formalities provided by law.

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Additional information

GENERAL INFORMATION ABOUT NATIXIS

Name

Natixis

Head office

45, rue Saint-Dominique, 75007 Paris

Legal form

Natixis is a société anonyme with a Management Board and a Supervisory Board. It is governed by French company law, the provisions of the French Monetary and Financial Code (Code monétaire et financier) and its bylaws.

Date of incorporation and term

The Company was incorporated on November 20, 1919 under the name Crédit National. Its term was increased to 99 years on November 9, 1994, unless extended or wound up early. The name “Natixis” was adopted by the shareholders at their meeting on November 17, 2006.

Corporate object

Pursuant to article 2 of the bylaws, the company’s corporate object in France and abroad is:

- the conduct of all and any banking business and related businesses within the meaning of the French Banking Act;
- the provision of all and any investment services as defined in the French Monetary and Financial Code;
- the performance of specific assignments on behalf of the French State in economic and financial areas under the provisions of special agreements;
- the conduct of all and any brokerage business;
- the acquisition of interests in companies, groups or associations with a direct or indirect connection with the activities referred to above;
- the completion of all and any private and commercial transactions.

Incorporation particulars

Paris Trade and Companies Register Registration number: B 542 044 524 APE Code: 652 C

Access to legal documents

All documents concerning the company, including its bylaws, financial statements and reports presented to general meetings of shareholders by the Management Board or the Statutory Auditors are available at the company’s head office.

Financial year

The company’s financial year runs from January 1 to December 31.

Appropriation of earnings (*Title V, Article 34 of the bylaws*)

After deduction of any prior year losses, a minimum of 5% of each year’s earnings shall be transferred to the legal reserve as required by law. This provision shall no longer apply once the legal reserve has reached one tenth of the value of the company’s capital stock, but shall be reinstated if for any reason the legal reserve falls back below this minimum requirement.

The balance, plus any retained earnings, comprises the sum available for distribution, which may by resolution of the shareholders at the annual general meeting be used as they deem appropriate within the limits permitted by law, either by way of transfer to retained earnings or other reserves, or on the recommendation of the Management Board, distributed in full or in part as a dividend.

The shareholders may also resolve to distribute sums from retained earnings or reserves to which they are entitled. In this case, their resolution must expressly indicate which reserve accounts are to be used.

The shareholders’ resolution may offer the option of receiving all or part of the dividend in either cash or shares. In the latter case, payment will be made by means of allotting shares in the company in accordance with any applicable legal and regulatory provisions.

As permitted by law, the Management Board may decide to pay an interim dividend either in cash or in shares.

Annual dividends shall be paid on the date or dates set by the Management Board but no later than nine months after the year end.

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Provisions of the bylaws concerning the administration and control of the Company (*Title III, Articles 9 to 20 of the bylaws*)

Management Board

Article 9 – Composition of the Management Board

The Company shall be managed by a Management Board comprising between two and seven members appointed by the Supervisory Board. It shall carry out its functions under the supervision of the Supervisory Board, in accordance with the law and with these bylaws.

The members of the Management Board need not be shareholders of the Company, but must be natural persons. They may be re-elected. Members of the Supervisory Board may not also be members of the Management Board.

The age limit for holding office as a member of the Management Board shall be 70 years. Any member of the Management Board who attains that age shall automatically be deemed to have resigned.

The Management Board shall be appointed for a term of six (6) years. In the event of a vacancy for a member of the Management Board, the Supervisory Board shall appoint a replacement for the remainder of the term of office of his or her predecessor, as provided by law.

Any member of the Management Board may be dismissed, either by the Supervisory Board or by the general meeting of shareholders. If the dismissal takes place without just cause, it may give rise to the payment of damages. The dismissal of a member of the Management Board shall not result in the termination of his or her employment contract.

Article 10 – Chairmanship of the Management Board – General management

The Supervisory Board shall appoint one of the members of the Management Board as Chairman. The Chairman shall exercise his or her functions throughout his or her term of office as a member of the Management Board. He or she shall represent the Company in its relations with third parties.

The Supervisory Board may confer the same representative power on one or two members of the Management Board, in which case they shall have the title of Chief Executive Officer.

The functions of the Chairman, and, if applicable, of the Chief Executive Officer allocated to members of the Management Board, may be withdrawn at any time by the Supervisory Board.

The Executive Chairman or a Chief Executive Officer may take any action validly binding the Company as regards third parties.

Article 11 – Deliberations of the Management Board

The Management Board shall meet as often as the interests of the Company require, upon a notice of meeting being issued by its Chairman or by at least half its members. It shall meet at the head office or in any other place indicated in the notice of meeting. Additions may be made to the agenda when the meeting takes place. Notices of meetings may be issued by any means including by word of mouth.

Meetings shall be chaired by the Executive Chairman or, in his or her absence, by the Chief Executive Officer appointed by the Chairman. The Management Board may only validly deliberate if at least half its members are present. Decisions shall be taken by a majority of the votes of members present or represented. In the event of a tied vote, the Chairman of the meeting shall have a casting vote.

The proceedings of the Management Board shall be recorded in minutes contained in a special minute book and signed by the members of the Management Board that attended the meeting.

The Management Board shall draw up its own regulations governing its manner of functioning, and shall provide a copy of them to the Supervisory Board for information.

Article 12 – Powers and obligations of the Management Board

The Management Board shall be invested with the broadest powers to act in all circumstances on behalf of the Company, subject to the limitations of the corporate object and those powers expressly attributed by law and by these bylaws to general meetings of shareholders and the Supervisory Board.

No restriction on the Management Board's powers shall be enforceable against third parties, which may commence legal action against the Company to enforce obligations entered into on its behalf by the Executive Chairman or by a Chief Executive Officer, on condition that their appointments were properly published.

The Management Board may appoint one or more of its members or any non-member of the Management Board to carry out such special permanent or temporary missions as it shall determine, and may delegate to them the powers it considers necessary for one or more particular purposes, with or without the power to subdelegate.

The Management Board shall prepare and present reports, budgets and quarterly, half-yearly and annual financial statements to the Supervisory Board under the conditions provided by law and by the bylaws. The Management Board shall convene all general meetings of shareholders, decide their agenda and execute their decisions.

Article 13 – Remuneration of the members of the Management Board

The Supervisory Board shall fix the manner and amount of the remuneration of each of the members of the Management Board.

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Supervisory Board

Article 14 – Composition of the Supervisory Board

The Supervisory Board shall comprise no less than three (3) and no more than eighteen (18) members, subject to the derogation provided by law in the event of a merger.

The members of the Supervisory Board shall be appointed by the ordinary general meeting of shareholders, save that in the event of one or more positions becoming vacant, the Board may co-opt replacements for the remainder of the term of office of their predecessors, subject to ratification by the next general meeting.

When it has been determined in accordance with current regulations that the percentage of the capital stock owned by employee shareholders is in excess of the threshold provided by law, a member of the Supervisory Board shall be appointed by the general meeting from among candidates put forward by the Supervisory Board of the Employee Share Ownership Plan or Plans. The member of the Supervisory Board appointed in this way shall not be taken into account in the calculation of the maximum number of members provided for by the first subparagraph of this article.

The member of the Supervisory Board appointed in this way shall be entitled to vote on the Supervisory Board and shall be subject to the same rights and obligations as the other members thereof.

No more than one third of the members of the Supervisory Board in office may be more than 70 years of age. When this proportion is exceeded, the oldest of the members of the Supervisory Board, except for the Chairman, shall cease to hold office at the end of the next ordinary general meeting of shareholders.

Throughout his or her term of office, each member of the Supervisory Board must be the owner of at least one hundred (100) shares.

The members of the Supervisory Board shall be appointed for a term of six (6) years. They may be re-elected. The functions of a member of the Supervisory Board shall come to an end at the end of the ordinary general meeting of shareholders called to approve the financial statements for the financial year ended, which is held in the year in which his or her term of office expires.

Article 15 – Chairmanship of the Supervisory Board

The Supervisory Board shall elect a Chairman and two Vice-Chairmen from among its members, for the duration of their term of office. They must be natural persons.

The Supervisory Board shall determine their remuneration, whether fixed or variable.

The Chairman shall be responsible for convening meetings of the Supervisory Board at least four times a year, and for directing its proceedings.

Article 16 – Meetings of the Supervisory Board

16.1 The Supervisory Board shall meet as often as is required by the interests of the Company and legal and regulatory provisions, and at least once a quarter in order to examine the written quarterly report of the Management Board. Meeting shall be called by the Chairman of the Supervisory Board or by a third of its members, either at the head office or in any other place indicated in the notice of meeting.

Subject to Urgent Business as defined below, the Board of Directors must be given reasonable prior notice of the date of its meetings. Notices of meetings shall include the detailed agenda for the meeting.

Before meetings, the members of the Supervisory Board must be provided with sufficient information for a sufficient period of time to enable them to make an informed decision.

Meetings of the Supervisory Board shall be chaired by its Chairman or by one of its Vice-Chairmen.

The Supervisory Board may appoint a secretary from among its members or elsewhere.

Meetings shall be conducted and shall make decisions according to the conditions as to quorum and majority provided by law.

The Supervisory Board shall draw up internal regulations which may provide that, save for the adoption of decisions relating to the verification and control of the parent company and consolidated financial statements, members of the Supervisory Board taking part in meetings by means of videoconferencing or telecommunication shall be deemed to be present for the purposes of calculating the quorum and majority, under the conditions permitted or prescribed by current laws and regulations.

Minutes of meetings of the Supervisory Board shall be prepared, and copies or extracts thereof shall be issued and certified in accordance with the law.

16.2 In the event of urgent business as defined below ("Urgent Business"), the accelerated procedure set out below may be applied.

Urgent Business is defined as an exceptional situation (i) characterized by the existence of a short period of time, which is imposed by a third party on pain of foreclosure and where failure to comply would be likely to cause loss to the Company or to one of its Principal Subsidiaries (the term Principal Subsidiary referring to Ixis Corporate & Investment Bank, Ixis Asset Management Group, Coface and Natexis Asset Management or any other company controlled directly or indirectly by the Company within the meaning of article L.233-3 of the French Commercial Code (x) which is substituted for them (in whole or in part) by reason of a merger, asset transfer or other transfer of its assets or (y) which has control thereof within the meaning of article L.233-3 I and II of the French Commercial Code, or (ii) requiring a rapid response from the Company which is incompatible with the application of the usual time limits for the convening of meetings of the Supervisory Board.

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In the event of Urgent Business, the time limits for the convening and conduct of meetings of the Supervisory Board shall not be subject to article 16 above, on condition that the Chairman of the Supervisory Board of the Company has:

- first sent a notice to the members of the Supervisory Board justifying the existence of the Urgent Business within the meaning of the definition set out above; and
- provided all the members of the Supervisory Board with all the information necessary for them to analyze the situation, together with the notice of meeting.

Article 17 – Powers of the Supervisory Board

17.1 The Supervisory Board shall exercise permanent control over the management of the Company by the Management Board.

At any time of the year, it shall carry out such verifications and inspections as it shall consider appropriate, and it may obtain from the Management Board any documents that it considers necessary for it to carry out its task.

The Management Board shall present it with a report at least once a quarter, summarizing the main acts or other matters in connection with the management of the Company, and including all the information necessary for the Supervisory Board to be informed of developments in the Company's business, together with the quarterly and half-yearly financial statements.

After the closing of each financial year and within the time limits provided by the regulations, the Management Board shall present the Supervisory Board with the annual and consolidated financial statements and with its report to the general meeting, for verification and inspection. The Supervisory Board shall present the annual general meeting with its observations on the report of the Management Board and on the annual, parent company and consolidated, financial statements.

This supervision shall not in any circumstances result in the Supervisory Board or its members carrying out acts of management, whether directly or indirectly.

The Supervisory Board shall appoint and may dismiss the members of the Management Board, the Executive Chairman and the Chief Executive Officers, under the conditions provided by law and by article 9 of these bylaws.

The Supervisory Board shall settle the draft resolution proposing the appointment of statutory auditors by the general meeting of shareholders, under the conditions provided by law.

The Supervisory Board may decide to set up committees responsible for considering matters referred by the Supervisory Board or its Chairman for examination and for an opinion. It shall determine the composition and powers of such committees, and shall be responsible for the conduct of their business.

17.2 The following operations shall be subject to the prior authorization of the Supervisory Board:

(a) pursuant to current legal and regulatory provisions:

- the sale of land and other immovable assets (immeubles par nature),
- the total or partial sale of shareholdings,
- any agreement subject to article L.225-86 of the French Commercial Code;

(b) pursuant to these bylaws:

- any increase of the capital stock, immediate or future, while maintaining preferential subscription rights, with a value including premium in excess of €75 million,
- any extension of the activities of Natixis to significant businesses not carried on by Natixis,
- any appointment of members of the Supervisory Boards, Boards of Directors or Management Boards, and, if applicable, of Chief Executive Officers and Deputy Chief Executive Officers of the Principal Subsidiaries (as defined in article 16.2),
- any acquisition or increase of a shareholding, and any investments or disinvestments (including the transfer of cooperative investment certificates issued by the Caisses d'Epargne or Banques Populaires) or the formation of joint ventures by Natixis or any of its subsidiaries, in an amount in excess of €150 million,
- any asset transfer, merger or spin-off transaction to which Natixis or any of the Principal Subsidiaries (as defined in article 16.2) or Dedicated Subsidiaries (the term Dedicated Subsidiaries referring to Compagnie 1818–Banquiers Privés, CEFI, Banque Privée Saint Dominique, Natexis Assurances, Novacrédit, GCE Garantie, Ecureuil Gestion and Foncier Assurance, or any company that might be substituted for them) may be party,
- any increase of the capital stock of Natixis, immediate or future, while cancelling preferential subscription rights,
- approval of the Company's business plan prepared by the Management Board including, in particular, profitability targets and risk policy (the "Strategic Plan") together with any significant amendment of the Strategic Plan,
- any proposal to the general meeting of shareholders of an amendment to the bylaws.

Article 18 – Remuneration of members of the Supervisory Board

The general meeting of shareholders may allocate directors' fees to the Supervisory Board. The Supervisory Board shall distribute them among its members as it sees fit.

The Supervisory Board may also award exceptional remuneration to its members in the cases and subject to the conditions provided by law.

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Control

Article 19 – Non-voting directors

The ordinary general meeting of shareholders can appoint one or more non-voting directors, whose term of office shall be six (6) years. They may be re-elected, and may be dismissed by the general meeting of shareholders.

Non-voting directors shall receive the same information as the members of the Supervisory Board and shall be called to all meetings of the Supervisory Board. They shall sit on the Supervisory Board in a consultative capacity.

They may be appointed temporarily by the Supervisory Board subject to ratification by the next general meeting of shareholders.

They may receive remuneration the amount of which shall be determined by the Supervisory Board.

Article 20 – Auditors

Acting and substitute auditors shall be appointed by the ordinary general meeting of shareholders under the conditions provided by law. Their duties and powers shall be as provided by current legislation.

GENERAL INFORMATION ABOUT THE CAPITAL STOCK

Form and transfer of shares (*Title II, article 4 of the bylaws*)

Shares in the company may either be registered shares or identifiable bearer shares, at the option of the holder. They shall be registered in an account and transferred in the manner provided by applicable laws and regulations.

Capital stock

The capital stock was €1,951,782 at December 31, 2006, divided into 1,219,864,330 shares with a par value of €1.60 each, fully paid-up.

Capital stock authorized but not yet issued

At their general meeting on November 17, 2006, the shareholders conferred authorities on the Management Board in accordance with Article L.225-129-2, L.228-92 and L.228-93 of the French Commercial Code, and for a period of 26 months with effect from the date of the meeting, to increase the capital on one or more occasions, with or without preferential subscription rights, in a maximum nominal amount of €150 million, by the issuance of shares or any marketable securities conferring rights in the capital stock.

This general meeting of shareholders also decided, in accordance with the regulations:

- that in the event of excess demand, the issuances of shares decided on could be increased by a maximum of 15% of the initial issuance;
- that the Management Board could make issuances of up to 10% of the capital stock in the form of equity capital or marketable securities conferring rights in the capital stock, in order to pay for contributions in kind to the company.

Securities not conferring rights in the capital stock

On November 25, 1985, Banque Française du Commerce Extérieur (the French Foreign Trade Bank) issued 140,000 redeemable shares with a face value of FFR 5,000. Dividends are paid on November 25 of each year. Redemptions are made on the initiative of the borrower. At December 31, 2006, there were 113,000 redeemable shares outstanding.

Other securities conferring rights in the capital stock

As indicated in the table below, 15,827,050 exercisable or yet to be exercised options to subscribe for new or purchase existing shares were in existence at December 31, 2006.

These options were granted:

- to employees and executive directors of Natexis Banques Populaires and other companies in which Natexis Banques Populaires directly or indirectly held the majority of the capital stock;
- to employees and executive directors of Banque Fédérale des Banques Populaires, the Banque Populaire banks and entities that are more than 50%-owned either directly or indirectly, exclusively or jointly, by Banque Fédérale des Banques Populaires or affiliated institutions.

The exercise price is equal to the average price quoted in the 20 trading sessions preceding the date on which the Management Board fixed the terms and conditions of the annual options plan.

No option to subscribe for new shares was granted in the financial year 2006.

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SUMMARY OF OPTIONS PLANS AT DECEMBER 31, 2006

Date of the plan	Date of the general meeting	Options exercisable with effect from	Options exercisable until	Exercise price of one option in euros	Number of beneficiaries remaining	Number of options authorized by the Board	Number of options granted	Number of options exercised	Number of options exercisable	Number of options yet to be exercised	Number of options cancelled
20/09/2000	03/05/1996	20/09/2005	19/09/2007	8.314	20	2,200,000	2,200,000	1,827,720	264,280	0	108,000
19/09/2001	31/05/2001	19/09/2005	18/09/2008	9.430	94	5,000,000	4,970,500	3,874,900	917,500	0	178,100
10/09/2002	31/05/2001	10/09/2006	09/09/2009	7.247	189	3,750,000	3,311,100	1,673,730	1,564,670	0	72,700
10/09/2003	31/05/2001	10/09/2007	09/09/2010	8.325	544	4,300,000	4,068,900	89,100	0	3,928,600	51,200
17/11/2004	27/05/2004	17/11/2008	16/11/2011	8.910	566	4,500,000	4,277,500	74,500	0	4,190,000	13,000
15/11/2005	19/05/2005	15/11/2009	14/11/2012	11.924	657	5,000,000	4,970,000	0	0	4,962,000	8,000
Totals					2,070	24,750,000	23,798,000	7,539,950	2,746,450	13,080,600	431,000

SUMMARY OF OPTIONS PLANS GRANTED TO DIRECTORS AT DECEMBER 31, 2006

Date of the plan	Date of the general meeting	Options exercisable with effect from	Options exercisable until	Exercise price of one option in euros	Number of beneficiary directors	Number of options granted to directors	Number of options exercised	Number of options exercisable	Number of options yet to be exercised	Number of options cancelled
20/09/2000	03/05/1996	20/09/2005	19/09/2007	8.314		0	0	0	0	0
19/09/2001	31/05/2001	19/09/2005	18/09/2008	9.430	2	245,000	245,000	0	0	0
10/09/2002	31/05/2001	10/09/2006	09/09/2009	7.247	2	165,000	0	165,000	0	0
10/09/2003	31/05/2001	10/09/2007	09/09/2010	8.325	2	240,000	0	0	240,000	0
17/11/2004	27/05/2004	17/11/2008	16/11/2011	8.910	2	255,000	0	0	255,000	0
15/11/2005	19/05/2005	15/11/2009	14/11/2012	11.924	2	280,000	0	0	280,000	0
Totals						1,185,000	245,000	165,000	775,000	0

Observations:

The figures have been updated to take account of the division of the nominal value by 10 on November 17, 2006.

Certain derogations allow options to be exercised early (financial operations by a third party in relation to the capital of Natixis, and the negotiated retirement or death of the beneficiary).

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Options to subscribe for shares granted to the top 10 employees other than company officers	Total number of options granted	Exercise price (*in euros*)	Expiry	Plan number
Financial year 2006	0	0	-	-

Options exercised by the 10 employees other than company officers that exercised the largest number of options	Total number of shares subscribed	Weighted average price (*in euros*)
Financial year 2006	465,000	8.328
Details per Plan	**Number of shares subscribed**	**Unit price**
Plan 2000	52,000	8.314
Plan 2001	205,000	9.430
Plan 2002	208,000	7.247

The general meeting of shareholders on November 17, 2006 granted the Management Board authority, for a period of 38 months with effect from the date of the meeting, to allocate options to subscribe for new shares or to purchase existing shares, on one of more occasions, to employees or company officers of Natixis and of companies associated with Natixis within the meaning of article L.225-180 of the French Commercial Code.

This authority covers a maximum of 10,000,000 shares.

Changes in the capital during the last five financial years

	Number of shares at the start of the financial year	Number of shares created during the financial year	Number of shares at the end of the financial year	Authorized share capital (*in euros*)
2002	44,314,352	3,128,485	47,442,837	759,085,392
2003	47,442,837	602,302	48,045,139	768,722,224
2004	48,045,139	210,823	48,255,962	772,095,392
2005	48,255,962	739,518	48,995,480	783,927,680
2006	48,995,480	1,214,964,750*	1,219,864,330	1,951,782,928

** Including 1,109,911,689 shares in respect of the division of the nominal value on November 17, 2006.*

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The following table shows the amount of the issue premiums for each of the operations relating to the capital.

Year	Description	Number of shares	Capital stock *(in euros)*	Issue premiums on increases in the capital *(in euros)*
2002	**Number of shares at the start of the financial year**	**44,314,352**	**709,029,632**	
	shares in respect of ESOPs	5,355	85,680	286,620.37
	shares arising from the conversion of TSDIC	1,717,431	27,478,896	86,413,090.39
	shares in respect of the exercise of subscription options	4,400	70,400	108,393.66
	shares attributable to the transfer of Arnhold & S. Bleichroeder securities	1,401,082	22,417,312	83,448,443.92
	shares resulting from the merger with the property company ABC	217	3,472	3,943.16
	At December 31	**47,442,837**	**759,085,392**	
2003	**At January 1**	**47,442,837**	**759,085,392**	
	shares in respect of ESOPs	3,756	60,096	161,981.00
	shares in respect of the exercise of subscription options	43,340	693,440	1,733,850.39
	shares attributable to the transfer of Banque du Dôme-Crédifrance Factor securities	218,559	3,496,944	14,643,375.64
	shares attributable to the transfer of Sopromec Participations securities	336,647	5,386,352	25,248,563.45
	At December 31	**48,045,139**	**768,722,224**	
2004	**At January 1**	**48,045,139**	**768,722,224**	
	shares in respect of ESOPs	3,086	49,376	175,126.36
	shares in respect of the exercise of subscription options	207,737	3,323,792	10,204,917.64
	At December 31	**48,255,962**	**772,095,392**	
2005	**At January 1**	**48,255,962**	**772,095,392**	
	shares in respect of FCPE	3,043	48,688	225,259.18
	shares in respect of the exercise of subscription options	480,436	7,686,976	33,653,461.26
	shares in respect of the increase in capital reserved for Banque Fédérale des Banques Populaires	256,039	4,096,624	25,903,465.63
	At December 31	**48,995,480**	**783,927,680**	
2006	**At January 1**	**48,995,480**	**783,927,680**	
	payment of the dividend in shares	1,103,281	17,652,496	185,075,387.75
	shares in respect of ESOPs	10,010	160,160	1,529,227.70
	shares in respect of the exercise of subscription options	83,274	1,332,384	5,773,940.85
	shares in respect of asset transfers from CNCE and SNC CHAMPION	73,131,476	1,170,103,616	13,128,041,797.00
NATEXIS BANQUES POPULAIRES BECOMES Natixis – DIVISION OF THE NOMINAL VALUE BY 10				
	new situation	*1,233,235,210*	*1,973,176,336*	
	Allocation of 2006 expenses to the transfer premium			(3,879,879.00)
	reduction of capital by the cancellation of treasury stock	(15,552,460)	(24,883,936)	(288,910,332.20)
	shares in respect of the exercise of subscription options	2,181,580	3,490,528	13,635,082.21
	At December 31	**1,219,864,330**	**1,951,782,928**	

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Other information about the capital

Natixis has not pledged any of its shares.

DISTRIBUTION OF THE CAPITAL AND VOTING RIGHTS

Distribution of the capital at December 31, 2006

At December 31 2006, the principal shareholders of Natixis were as follows:

	% of the capital	% of the voting rights
Banque Fédérale des Banques Populaires	34.44%	34.44%
*Including SNC Champion**	*2.35%*	*2.35%*
Caisse Nationale des Caisses d'Epargne et de Prévoyance	34.44%	34.44%
DZ BANK AG	1.87%	1.87%
SAN PAOLO IMI	1.68%	1.68%
ASB Holdings	0.43%	0.43%
Employee shareholders (ESOPs)	0.60%	0.60%
Public	26.54%	26.54%

** SNC Champion was dissolved without liquidation on January 19, 2007, its assets having been transferred to its sole shareholder, BFBP.*

As far as Natixis is aware, there are no shareholders that own more than 5% of the capital or voting rights other than those listed in the above table.

Banque Fédérale des Banques Populaires and Caisse Nationale des Caisses d' Epargne have entered into a shareholders' agreement pursuant to which they act in concert, the principal provisions of which are described in page 393.

Ownership of shares by members of management and supervisory bodies

The members of the Supervisory Board, whether natural or legal persons, owned 68.88% of the capital of Natixis (almost all of this amount being owned by BFBP and CNCE), at December 31, 2006.

The ownership of shares by company officers is not significant. Page 387 contains details of Company stock options granted to certain employees and company officers.

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Treasury stock

In the context of the share buyback program authorized by the general meeting of shareholders on November 17, 2006, Natixis no longer owned any treasury stock at December 31, 2006.

The 15,552,460 shares held as treasury stock were cancelled pursuant to a decision of the Management Board dated December 4, 2006.

The table below shows the number percentage of shares owned as treasury stock at March 30, 2007.

	Quantity purchased	Purchase price *(in euros)*	Average price *(in euros)*	Quantity sold	Exit price *(in euros)*	Average exit price *(in euros)*	Final stock	% of the capital owned
At January 1, 2007	-	-	-	-	-	-	-	-
Price regulation	2,490,523	50,788,882	20.39	1,607,396	34,525,632	21.48		
At March 30, 2007	**2,490,523**	**50,788,882**	**20.39**	**1,607,396**	**34,525,632**	**21.48**	**883,127**	**0.07%**

Employee shareholders

During 2006, the proportion of the capital of Natixis owned by the employees of Banque Populaire Group decreased sharply due to the combined effect of two factors:

- the arrival at maturity in July 2006 of the “Alizé” Plan, the first Group Shareholding Plan that had been set up in June 2001. The proportion of the capital owned by employees decreased from 3.43% at December 31, 2005 to 1.56% at September 14, 2006;
- the increase in the capital on November 17, 2006, which automatically reduced the proportion of the capital owned by employees to 0.60%.

The general meeting of shareholders on November 17, 2006 granted the Management Board authority, for a period of 38 months with effect from the date of the meeting, to allocate free shares one or more occasions to employees of Natixis and of companies directly or indirectly associated with Natixis within the meaning of article L.225-197-2 of the French Commercial Code.

This authority covered a maximum of 6,000,000 shares.

Changes in the distribution of the capital during the last three years

	Natexis Banques Populaires		Natixis
At December 31 *(in %)*	**2004**	**2005**	**2006**
Banque Populaire Group and its subsidiaries	77.87	75.99	34.44
Caisse d’Epargne Group	-	-	34.44
DZ BANK AG	1.88	1.85	1.87
SAN PAOLO IMI	-	-	1.68
ASB Holdings	2.89	1.57	0.43
Employee shareholders	3.37	3.43	0.60
IKB Financière France	0.89	-	-
Neptuno	-	0.88	-
Public	13.10	17.16	26.54

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Natural or legal persons exercising or capable of exercising control over Natixis

The Banque Populaire and Caisse d'Epargne Groups have the responsibilities provided by the banking regulations, by reason of their position as the principal shareholders of Natixis.

The application of the corporate governance rules and the rules imposed on the members of the Board enable the risk of abuse of management control to be prevented.

Shareholders' agreement

On November 17, 2006, a shareholders' agreement was entered into between BFBP and CNCE, the principal provisions of which are described below:

Stability of the respective investments

Inalienability and upper limits

BFBP and CNCE undertake to maintain strict parity of investment in the capital of Natixis for a period of 10 years, which could be extended for successive periods of five years.

Consequently, any acquisition or sale of Natixis shares is prohibited during this period, with the exception:

- of sales of shares carried out in the context of the market operation that took place at the end of 2006;
- of joint sales by each of the shareholders of an identical number of Natixis shares, on condition that upon completion of the sale, each shareholder retains a strictly identical investment in terms of number of shares, and which is greater than or equal to 34% of the capital of Natixis on a fully-diluted basis;
- of sales of shares to a natural person appointed as a member of the Supervisory Board, up to the number of shares required by the bylaws;
- of acquisitions of shares carried out in the event of "dilutive" circumstances after which the investment of each shareholder would be less than 34% of the capital on a fully-diluted basis, subject to a limit of investment of 34% of the capital on a fully-diluted basis, on the understanding that such acquisitions of shares shall be carried out on behalf of the two shareholders by a jointly-appointed investment services provider;
- of the subscription on an irreducible basis of increases in the capital of Natixis while maintaining preferential subscription rights, and of subscriptions of increases in the capital necessary to maintain the prudential equity capital of Natixis.

The shareholders shall meet every two years with effect from the date of signature of the agreement in order to re-examine the best way to ensure the durability and stability of their agreement and the stability of their investments in the capital of Natixis, whether by the creation of a joint holding company to which they would transfer their respective investments in the capital of Natixis, or by the extension of the 10-year stability period.

Right of pre-emption in the event of non-renewal of the stability period

In the event that either of the shareholders gives notice of its decision not to renew the stability period (inalienability and upper limits) for a further period of five years at the end of the initial period of 10 years (or of a tacit extension of that initial term), any transfer of securities that the said shareholder planned to carry out will be subject to a right of pre-emption of the other shareholder.

In order to guarantee compliance with this stability obligation, Natixis shares owned by each of the shareholders have been registered in pure registered accounts on the books of the Company and a custody agreement has been entered into with a financial institution, under the terms of which the company can only transfer those shares upon the instructions of the said financial institution given under the conditions provided by its agreement.

Ownership by the parties of a strictly identical number of Natixis shares

In the event that either of the shareholders owns a number of shares in excess of the number of shares owned by the other shareholder, that shareholder shall waive its voting rights in respect of the excess shares, and undertakes to sell them at the latest on the fifth trading day following the date of their acquisition. In default, that shareholder:

- shall be solely responsible for the costs and obligations resulting there from pursuant to the applicable stock exchange regulations, particularly as regards the compulsory filing of a takeover bid for Natixis;
- undertakes (by way of a sale undertaking) to sell half of the excess shares thus owned to the other shareholder, at a price equal to their par value.

Prohibition on the conclusion of new agreements constituting a concert party

In addition, the shareholders undertake throughout the stability period of 10 years (as potentially extended) not to enter into any agreement relating to Natixis and constituting a concert party with a third party.

Governance of Natixis

Composition of company bodies

The shareholders' agreement is intended to guarantee the principle of parity of representation of the two shareholders on the Supervisory Board of Natixis.

The Supervisory Board of Natixis is composed of 18 members of whom 7 are appointed on a proposal from BFBP and 7 are appointed on a proposal from CNCE, 4 independent members being appointed on a joint proposal from BFBP and CNCE. The

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Supervisory Board is chaired alternately by a representative of one of the two shareholders for a period of six financial years. The first Chairman of the Supervisory Board is Mr. Charles Milhaud. The Vice-Chairman of the Supervisory Board is a representative of the shareholder whose representative is not the Chairman of the Supervisory Board. The two shareholders are represented equally on the Audit Committee and on the Remuneration Committee, each of which has six members of whom two are appointed on a proposal from CNCE and two on a proposal from BFBP, two independent members being appointed jointly by CNCE and BFBP.

The Management Board is composed of between 2 and 7 members appointed for a term of six years by the Supervisory Board (on a proposal from the Executive Chairman in the case of the other members). They are chosen according to competence criteria without distinction according to the group to which they belong.

The Executive Chairman is appointed by the Supervisory Board for a term of six years. The first Chairman of the Management Board is Mr. Philippe Dupont. The dismissal of all or any of the members of the Management Board by the general meeting of shareholders requires the prior agreement of the two shareholders.

Operations requiring the prior approval of the Supervisory Board

Certain major decisions are subject to the prior authorization of the Supervisory Board, which makes its decisions by a simple majority of the members present and represented, or in the case of certain operations classified as “essential decisions”, by a dual majority **(i)** of the members presents and represented and **(ii)** of the members representing each of the two shareholders.

Essential decisions are:

- the appointment and dismissal of the Executive Chairman;
- the dismissal and, on a proposal from the Executive Chairman, the appointment of the other members of the Management Board;
- the decision to appoint one (or two) member(s) of the Management Board as Chief Executive Officer;
- the withdrawal of the position of Chairman or Chief Executive Officer from a member of the Management Board;
- any acquisition or increase of a shareholding, or any investment or disinvestment (including the transfer of the CCI issued by Caisses d’Epargne or Banques Populaires) or the constitution of a joint venture by Natixis or any of its subsidiaries, for an amount in excess of €150 million;
- any asset transfer, merger or spin-off transaction to which Natixis or any of its subsidiaries is a party;
- any increase in the capital stock of Natixis, immediate or future, while cancelling preferential subscription rights, including the allocation of options to subscribe for shares or of free new shares;
- the proposal of any amendment of the bylaws to the general meeting of shareholders.

In the event of disagreement relating to an essential decision, the matter will be referred to the Chairmen and, if applicable, the Supervisory Boards and Boards of Directors (as the case may be) of each of the shareholders in order for them to consult and arrive at a joint position. If the disagreement persists at the time of a second meeting of the Supervisory Board of Natixis, the essential decision concerned will not be implemented, without either of the two shareholders having the benefit of an exit right.

Consultation

BFBP and CNCE shall consult before each general meeting of shareholders of Natixis in order, as far as possible, to arrive at a joint position on the resolutions submitted to the vote of the shareholders.

Governance of the principal subsidiaries

The shareholders’ agreement entered into on November 17, 2006 provides for the appointment of the directors (Management Board, General Management) of the principal subsidiaries of Natixis (namely, Ixis Corporate & Investment Bank, Ixis Asset Management Group, Coface and Natexis Asset Management) to be subject to the prior approval of the Supervisory Board.

Furthermore, the Supervisory Board (or Board of Directors) of the principal subsidiaries of Natixis shall be composed, in addition to the members representing the Management Board of Natixis, of an equal number of members appointed on a proposal from BFBP and members appointed on a proposal from CNCE.

Distribution of dividends

Subject to the existence of distributable profits and reserves and the applicable prudential rules, and save in exceptional circumstances, BFBP and CNCE are committed (i) to proposing to every general meeting of shareholders convened for the purpose of approving the financial statements of Natixis a distribution of dividends in an amount at least equal to 50% of the net consolidated profit in respect of each financial year (50% of the net pro forma profit for the financial year 2006) and (ii) to voting in favor of such a distribution at general meetings of Natixis shareholders.

Maintenance of prudential equity capital

The agreement contains a commitment on the part of BFBP and CNCE, for as long as they remain shareholders of Natixis, and including in the event of disagreement between them, to contribute any funds that may be necessary for Natixis to comply with the provisions of banking legislation and regulations as regards prudential equity capital.

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Entry into force, term

The agreement entered into force on November 17, 2006 for a term of 15 years. Each of the two shareholders may, however, terminate the stability period (inalienability and upper limits) after a period of 10 years, subject to giving prior notice of 6 months.

At the end of the period of 15 years, the agreement will automatically be renewed for successive periods of five years (including the stability period if one of the two shareholders has not terminated it in accordance with the terms and conditions mentioned above), unless notice to terminate is given by either of the two shareholders at least 6 months before its expiry.

THE MARKET IN NATIXIS SHARES

Market listings

Natixis shares are traded on the Eurolist by Euronext Paris (compartment A) and are eligible for deferred settlement (Isin code: FR0000120685).

Natixis shares form part of the SBF 120, SBF 250 indices, and, since March 1, 2007, of the CAC Next20 index.

Market in the shares

TRENDS IN AVERAGE MONTHLY PRICES AND TRADING VOLUMES SINCE SEPTEMBER 2005

Year	Month	Average price (€)	High (€)	Low (€)	Number of shares traded	Capital traded (€ 000s)
2005	September	120.60	126.50	112.60	540,474	65,946
	October	124.81	127.00	121.80	441,410	55,267
	November	129.87	139.60	125.00	448,349	58,915
	December	138.60	140.80	137.00	342,008	47,611
2006	January	142.96	159.00	138.10	421,537	61,011
	February	158.37	180.00	141.20	455,114	74,193
	March	201.30	229.50	172.90	1,357,748	281,360
	April	215.25	225.80	207.00	691,857	150,441
	May	198.07	216.70	170.00	1,279,042	249,568
	June	183.89	205.60	173.00	972,295	179,330
	July	185.06	192.80	175.00	878,730	163,134
	August	197.12	205.00	190.50	444,817	87,668
	September	206.10	225.00	194.50	670,959	139,127
	October	223.07	237.70	213.00	1,120,629	250,741
		Division of the nominal value by 10 on November 17, 2006				
	November	21.42	22.78	20.25	5,987,035	308,719
	December	21.20	21.92	19.55	189,516,752	3,802,902
2007	January	22.17	23.19	21.25	40,437,887	901,243
	February	21.58	22.24	19.75	29,638,961	637,964

Natexis Banques Populaires was informed that an administrative investigation was commenced on November 28, 2005 by the Secretary-General of the Autorité des marchés financiers (AMF) concerning the market in Natexis Banques Populaires shares from July 1, 2004 onwards. This investigation led to inspections at the premises of Natexis Banques Populaires and Banque Fédérale des Banques Populaires on February 22, 2006. Since that date the investigation has not been pursued, as far as Natixis is aware.

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DIVIDENDS

Dividends not claimed within the legal limitation period of five years become the property of the State.

Dividends distributed in respect of the last five financial years:

Financial year ending	Dec. 31, 2002	Dec. 31, 2003	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2006
Number of shares comprising the capital stock	47,442,837	48,045,139	48,255,962	48,995,480	1,219,864,330
Net dividend per share	€1.50	€2.50	€3.30	€5.00	€0.86*

** This proposal – which takes into account the division of the nominal value of the shares by 10 – will be submitted to the general meeting of shareholders on May 24, 2007.*

Natexis Banques Populaires had offered its shareholders the option receiving their dividend in the form of shares in the case of dividends paid in 2006 in respect of the financial year 2005.

Dividends to be paid by Natixis in 2007 in respect of the financial year 2006 will be paid in cash.

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MAJOR CONTRACTS

A - Description of the principal provisions of the Banques Populaires CCI Agreement

The principal provisions of the Banques Populaires CCI (cooperative certificates of investment) Agreement signed on September 26, 2006 by Natexis Banques Populaires, BFBP and all the Banques Populaires, are as follows:

1. Restrictions on the free transferability of the Banques Populaires CCI

The Banques Populaires CCI are freely negotiable. However, the sale of Banques Populaires CCI must be approved in advance by the Board of Directors of the Banque Populaire concerned, under the conditions provided below.

In order to obtain approval, the vendor must notify the Banque Populaire concerned of its request for approval, indicating the identity of the purchaser, the number of Banques Populaires CCI of which the sale is envisaged and, if applicable, the price offered and the terms of payment of the price.

Approval of the sale of the Banques Populaires CCI will be given either in the form of a notice to the vendor of the decision of the Board of Directors of the Banque Populaire concerned, or will be deemed to have been given in the absence of a reply within a period of one month with effect from the date of receipt of notice of the proposed sale.

In the event that approval is refused, and in default of abandonment by the vendor of its proposed sale, the Banque Populaire whose CCI are the subject of the proposed sale must buy back the said Banques Populaires CCI (with the consent of the vendor) or must arrange for them to be purchased by a third party, at a sale price that takes account of the proportion of the net assets to which the Banques Populaires CCI confer a right, and which complies with the valuation methods used to value the Banques Populaires CCI at the time of their issue. In the absence of agreement between the vendor and the Banque Populaire concerned, the purchase price of the Banques Populaires CCI will be determined by an expert.

2. Consolidation of the investment of Natixis in Banques Populaires

Natixis, which will have considerable influence over the Banques Populaires in terms of compliance with the rules of governance and internal organization within the Banque Populaire Group, compliance with contractual commitments previously entered into within the Banque Populaire Group and compliance with the principles determined therein, will arrange the consolidation of the accounts of the Banques Populaires CCI by the equity method.

Since the Banques Populaires CCI do not carry voting rights, the particular influence of Natixis over the Banques Populaires will be characterized **(i)** by its legal influence arising from Natixis having the means to assess and make known its assessment of the consequences for Natixis of operational and financial management decisions made by the Banques Populaires, and **(ii)** by its “de facto” influence arising from the industrial and technical cooperation between the Banques Populaires and Natixis.

The particular legal influence of Natixis over the Banques Populaires will arise particularly from the following provisions of the Banques Populaires CCI Agreement:

(i) the extension of the mission of the federal representative representing BFBP on the Boards of Directors of the Banques Populaires to take into account the interests of

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Natixis in terms of the consistency of the development of each Banque Populaire with the objectives of Natixis;

(ii) the representation of Natixis on the Audit and Group Risks Committee of BFBP (whose mission will be extended to examine the operational and financial relationships existing between Natixis and the Banques Populaires, having regard to the investment of Natixis in the capital of the Banques Populaires), and on the Group Technology Committee, the Group Development Committee and the Strategic Committee acting under the authority of the Board of Directors of BFBP;

(iii) the prior consultation of Natixis in its capacity as a non-voting director as of right on the Board of Directors of BFBP, for all decisions of the Board of Directors which relate to its mission as the central body of the Banques Populaires network of BFBP (in particular, definition of the policy and strategic direction of the Banques Populaires network, the negotiation and conclusion of national and international agreements on behalf of the Banques Populaires network, the approval of the directors of the Banques Populaires, the approval of increases in the capital, of bond issues and of acquisitions and sales of investments, and the centralization of cash flow surpluses of the Banques Populaires and their refinancing);

(iv) the right of Natixis to request a second resolution in the event that the Board of Directors of BFBP decides not to follow the advice given by Natixis on a decision likely to cause harm to its fundamental interests;

(v) the right of Natixis to full and complete information regarding the operational and financial management of the Banques Populaires;

(vi) the rights of Natixis in respect of the audit of the Banques Populaires, and particularly the association of Natixis, in its capacity as a non-voting director, with the decisions taken by the Board of Directors of BFBP relating to administrative, technical and financial control of the organization of the management of the Banques Populaires;

(vii) the delegation of powers by BFBP to Natixis as regards the definition of standards and methods of assessment of risks common to BFBP, CNCE and Natixis.

3. The right to buy back the Banques Populaires CCI

The Banques Populaires CCI may be bought back from Natixis on the initiative of each Banque Populaire, without the prior authorization of the special general meeting of CCI holders and with the prior authorization of the Board of Directors of BFBP, in the following circumstances:

- any substantial alteration in the balance of the respective shareholdings of BFBP and CNCE in Natixis and/or an end to the joint control exercised by CNCE and BFBP over Natixis;
- any reform of 1947 Law involving a substantial alteration of the rights of CCI holders.

In addition, in the event that legislative or regulatory changes or changes in the assessment of the regulators concerned or of the statutory auditors of Natixis should make it necessary to increase the influence of Natixis or to alter it significantly in order to enable the consolidation of the Banques Populaires CCI by Natixis to be maintained, Natixis must submit the precise terms of the changes made necessary to the Banques Populaires in order for them to be able to determine whether they should integrate the new aspects of influence in their arrangements or whether they should decide, on receiving prior authorization from the Board of Directors of BFBP, to exercise their right to buy back the CCI that they have issued.

The buyback value of the Banques Populaires CCI will be calculated using the method of valuation used when they were issued, particularly as regards the calculation of revalued net assets, and must take account of the profitability of the Banques Populaires and of the proportion of the net assets to which the CCI confer a right. In the absence of agreement between Natixis and the Banque Populaire concerned, this buyback value will be determined by an expert.

4. Technical and industrial cooperation between Natixis and the Banques Populaires

Natixis and the Banques Populaires have agreed to maintain existing industrial and commercial relations for a period of at least 10 years with effect from the date of subscription of the Banques Populaires CCI.

In particular, the provision of the following services currently provided by Natexis Banques Populaires to the Banques Populaires will be maintained:

- the provision of computer infrastructures;
- the provision of industrial services (custodial services, payment systems, operational management of currency accounting);
- the design and management of customer products on behalf of the Banques Populaires (asset management, the whole range of insurance (life, providence, fire, accident and other risks), factoring and lease financing, financial planning, expansion capital, employee benefits planning (and particularly employee savings), international planning, credit insurance and commercial information (Coface)).

During this period, Natixis has undertaken to provide its services at the market price and on market conditions. If the Banques Populaires consider that the products and/or services provided by Natixis are not competitive, the matter will be referred to BFBP which may, if necessary, commission an expert to carry out an external assessment and, if appropriate, to propose measures to improve the competitiveness of the said products and/or services.

Upon the expiry of the period of 10 years provided above, either of the parties may terminate, in whole or in part, the existing commercial and industrial relations and any other relations which might have been added in the meantime, in accordance with the special contractual provisions governing those relations and subject to giving one year's prior notice.

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B - Description of the main provisions of the Caisses d'Epargne CCI Agreement

An agreement relating to the CCI issued by the Caisses d'Epargne and transferred to Natexis Banques Populaires will be entered into by each Caisse d'Epargne et de Prévoyance and by CNCE, SNC Champion and Natexis Banques Populaires, before the end of October 2006 (hereinafter the "Caisses d'Epargne CCI Agreement"), after approval by the steering and supervisory board of each of the Caisses d'Epargne.

The principal provisions of the Caisses d'Epargne CCI Agreement are as follows:

1. Restriction on the free transferability of the Caisses d'Epargne CCI

The Caisses d'Epargne CCI Agreement provides that the transfer of all or part of the Caisses d'Epargne CCI by Natixis shall be subject to the prior agreement of CNCE.

In the event that CNCE agrees to the transfer of the Caisses d'Epargne CCI, their transfer will be subject to a first-ranking right of pre-emption held by CNCE and then by the issuing Caisses d'Epargne (subject to the authorization of the banking authorities) with an option to substitute a third party approved by CNCE.

2. Consolidation of the investment of Natixis in Caisses d'Epargne

Natixis, which will have considerable influence over the Caisses d'Epargne in terms of compliance with the rules of governance and internal organization within the Caisse d'Epargne Group, compliance with contractual commitments previously entered into within the Caisse d'Epargne Group and compliance with the principles determined therein, will arrange the consolidation of the accounts of the Caisses d'Epargne CCI by the equity method.

Since the Caisses d'Epargne CCI do not carry voting rights, the particular influence of Natixis over the Caisses d'Epargne will be characterized **(i)** by its legal influence arising from Natixis having the means to assess and make known its assessment of the consequences for Natixis of operational and financial management decisions made by the Caisses d'Epargne provided for in the Caisses d'Epargne CCI Agreement, and **(ii)** by its "de facto" influence arising from the industrial and technical cooperation between the Caisses d'Epargne and Natixis, organized by the Caisses d'Epargne CCI Agreement.

The particular legal influence of Natixis over the Caisses d'Epargne will arise particularly from the following provisions of the Caisses d'Epargne CCI Agreement:

(i) the extension of the mission of the non-voting director representing CNCE on the steering and supervisory boards of the Caisses d'Epargne to take into account the interests of Natixis in terms of the consistency of the development of each Caisse d'Epargne with the objectives of Natixis;

(ii) the representation of Natixis on the Group Risks Committee (and its sub-committees), on the Group ALM Committee and on CNCE Committees for the approval of new customer and financial products acting under the authority of CNCE's Management Board;

(iii) the prior consultation of Natixis in its capacity as a non-voting director as of right on the Supervisory Board of CNCE, for all decisions of the Supervisory Board which relate to its mission as the central body of CNCE's Caisses d'Epargne network (in particular, definition of the policy and strategic direction of the Caisses d'Epargne network, the negotiation and conclusion of national and international agreements on behalf of the Caisses d'Epargne network, the approval of the directors of the Caisses d'Epargne, the approval of increases in the capital, of bond issues and of acquisitions and sales of investments, and the centralization of cash flow surpluses of the Caisses d'Epargne and their refinancing);

(iv) the right of Natixis to request a second resolution in the event that the Supervisory Board of CNCE decides not to follow the advice given by Natixis on a decision likely to cause harm to its fundamental interests;

(v) the right of Natixis to full and complete information regarding the operational and financial management of the Caisses d'Epargne;

(vi) the rights of Natixis in respect of the audit of the Caisses d'Epargne, and particularly the association of Natixis, in its capacity as a non-voting director, with the decisions taken by the Board of Directors of CNCE relating to administrative, technical and financial control of the organization of the management of the Caisses d'Epargne;

(vii) the delegation of powers by CNCE to Natixis as regards the definition of standards and methods of assessment of risks common to BFBP, CNCE and Natixis.

3. Technical and industrial cooperation between Natixis and the Caisses d'Epargne

There are numerous economic ties between the Transferred Subsidiaries and the Caisses d'Epargne and these are likely to continue and to develop with the creation of Natixis.

In particular, the Transferred Subsidiaries provide the Caisses d'Epargne with the following services:

- custodial services;
- the design and management of customer products (asset management, revolving credit, guarantee insurance for borrowers, factoring and equipment leasing, financial planning and market products, local authority financing, debt management; and
- securities and derivatives brokerage.

Natixis and the Caisses d'Epargne will maintain and develop their close cooperation in industrial and commercial areas.

In the context of the development of this industrial and commercial cooperation, Natixis and the Caisses d'Epargne

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have agreed to maintain the existing industrial and commercial relations described above for a period of at least 10 years with effect from the Date of Completion.

Upon the expiry of this period, either of the parties may terminate, in whole or in part, the commercial and industrial relations described above and any other relations which might have been added in the meantime, in accordance with the special contractual provisions governing those relations and subject to giving one year's prior notice.

4. The right to buy back the Caisses d'Epargne CCI

Under the terms of the Caisses d'Epargne CCI Agreement, Natixis undertakes to sell the Caisses d'Epargne CCI to CNCE or to the Caisse d'Epargne concerned, in accordance with the terms and conditions defined below, without the prior authorization of the special general meeting of the holders of Caisses d'Epargne CCI, in the following circumstances:

(i) any substantial alteration in the balance of the respective shareholdings of BFBP and CNCE in Natixis and/or an end to the joint control exercised by CNCE and BFBP over Natixis after the completion of the Operation;

(ii) any sale and/or transfer of the Caisses d'Epargne CCI for any reason whatever, including in the event of a merger or spin-off of Natixis;

(iii) any reform of 1947 Law involving a substantial alteration of the rights of CCI holders;

(iv) any legislative or regulatory changes or changes in the assessment of the regulators concerned or of the statutory auditors of Natixis that makes it necessary to increase the influence of Natixis or to alter it significantly in order to enable the consolidation of the Caisses d'Epargne CCI by Natixis to be maintained, on the understanding that, in this event, Natixis must submit the precise terms of the changes made necessary to CNCE and the Caisse d'Epargne concerned in order for them to be able to determine whether they should they should integrate the new aspects of influence in their arrangements or whether they should decide to exercise their right to buy back the Caisses d'Epargne CCI.

In addition, without prejudice to the benefit of paragraph **(iii)**, in the event of a legislative amendment conferring a voting right on the holders of CCI, Natixis undertakes to act in concert with CNCE and the Caisses d'Epargne and with their agreement, to make the necessary adaptations while either maintaining the rights and characteristics of the securities issued, or replacing the Caisses d'Epargne CCI with securities having the same characteristics, and particularly without voting rights and with Natixis having the ability to consolidate the profit of the Caisses d'Epargne by the equity method in proportion to its investment in the capital.

In the event that CNCE and the Caisse d'Epargne concerned exercise their right to buy back the Caisses d'Epargne CCI in cases **(i)**, **(ii)** and **(iv)**, CNCE's right will have priority over that of the Caisse d'Epargne concerned.

In the event that CNCE and the Caisse d'Epargne concerned exercise their right to buy back the Caisses d'Epargne CCI in case **(iii)**, the Caisse d'Epargne's right will have priority over that of CNCE.

The buyback value of the Caisses d'Epargne CCI will be calculated using the method of valuation used when they were issued, and must take account of the proportion of the net assets to which the CCI confer a right. In the absence of agreement between Natixis and CNCE or the Caisse d'Epargne concerned, this buyback value will be determined by an expert.

C - Summary of the cross-undertakings of purchase and sale relating to the shares of Compagnie 1818 – Banquiers Privés entered into between Natixis on the one hand, and Foncier Participations, Crédit Foncier de France and Banque Palatine, on the other

On November 17, 2006, Natixis entered into purchase and sale undertakings with Banque Palatine, Foncier Participations and Crédit Foncier de France relating to the investments held by Banque Palatine, Foncier Participations and Crédit Foncier de France in the capital of Compagnie 1818 – Banquiers Privés.

Under the terms of these undertakings, Natixis undertook to purchase 238,480 shares representing 37.22% of the capital stock and voting rights of Compagnie 1818 – Banquiers Privés from Banque Palatine, Foncier Participations and Crédit Foncier de France. Banque Palatine, Foncier Participations and Crédit Foncier de France reciprocally undertook to sell their investment in Compagnie 1818 – Banquiers Privés to Natixis.

The total exercise price of the undertakings is €34,448,822 subject to certain adjustments in the event of a cash transfer, dividend distribution or reduction of the capital of Compagnie 1818 – Banquiers Privés.

The purchase undertakings will be exercisable between July 1 and August 31, 2008. The sale undertakings will be exercisable between September 1, 2008 and November 30, 2008.

HISTORICAL INFORMATION CONCERNING NATIXIS

Natixis was created following the transfer of the assets of CNCE (Caisse Nationale des Caisses d'Epargne et de Prévoyance) and SNC Champion (a wholly-owned subsidiary of Banque Fédérale des Banques Populaires) to Natexis

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Banques Populaires, which was approved by the shareholders of Natexis Banques Populaires on November 17, 2006.

Natexis Banques Populaires itself was created following the transfer of the operating activities of Caisse Centrale des Banques Populaires (CCBP) to Natexis S.A, which was approved by the shareholders of both entities in extraordinary general meetings held on July 27, 1999.

History of CCBP

CCBP was founded in 1921 to support the expansion of the Banque Populaire regional banks, and to conduct both institutional activities on behalf of the Banque Populaire regional banks (managing and monitoring their cash surpluses, special assignments on behalf of the Chambre Syndicale des Banques Populaires, bond and similar issuance) and banking activities in the competitive market sector.

In October 1997, CCBP acquired a 23.35% holding in Natexis S.A. This was followed by a friendly takeover bid as a result of which the Banque Populaire Group held 71.4% of Natexis S.A. on June 2, 1998.This percentage was raised to 74.36% at the end of 1998.

Following the transfer of its operating activities to Natexis S.A. in July 1999, CCBP became the Banque Fédérale des Banques Populaires (BFBP).

At the end of 1999, the Banque Populaire Group held 88.06% of the newly-formed Natexis Banques Populaires. At the end of 2000, its holding was reduced to 79.23% following a new share issue placed primarily with retail investors.

Under the law of May 15, 2001, BFBP replaced CCBP as the central body of the Banque Populaire Group.

History of the entities comprising Natexis S.A.

Founded in 1919, Crédit National initially focused on developing its business as a medium and long-term lender before branching out into related activities in order to offer its corporate clients a broader and more comprehensive solution to their needs.

During 1996, Crédit National increased its stake in Banque Française du Commerce Extérieur (BFCE) from 10.06% to 88% and then 100%. BFCE, which was founded in 1947, had focused on developing its commercial banking activities while gradually scaling back its export support activities on behalf of the French State.

In June 1997, Crédit National, now renamed Natexis S.A., transferred its entire commercial banking arm to BFCE, which was renamed Natexis Banque. Natexis S.A. became a holding company and was responsible for the consistency and strategic management of all Natexis Group activities.

Simplification and unification of legal structures

Natexis Banques Populaires was created in July 1999 following the transfer of CCBP's operating activities to Natexis S.A.

At their extraordinary general meeting on June 28, 2000, the shareholders of Natexis Banques Populaires approved the merger of Natexis Banque into Natexis Banques Populaires, with effect from June 30, 2000. As the transaction involved a wholly-owned subsidiary, it took place under the simplified merger regime and no new shares were issued.

Arrival of new shareholders in Natexis Banques Populaires in 2002

In May 2002, the German bank DZ Bank AG acquired shares in Natexis Banques Populaires as part of its partnership with the Banque Populaire Group.

In July 2002, pursuant to an agreement with Arnhold & S. Bleichroeder Holdings Inc. ("ASB"), Natexis Banques Populaires agreed to acquire the entire capital stock of Arnhold & S. Bleichroeder Inc. ("ASB"), a company incorporated under the laws of New York State, for the sum of USD105 million, payable in Natexis Banques Populaires shares.

At an extraordinary general meeting held on December 6, 2002, the shareholders of Natexis Banques Populaires approved all the provisions of this agreement, as well as the transfer value of the shares transferred by ASB. The shareholders also approved a capital increase of €22,417,312 to pay for the acquisition, through the issuance of 1,401,082 fully paid-up shares with a par value of €16 each.

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PERSONS RESPONSIBLE FOR THE SHELF-REGISTRATION DOCUMENT AND INFORMATION

Person responsible for the shelf-registration document

Philippe DUPONT

Executive Chairman of Natixis

Statement by the person responsible for the shelf-registration document

"To the best of my knowledge, the information contained in this shelf-registration document is true and accurate, and contains no omissions liable to impair its significance.

I have obtained a letter from the statutory auditors certifying the completion of their work, in which they indicate that they have verified the information relating to the financial situation and the accounts given in this report and have read the whole of the report."

Philippe Dupont

Person responsible for information

Pierre JACOB

Head of Investor Relations

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DOCUMENTS AVAILABLE TO THE PUBLIC

Documents relating to Natixis (deeds of incorporation, bylaws, reports, letters and other documents, historical parent company and consolidated financial information for each of the financial years preceding the publication of this document) are partially included in this document and may be consulted at the company's head office, preferably by appointment.

This shelf-registration document is available on the website of the Autorite of the Marches Financiers *(www.amf-france.org)* and under the heading "Shareholders and investors" on the company's institutional website at *www.natixis.com.*

Any person wishing to obtain additional information about Natixis can request documents free of charge and without obligation:

- by letter, from:

Natixis

Global Communications Direction

Investor Relations Department
Immeuble Arc-de-Seine
30, avenue Pierre Mendès-France
75013 Paris

- by telephone, from:

01 58 19 26 34 or 01 58 19 26 54

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CROSS-REFERENCE TABLE

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Pursuant to article 28 of Commission regulation No. (EC) 809/2004 of April 29, 2004, the following information is incorporated by reference in this registration document:

- the consolidated financial statements for the year ended December 31, 2005, the statutory auditors' report thereon and the Group management report, on pages 102 to 205, 206 to 207 and 69 to 95 of the registration document filed with the AMF on March 23, 2006 under number D.06-0152;
- the consolidated financial statements for the year ended December 31, 2004, the statutory auditors' report thereon and the Group management report, on pages 108 to 155, 156 to 157 and 83 to 106 of the registration document filed with the AMF on March 25, 2005 under number D.05-0285.

All other chapters of reference documents D.06-0152 and D.05-0285 are either of no material interest to investors or covered elsewhere in this registration document.

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GROUPE BANQUE POPULAIRE

A joint subsidiary
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